

**No. 1-35/IT/A & N /2009
Andaman and Nicobar Administration
Information Technology**

PRESS NOTE

The Information Technology Department of A & N Administration has drafted a policy for development and promotion of Information Technology enabled Services (ITeS). The draft ITeS Policy is placed in the website of A & N Administration www.and.nic.in

Suggestions are invited from interested persons, enterprises on the draft ITeS Policy. The suggestion may be sent to Secretary (IT), A & N Administration, Secretariat, Port Blair or Special Secretary (IT), Dr. BR Ambedkar Government Polytechnic Campus, Pahargaon, Port Blair latest by 20th July 2009 or may be emailed at ssit@and.nic.in, osdit1@and.nic.in, james@and.nic.in .

DRAFT IT & ITES POLICY
FOR ANDAMAN AND NICOBAR ISLANDS

1. MISSION & VISSION

1.1 Mission

The Mission of the IT & ITeS policy of Andaman and Nicobar is based on 6 E's i.e. **Education, Employment, Entrepreneurship, Electronic Governance, Economy and Equality.**

1.2 Vision

To make Andaman and Nicobar Islands a destination for IT and ITeS activities by 2012.

2. OBJECTIVES

- 2.1 To encourage and accelerate the investments and growth in IT hardware, software, training, IT enabled services, telecom, e-commerce and related sectors in the Union Territory.
- 2.2 To encourage the use of Information Technology in schools, colleges and educational institutions in the Union Territory of Andaman and Nicobar, so as to enable students to improve their skills, knowledge and job prospects and enable them to obtain employment in this sunrise industry.
- 2.3 To use IT in the process of Government functioning to bring about Simple, Moral, Accountable, Responsive and Transparent (SMART) governance to its citizens.
- 2.4 To use Information Technology for generating additional employment for the new digital economy and governance.
- 2.5 To facilitate localization of software, so that benefits of IT could percolate not only in the English language, but also in Hindi.

- 2.6 To use IT for heralding world class E-Tourism in the Union Territory.
- 2.7 To unleash the Andaman and Nicobar as incubation engine thereby promoting entrepreneurship, increasing foreign exchange earning and increasing IT's contribution to the Union Territory GDP.
- 2.8 To encourage flow of investments including Foreign Direct Investment

3. Policy Parameter and Package of Incentives

3.1 Policy Parameter

To declare all IT software and service industries including Services and Training Institutions in IT as "Industry". Such units to be made eligible for all concessions and incentives applicable to Industries.

a. Facilitator:

- a.1 The Directorate of Industries shall act as single window facilitator for the development of IT related Industries in the Union Territory viz. IT hardware, IT Enabled Services, IT Services. This includes creation of High-Speed Data Communication (HSDC) facilities in the Union Territory including laying of undersea optical fiber cable for use by the IT Industry; establishment of Software Technology Park, coordination with the related Departments of Central/Union Territory Government etc.
- a.2 The Directorate of Industries shall act as Single Window Agency. Applications for setting up an IT Industry are put up for one time approval of Union Territory Level Single Window Committee headed by the Secretary (Inds). A dedicated set of officials in Industries Department shall assist the entrepreneurs in getting all statutory and other clearances.

B. FACILITIES

B.1 Infrastructure

- b.1.1 To Earmark suitable land of around 100 acres at appropriate place in South Andaman for attracting investments in the IT sector for allotment among the proposed IT enterprises at nominal lease rent.
- b.1.2 To set up, a modern Software Technology Park (STP) at an appropriate location within South Andaman under the Software Technology Parks of India (STPI) scheme of Ministry of Information Technology.
- b.1.3 To establish an international convention centre at Port Blair within the STP premises with facilities to host international IT exhibitions, seminars and conferences as a part of the Hi-Tech City.

B-2 e.Governance

- b.2.1 The Society set up to promote e-Governance, an autonomous Society for IT and E-Governance (SOVETECH) shall take up the task of coordinating with various Government Agencies in implementing NeGP Mission Mode Projects.
- b.2.2 Capacity Building Project initiated by the Government of India shall also used for enhancing the capacity of SeMT and PeMT besides fine tuning IT road map for different departments and for suggesting ways for process re-engineering.
- b.2.3 To set up Common Service Centers (CSC's) across the Union Territory which shall act as one-stop shop information resource and service centre for the people in the Union Territory using simple but State -of-the-art methods of organizing, sharing, and communicating information
- b.2.4 To implement a comprehensive telemedicine network to provide instant medical advice and facilities to the citizens of the Union Territory, irrespective of the location.

B.3 Capacity Building and Training

- b.3.1 To make knowledge of word processing compulsory for the category of steno-typists and LGC's after 2009. For the employees already in service, suitable training modules to be prepared and training imparted accordingly. Passing of the test in computer proficiency of a specified level shall be made mandatory.
- b.3.2 To systematically promote the local language (Hindi) initiative for information dissemination and for extension of citizen services.
- b.3.3 To impart training to government employees through Govt. Polytechnic / NIC
- b.3.4 To make Computer education in Schools mandatory for students from Class VI and above in all Government Schools.

3.2 Package of Incentives

- 3.2.1 To extend all other incentives as available to Micro and Small Enterprises (MSE) to IT and ITeS Enterprises treating them as MSE.
- 3.2.2 To provide Industrial power tariff and all other admissible incentives and concessions applicable to industries in respect of power shall be applicable to the IT industry.
- 3.2.3 IT Software and IT Services companies, being the constituents of the knowledge industry, are exempted from routine inspection by the inspectors from different departments in line with the approved policy of Government of India.
- 3.2.4 To allow self-certification as far as possible for the IT Software Industry under various labour laws.
- 3.2.5 To accord General permission to run a three-shift operation to the IT Software and Services industry. Permission is accorded for women workers engaged in IT Software and Services industry to work in three shifts. IT Industries shall also be declared as "Public Utility Service"

- 3.2.6 To extend Income Tax exemption / concession, Central Excise exemption as available for IT and ITeS Enterprises in North East States.
- 3.2.7 To provide Interest free loan for capital investments and working capital requirements for setting up IT and ITeS enterprises including Information & Communication Technology Industry, Computer hardware, Call Centers.
- 3.2.8 To permit IT and ITeS enterprises to create unlimited back up power and also seek permission for captive power generation. Subject to a negative list to be brought out by the Union Territory Pollution Control Board (e.g. generator sets of very high capacity, effluent discharge in case of manufacturing units), there shall be no need of obtaining consent to establish and consent to operate.
- 3.2.9 To extend 100% Income Tax exemption for initial five years and thereafter a rebate of 30% for a period of five years from the date of commencement of commercial production in line with such facility available in North East States.
- 3.2.10 To the create Venture Capital fund of Rs. 20 crore by Directorate of Industries in association with the Union Territory Financial Institution (ANIIDCO), SIDBI and other Financial Institutions to meet the equity requirements of the Small and Medium Enterprises / IT Startups.