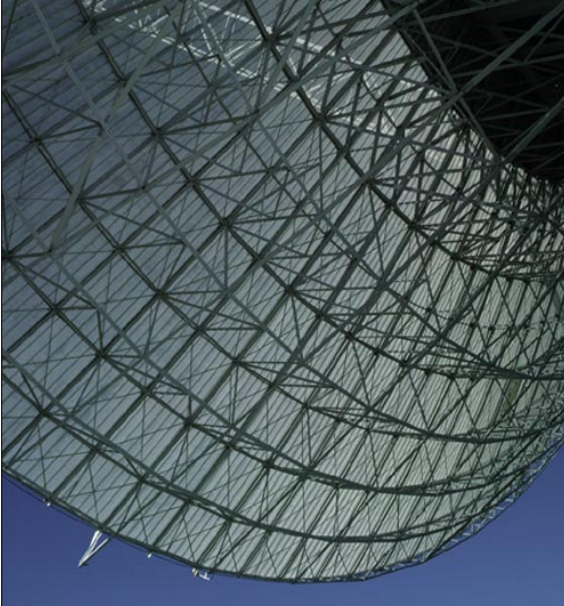


# Information Technology and ITES Policy



Government of Chhattisgarh

**Message from Dr. Raman Singh  
Hon'ble Chief Minister of Chhattisgarh**

Chhattisgarh has a dream of creating a knowledge society, by harnessing the power of Information and Communication Technology. A society that is driven by equal opportunity and social justice. A society where opportunities to its people are not hyphenated by their geographical location, education or social standing.

To achieve this dream, Chhattisgarh has enunciated many initiatives in the ICT sector, which will deliver significant benefits to the citizens and businesses. It is our stated vision of pioneering e-Governance initiatives in India that serve as a benchmark for others to follow.

This IT and ITES Policy is designed to provide fillip in achieving this vision and laying the foundation of a vibrant IT/ITES industry that harnesses the huge talent pool of the people of Chhattisgarh.

It is my governments endeavor to leave no stone unturned in implementing this policy in letter and spirit and I call for your support in participating in realization of our vision for a ***'e'nable Society effectively contributing to the Social and Economic Development of the State.***

***Raman Singh***

**Message from Shri. Amar Agrwal  
Minister for Information Technology  
Government of Chhattisgarh**

This IT and ITES Policy is culmination of our clear vision and goal of leveraging the potential of Information Technology for rapid social and economic development aimed at significantly improving the quality of life for all citizens of the State.

Chhattisgarh has already set a path of development that is distinct and is all inclusive. The IT&ITES policy prepared by us is reflective of the uniqueness of our State, wherein over 40% of our area is forest area and where over 40% of our population consist of schedule tribes.

This policy proposes to leverage the power of ICT to significantly strengthen our current e-Governance initiatives to ensure “Good Governance” is provided to every citizen of the state.

Our Policy is designed to create job creators rather than job seekers and to establish Chhattisgarh as the leading destination of choice for IT Investments at the same time creating an enabling environment that promoted a robust growth of local IT industry in the State.

**Amar Agrwal**

## Table of Contents

---

<b>1.0</b>	<b><i>Vision</i></b>	<b>.....2</b>
<b>2.0</b>	<b><i>Objectives</i></b>	<b>.....3</b>
<b>3.0</b>	<b><i>Development Strategies</i></b>	<b>.....4</b>
<b>4.0</b>	<b><i>Action Plan</i></b>	
4.1	<i>Technology enabled governance</i>	<b>.....6</b>
4.2	<i>Infrastructure and Human Resource Development.....</i>	<b>12</b>
4.3	<i>Extended government support for Information Technology development</i>	<b>.....15</b>
<b>5.0</b>	<b><i>Public Private Partnerships</i></b>	<b>.....18</b>
<b>6.0</b>	<b><i>Implementation and Monitoring Framework</i></b>	<b>.....18</b>

Chhattisgarh State with wide-ranging socio-economic disparities is now witnessing the ongoing Information Technology (IT) revolution. The Government of Chhattisgarh visions '**Vikas mool mantra, Aadhar loktantra**' ('**Driving Development through Democratic Governance**') and believes Information and Communication Technology (ICT) is a particularly important medium for the state in reaching out and improving livelihoods specially for its overwhelming SC / ST population across 44% forest area, which had largely remained untouched by modern development.

An overwhelming proportion of this population are dependent upon agriculture and forest for their basic livelihood. Despite significant bottlenecks of limited access to market related information, monsoon forecasts, government schemes, information on modern farming practices, etc agriculture and forest contribute significantly to the State's income. ICTs has the potential to significantly improve this contribution. In doing so, Government of Chhattisgarh seeks to create an IT environment in the state wherein investments in IT are not only encouraged but actively facilitated.

The purpose of this policy document is to set expectations for quality and excellence in state government services to citizens, state transactions with citizens and businesses, and internal state governmental operations / functions through the strategic deployment of information technologies, and a concentrated focus on the opportunities of the information and communication technologies. This policy is also to promote goals for states to achieve and to build on the work being done by the private sector and state organizations, use strategic thinking to suggest reasonable yet challenging goals for the state.

## **1.0 Vision**

---

The State of Chhattisgarh recognizes the importance of Information and Communication Technology as a key enabler in its economic development and improving the quality of life.

Accordingly, the State has prepared its IT policy with a vision of establishing an information society consisting of informed, active and therefore responsible citizens – the basic tenet of a true democracy. It seeks to provide all citizens widespread and easy access to government services, in the local language effectively addressing the existing digital divide and promoting entrepreneurs.

The State's IT Policy has been designed to achieve the Government's vision of creating an ***'e'enabled Society effectively contributing to the Social and Economic Development of the State***, where there are no islands of elitism or isolated conclaves of wisdom. The state seeks to create a knowledge society where access to information and knowledge would be symmetric amongst all seekers and users and every citizen must feel comfortable in accessing information through IT – directly or through public - private partnerships.

## **2.0 Objectives**

---

To realize its vision, the IT policy lays considerable stress on building a comprehensive IT infrastructure down to blocks and villages. This would not only help improve access, it would also help in bringing social development by supporting rapid economic development, facilitate distance education, improve levels of education and attract investment. The principle objectives of this IT policy are

1. To Create Job Creators Rather Than Job Seekers
2. To Establish Chhattisgarh As The Leading Destination Of Choice For IT Investments
3. To Provide An Enabling Environment For A Robust Growth Of Local IT Industry In The State
4. Covering Last Mile For Meeting Last Man's Needs
5. Empower Citizen And Promoting Public Trust In Government
6. Leveraging IT for Improving Governance In The State

7. Planning And Investing For The Future IT Requirements
8. Taking Internet To Masses For Facilitating Information Access
9. Use IT As An Enabler For Development In Non-IT Industries

To measure our progress in achieving our stated Vision for the IT sector, the State has set the following ambitious targets for itself:

- Ensure anytime and anywhere connectivity setting the stage for fostering a competitive IT Industry. This approach besides resulting in additional employment and raise incomes would lead to productivity and better services in other sectors.
- Provide all citizens widespread and easy access to government services at an affordable cost and in local language by setting up Integrated Service Delivery Centres across the entire state
- 100% IT literacy in all high schools and colleges in a phased manner
- 100% IT literacy in all schools in a phased manner
- Promote entrepreneurs, increase investment and employment and be a significant contributor in India's IT output by 2010

### ***3.0 Development Strategies***

---

To meet the objectives laid down in its Policy, the State will pursue three broad strategies.

#### **3.1 Technology enabled governance**

To kick-start the use of IT, develop the market for IT products and provide good governance, the Government would

maximise the use of technology in all its processes. In doing so Government Process Reengineering would be encouraged wherever necessary. An Electronic Government (e-government) would incorporate technological tools to set best-practice standards. IT would be used to significantly impact the quality of governance and as a strategic tool to simplify procedures and revamp and automate processes.

### **3.2 Infrastructure and Human Resource Development**

Quality infrastructure and trained human resources are critical for the growth of IT and IT Enabled Services (ITES). Chhattisgarh's human resources are the key to the State's future and prosperity. Sincere and hard working, the people of the State will be provided with every opportunity to participate in the 'brick' as well as the 'click' economy. Only by preparing all sections of society for future challenges can Chhattisgarh realise its full potential and promise. The State will build best-in-class education, training facilities and R&D infrastructure to equip its citizens accordingly. State will work towards establishment of software parks and extension of connectivity. State will also encourage private investment in IT infrastructure. An Information Technology University will be planned for development of human resources in the state.

### **3.3 Extended Government support for Information Technology Development**

Chhattisgarh has accorded very high priority to Information Technology. IT has been identified as a 'Special Thrust Sector' industry in the Industrial policy. There is scope for substantial growth of IT related industries in Chhattisgarh. Establishment of off-shore software development centres BPO centres, Call centres will be encouraged. The trouble free industrial, domestic environment of the state along with its excellent work culture and labour relations, is conducive to rapid growth of such industries, The State firmly believes that the cost of technology would be rationalised by large-scale acceptance and use of IT enabled applications. Towards this end, the State will ensure that appropriate financial and operational support is



extended to entrepreneurs and enterprises in the software and hardware industry.

## **4.0 Action Plan**

### **4.1 Action Plan - Technology Enabled Governance**

---

The State aims to make substantial investments in IT to promote its usage both within and outside Government. This will be done not only to drive the demand for IT services but also to bring efficiency and transparency in the working of Government.

#### ***4.1.1 Supportive Institutional Structure - CHiPS***

The Chhattisgarh infotech and biotech Promotion Society (CHiPS) has been set up to give impetus to IT growth in the State and implement initiatives for overall socio-economic development.

CHiPS ensures top-of-the-board institutionalised coordination and implementation of State's plans for enabling benefits of IT to every one. A Registered Society promoted by the State Government, it acts as the nodal agency and prime mover for propelling Information Technology and Biotechnology (including Bioinformatics) growth in Chhattisgarh. The Chief Minister of Chhattisgarh heads the High Powered Governing Council of CHiPS. The Council includes eminent persons from Knowledge and Technology sectors, representatives from Government of India and National Agencies, and key State Government Departments.

#### ***4.1.2 Departmental Computerization for enhanced Service Delivery Capability***

To facilitate computerisation in all departments, each department will have an IT working group, a Chief Information Officer (CIO) and a representative from CHIPS besides co-opting IT professionals on voluntary or contractual basis from other Departments or Agencies. There will a nodal officer for IT related matters in every Department

A major emphasis of the computerization in departments would be to ensure the investments in computerizations are directed at improving the service delivery capabilities of the Government departments. Towards this end the State would create an integrated government service delivery portal that provides all Government Services under one address. The overall architecture for e-Governance needs would be to ensure that the departmental architecture components are extensible and scalable to adapt to the changing environments. By creating a common delivery portal, the state also seeks to effectively address issues related to interoperability between departmental applications.

The state would ensure that all the investments in IT proposals are preceded by a clear definition of existing and targeted service levels. The state would also ensure that “citizens” are at the centre of IT initiatives.

Government Process Reengineering (GPR) is fundamental to any automation process. It is necessary to achieve dramatic improvements in critical measures of performance, such as cost, quality, service and speed. All departmental initiatives would need to clearly spell out proposal for process reengineering.

Some of the major e-governance initiatives undertaken by the State in this direction are mentioned below

- (i) **CHOICE**: CHOICE an acronym for Chhattisgarh Online Information System for Citizen Empowerment is in the implementation stage. CHOICE provides one stop solution, for anywhere, any time, based secure services for all the

requirements of citizen. CHOICE, equally stands for the choice available to citizens to avail services from public offices with care, courtesy and utmost ease. CHOICE centres will provide a wide range of services including connectivity, information, IT education, e-governance and e-commerce. The project involves a complete 360-degree view of all Citizen Government interactions.

- (ii) **GIS for Planning:** State has developed a very comprehensive Geographical Information System (GIS) having 37 layers. Using satellite data, natural resource mapping has been carried out on 1:50,000 scales based on satellite imageries and digital processing. The special data infrastructure includes natural resource maps, digital database, natural resource assessment and management and finally a decision support system for various Departments. The GIS system will be used for long term planning of the development of the state.
- (iii) **‘e-Gram Suraj’(Rural Good Governance):** A specific application for Panchayat & Rural Development Department has been created using indigenous handheld device called ‘Simputer’. ‘Sar Panch’ the people’s representatives at cutting edge level are being given automation support with the help of Robust application and data base. This data base would help in reflecting villager’s assessment on sectors like knowledge, health care, livelihood, social justice and entitled cultural natural resource.
- (iv) **‘Bhuiyan-The land’(Land record System):** The State is leveraging IT for computerisation of land records and its distribution. Presently the land records like B1 and Khasra details are being given on automated mode at Tehsil level. Very soon the distribution of computerised land details will be extended at the block level. The State is developing an application for capturing mutation from remote locations. The State is committed for computerised distribution of maps in the land records
- (v) **‘Gyan Vinimay & e-Classrooms’:** Chhattisgarh is the first State to create state of the art virtual classrooms for the Government Engineering colleges. Facility to be extended to the other institutions too. Connection between two classrooms

in the State at Engineering College Raipur & Department of IT, University of Bilaspur to IIT Kanpur has already been established. Further, eClass Room helps in up scaling the knowledge base and teaching standards of the key technical institutes.

- (vi) **Local Language solution:** State is committed for improving standards in local language solutions. For this purpose, State is willing to fund research and development also.
- (vii) **Smart Card:** CHIPS and Department of Transport, Chhattisgarh State are implementing 'Smart card based transport registration and driving license system'. Smart card based Transport MIS tender on BOOT model will be floated soon. Registration books and licences in 9 offices will be converted into digital form.
- (viii) **SWAN (State Wide Area Network):** For interdepartmental communication and data sharing within the state communication infrastructure has been planned under this project. The State presently have connectivity upto block level with data and video communication via VSAT under programme called ePanchayat. The State is committed to provide a high level bandwidth upto village level
- (ix) **e-Procurement:** State encourages to implement e-Procurement in all the Departments of the State to capture whole purchase cycle in the automated mode. The implementation of e-Procurement is now in the pilot stage in the five Departments of the State viz; Chhattisgarh State Infrastructure Development Corporation (CSIDC), Health Department, Public Works Department (PWD), Water Resource Department (WRD) and Chhattisgarh State Electricity Board (CSEB). It is expected that implementation will ensure faster processing, transparency, accountability and recurring Government saving.
- (x) **Groundwater Modelling System (GMS) & Watershed Modelling System (WMS):** GMS provide tools for every phase of groundwater simulation, including the site characterisation, model development, post processing, calibration, and visualisation.

- (xi) **e-Government Roadmap:** The state would develop a comprehensive e-Government Roadmap for Chhattisgarh. The roadmap comprises of the following components: (i) e-Government Vision, (ii) e-Government Strategy, (iii) e-Government Blue Print, (iv) e-Government Program and (v) e-Government Ecosystem.
- (xii) **Online Computerization of Treasuries in Chhattisgarh:** The Treasury project connecting all 63 Treasuries / Sub-Treasuries in the State into a WAN is underway. Treasury operations will become online, leading to better liquidity management and a hybrid State-wide network which will enable budgetary control on a day-to-day basis thus saving crores of Rupees right now being spent as interest costs annually.
- (xiii) **Information System for Chhattisgarh Commercial Tax Department:** For better management of revenue collection and budgetary control a comprehensive management information system has been designed and established in the State of Chhattisgarh for Commercial Tax Department. This system include MIS for better functioning, networking between different offices in the state and centrally managed data centre.
- (xiv) **State Wide Video Conferencing:** Video conferencing system has been established between 'Mantralaya' and all the 16 District Headquarters of the State. The network has been extended to Office of Resident Commissioner at New Delhi. This system is being used for better Governance, public grievance redressal and coordination with district offices by different departments.
- (xv) **Telemedicine:** A comprehensive telemedicine network would be launched which would also ride over State Wide Area Network. The objective of the State telemedicine net would be to provide instant medical advice and facilities to the citizens of the State, irrespective of the location. This would cover far-flung and tribal/ backward areas.
- (xvi) **Mission approach to State Capacity Building:** The mantra for introduction of IT in Government reduction in establishment expenditure. A scheme of incentives would be introduced to motivate all Government employees to become computer

proficient, Hardware supplies are being contracted with a compulsory clause on familiarization of employees in the operations. NISG (National Institute of Smart Governance) and other leading institutes have been identified as organizations to help 'Train the trainer' to create a resource pool within the state for e-government initiatives in the state.

State has given focused attention on capacity building. A part of this strategy the initiatives on capacity building focuses not only the top most layer of the administrative machinery pyramid *i.e* the political executive but also the humble class IV employees of the Government. In a very ambitious training programme, whole Government machinery including the political executives, senior bureaucrats and all class of Government employees including class IV are being given computer training.

In order to increase the capacities of the college students, e-Class room has been rolled out. For the benefit of school children, a very ambitious programme of creating "Centre of Excellence" for imparting education in each of the district headquarters is in an advanced stage of implementation. This "Centre of Excellence" will have the 60 seater state-of-art laboratory for imparting IT education for school children.

#### ***4.1.3 Focus on Content***

To ensure all citizens benefits from investments in ICT, the State will create an environment wherein every citizen will be able to access information through technology enabled tools. This will be done by designing user-friendly pages and by holding regular training sessions to make IT enabled services a part of the citizens' daily life.

As Hindi is the local language of the State all information over the Internet will also be made available in Hindi. This will help position the State as a leader for development of local language (Hindi) content for markets in North India. Information on services and citizen interface with respect to vehicle registration, land records, birth and death registration, employment exchanges, payment of excise duty, sales tax and

local tax, electronic bill payment of water and electricity, health records, etc., will be made over the Internet.

#### ***4.1.4 Integrated Service Delivery***

Designing and implementing an effective delivery system that addresses the issue of Digital Divide is one of the focus activities for the State. The Government would devise an cost effective and integrated service delivery model through establishment of common service centres funded and managed through innovative structures that would include Community Participation, Public Private Partnerships besides direct Government Support. Access to information is more important than the ownership of the means to access it - well-located centres in each village will ensure that rural connectivity is truly achieved.

#### ***4.1.5 Research, Development and Use of Open Source / Free Software***

The state government recognises the need to democratise the information technology ownership, control & use. It, therefore will promote use of open source / free software which may helps state to compliment / supplement proprietary software, for lowering the cost of IT ownership without compromising the quality of the application. The government will also facilitate research and development into the use of open source / free software in the field of education, governance and even for general use, to ensure to become true IT enabled society.

### **4.2 Action Plan - Infrastructure and Human Resource Development**

---

To ensure sustained development of IT over the long term, the State recognises the role of two key enabler's i.e. quality infrastructure and trained human resources. In order to address the issues relating to these two enablers, the State will undertake the following:

#### ***4.2.1 Develop basic infrastructure***

The State will ensure that the telephone density is improved to at least the national average. Apart from this basic necessity, microwave links, VSAT facilities, etc., will be established in a planned manner. The state already has an extensive fibre optic network.

The State will also design an attractive and economically viable model for acquiring more bandwidth. Towards this end the Government would implement the GoI planned initiatives of State Wide Area Network, State Data Centre and Common Service Centres for rural area under the proposed National e-Governance Plan. The State proposes to bring at least 2 Mbps connectivity to all blocks headquarters with wider connectivity to villages through use of technology such as Wi Max. Full access to databanks will enable departments to draw upon combined resources and experiences and also help in avoiding duplication of functions/services.

#### ***4.2.2 Develop Software Technology Parks and IT Cities***

State plans to capitalise opportunities available at International Gateway Hub and Software Technology Park (STP) operational at Bhilai. IT-enabled services, m-commerce, IT enabled support services, are the sectors which will be major areas of attention. Incentives and support will be provided to manufacturing units in computers, telecommunication equipment, entertainment, electronics and related ancillaries in Industrial Estates. Private hardware technology parks would also be promoted.

The State Government facilitates single window clearance and a universal over-riding permission that gives the right to enterprises to carry on with activities without barriers of any kind. Residential premises are allowed to set up IT units, particularly related to content industry and remote services. IT industries requiring electrical power up to 15 KVA can be established without any location restrictions. Procedures in respect of some of the existing regulatory legislation relating to labour, factories, shops and establishments for the IT related units have been rationalised.



As part of the long-term growth strategy for IT in the State, Bhilai, Raipur, Bilaspur Jagdapur, Raigarh Korba and Ambikapur would be developed as IT cities. To attract investments in these cities, norms for allotment of land will be made attractive.

#### ***4.2.3 Establish quality academic institutes and training centres***

Government will address the question of quality of IT education and also accreditation with a well defined target of increase of output of accredited IT professionals every year. Existing Engineering Degree Colleges, Polytechnics, ITI and other specialized institutions will be encouraged to expand their intake in Information Technology courses

The State will work towards establishing an IIIT with world class infrastructure. Networked computer laboratories will be made available in all government schools. State level and district level training centres will be set up with the participation of the private sector.

A comprehensive IT network will be established for colleges and universities. The State will design a “train the teachers” programme which will ensure that teachers in these academic institutions are in touch with the latest developments in the field.

National and international universities will be invited to work for software training and studies in universities in the State. The wealth of knowledge generated by the networked laboratories, academic institutions, etc., will be made available to people in electronic format (e.g. CD-ROMs), to ensure that it reaches those with limited or no access to networked services.

The state would make computer education compulsory in schools and colleges in phased manner. Information Technology will be used in school education in two distinct segments:

- Computer literacy and skills in information technology;
- Use of IT to enhance the effectiveness of teaching in other subjects.

Apart from this, the Education department will make IT education compulsory from class VI, covering all students from class VI level to degree level in a phased manner.

IT literacy will be gradually made an essential requirement for some categories in Government and Public Sector employment.

### **4.3 Action Plan - Extended Government support**

---

Besides providing quality infrastructure and developing human resources, the Government will take a number of initiatives to ensure that Chhattisgarh contributes substantially to the IT output of the country by 2010. This will not only ensure that IT contributes significantly to the economic development of the State but that it also helps sustain livelihoods and create extensive employment opportunities and upliftment of living standards. These initiatives include:

#### **4.3.1 IT as a Thrust Industry**

Information Technology has been identified as a special thrust industry and a number of incentives will be offered in line with the Industrial Policy of the State. All software industries including Services and Training Institutions in I.T. 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 Training Institutions will 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.

#### **4.3.2 Information Technology Promotion Agency**

To promote entrepreneurship and creating an institutional mechanism for supporting local initiatives, CHIPS would work as a high level Information Technology Promotion Agency. It would

focus on strengthening Research & Development efforts of the State and provide financial support for local entrepreneurs. To operationalize this, an Industry Consortium will be formed with active collaboration of the State Government, NRIs, leading industrial houses, software companies and venture capital companies to address the huge opportunity offered by IT enabled services and back office services. State will setup an incubation centre to provide infrastructure to local entrepreneurs.

### ***4.3.3 Enabling Environment and Incentives for IT and ITES Industry***

The State Government will endeavour to provide industry friendly and supportive working environment for the IT and ITES units in the State. Information technology, bio technology and advanced technology industry has been declared as Special thrust industries in state industrial policy and will be entitled for additional direct and indirect incentives, details of these are attached as annexure. Some on the incentives are -

- Interest subsidy on term loan and working capital paid by SSI & LMI units.
- Subsidy on Capital Investment by SSI, LMI and Mega units on Commercial Tax / CST paid within the State.
- Exemption from payment of electricity duty for new units.
- Eligible for exemption from stamp duty on acquisition of property.
- Exemption from payment of entry tax.
- Subsidy on Allotment of land premium.
- Subsidy for re-imbusement of expenses incurred on the project report after establishment of unit.
- Interest subsidy will be provided to the existing industrial units from the "Technology Upgradation Fund" on the term loan and working capital borrowed from financial institutions for technology upgradation.

- New small scale industries will be given full exemption from payment of land revenue on diverted land up to a maximum of 5 acres.
- Service charge for acquisition/transfer of land outside Industrial Areas.
- NRI and FDI investors will be eligible to get additional 5% directed incentives more than general category investors.
- Reimbursement of up to 50% of the fee paid up to Rs.75,000/- for an ISO or any equivalent national / international certification
- Reimbursement of up to 50% of the expenses incurred up to Rs.5,00,000/- for obtaining a patent

In addition to the above state IT industries will also get assistance from -

- A High Level Committee for grant of No Objection Certificates through a Single-Window system.
- Relaxations under Shops & Establishments Act for working hours, work shifts and employment of women.
- Applicability of all relaxations under the Industrial Disputes Act and Contract Labour Act to all IT and ITES units in the State on par with Special Economic Zones.
- Notifying IT & ITES units as continuous process units.
- Issuing special passes to vehicles transporting women workers of IT and ITES units during night times.
- Interest free loan for training to ITES units ensuring employment to youths of the state for a period of 2 years under 'Suchna Samarthys' Scheme.
- Suitably amending various laws, acts, rules etc. for facilitating submission of reports/returns in electronic formats.

- Permission to IT and ITES units for self-certification of reports and returns.
- Blanket exemption from pollution control regulations.

#### **4.3.4 IT Day**

To recognize the achievements of the IT and ITES industry of the State, one day of every year will be celebrated as the Chhattisgarh Information Technology Day. State awards for outstanding performance to IT and ITES units will be presented on this day.

### **5.0 Public Private Partnership for E-Governance**

---

The State recognizes the importance of Public Private Partnership in the implementation of e-Governance solutions. The guidelines for Public Private Partnership for e-Governance Services would include

- Permitted E-Governance services will be provided on a non-exclusive basis. Any private partner providing a permitted E-Governance service will not enjoy any exclusive right to do so and any other private partner seeking to provide any service may be permitted to do so as well.
- All E-Governance services provided may carry a user charge with prior approval of the Government. Such approval may be given on condition of specified sharing of user charge revenues with the Government.

The leveraging of ongoing projects would be made more cost and value effective with the use of IT. The Private sector resources would carefully dovetailed with their commercial interests and those of the Government to provide Value Added Services.

### **6.0 Implementation and Monitoring**

---

To guide and supervise implementation of this Policy, an Empowered Committee will be constituted. This Empowered Committee shall be competent to periodically review the list of products and services falling under IT and IT Enabled Services and amend such lists from time to time as required. CHIPS would serve as the secretariat to this empowered committee. The Empowered Committee, if necessary, will consult with or invite representatives of institutions like NASSCOM, STPI, Private IT Parks and others for its meetings.

## **Exemptions / Concessions for Promotion of Industrial Investment**

### **1. Interest Subsidy**

Interest Subsidy on term loan and working capital will be given to the small and medium–large industries as per the details given below. Interest subsidy will not be available to mega projects –

#### **A. Small Industry**

Category A - General area

75 % of the total interest paid up to 5 years, maximum limit Rs. 10 lac per annum. in the case of an industry set-up by scheduled caste / tribe category, @ 10% per annum up to 5 years, without any maximum limit, with the condition that the investor bears minimum 1% annual interest

75 % of the total interest paid up to 7 years, maximum limit Rs. 10 lac per annum.

in the case of an industry set-up by scheduled caste / tribe category, @ 10% per annum up to 7 years, without any maximum limit, with the condition that the investor bears minimum 1% annual interest

#### **B. Medium – Large Industry**

Region	Special thrust industry
Category A - General area	75 % of the total interest paid up to 5 years, maximum limit Rs. 20 lac per annum.  in the case of an industry set-up by scheduled caste / tribe category, @ 10% per annum up to 5 years, maximum limit Rs. 30 lac per annum, with the condition that the investor bears minimum 1% annual interest

Category B - Most backward scheduled tribe dominant areas	75 % of the total interest paid up to 7 years, maximum limit Rs. 40 lac per annum.  in the case of an industry set-up by scheduled caste / tribe category, @ 10% per annum up to 7 years, maximum limit Rs. 50 lac per annum, with the condition that the investor bears minimum 1% annual interest
---	---

## 2. Infrastructure cost / Fixed Capital Investment subsidy

Infrastructure cost / fixed capital investment subsidy will be provided to the small, medium–large and mega industries as per the details given below:-

### A. Small Scale Industry

Region	Special thrust industry
Category A - General area	25 % of total capital cost, maximum Rs. 25 lac 25 % of total capital cost in the case of scheduled caste / tribe category investors only, 35% of the total capital cost to the women investors of scheduled caste / tribe category, without any maximum limit
Category B - Most backward scheduled tribe dominant areas	25 % of total capital cost, maximum Rs. 35 lac in the case of scheduled caste / tribe category investors, 25% of total capital cost, 35% of the fixed capital investment to the women investors of scheduled caste / tribe category, without any maximum limit

### B. Medium – Large Industry

Region	Special thrust industry
--------	-------------------------



Category A - General area	35 % of the total capital cost, maximum amount equivalent to the amount of commercial tax / central sales tax paid in the state in 7 year period
Category B - Most backward scheduled tribe dominant areas	45 % of the total capital cost, maximum amount equivalent to the amount of commercial tax / central sales tax paid in the state in 9 year period

### C. **Mega Project**

Region	Special thrust industry
Category A - General area	35 % of the total capital cost, maximum amount equivalent to the amount of commercial tax / central sales tax paid in the state in 7 year period
Category B - Most backward scheduled tribe dominant areas	45 % of the total capital cost, maximum amount equivalent to the amount of commercial tax / central sales tax paid in the state in 9 year period

NOTE : For determination of the maximum limit of subsidy, such amount of commercial tax / central sales tax paid, in respect of which adjustment / refund has been claimed under the VAT scheme, shall not be included.

### . **Electricity Duty Exemption**

Exemption from payment of electricity duty will be given only to the new industries, as per the details given below. Expansion projects of the existing industrial units will not be eligible for exemption from electricity duty-

#### A. **Small Industry**

Region	Special thrust industry
Category A - General area	Total exemption for a period of 15 years from the date of commencement of commercial production

Category B - Most backward scheduled tribe dominant areas	Total exemption for a period of 15 years from the date of commencement of commercial production
---	---

**B. Medium – Large Industry**

Region	Special thrust industry
Category A - General area	Total exemption for a period of 15 years from the date of commencement of commercial production
Category B - Most backward scheduled tribe dominant areas	Total exemption for a period of 15 years from the date of commencement of commercial production

**C. Mega Project**

Region	Special thrust industry
Category A - General area	Total exemption for a period of 15 years from the date of commencement of commercial production
Category B - Most backward scheduled tribe dominant areas	Total exemption for a period of 15 years from the date of commencement of commercial production

**4. Exemption from Stamp Duty**

Exemption from payment of stamp duty will be given to the industries as per the following –

- (1) Exemption on the deeds executed for purchase / lease of land, shed and buildings for setting up an industrial unit,

- (2) Exemption on execution of deeds relating to loans and advances to be taken by the industrial unit up to a period of 3 years from the date of registration of the unit.

## 5. Exemption from Entry Tax

Industries will be given exemption from payment of entry tax for the period given below, computed from the date of commencement of commercial production or the date of availing of exemption for the first time, whichever is earlier-

### **Small Scale Industry / Medium–Large Industry / Mega Project / Very Large Project**

Region	Special thrust industry
Category A - General area	Exemption for a period of 7 years excluding the minerals obtained from captive quarry / mining lease in the State, Diesel and Petrol
Category B - Most backward scheduled tribe dominant areas	Exemption for a period of 9 years excluding the minerals obtained from captive quarry / mining lease in the State, Diesel and Petrol

## 6. Exemption / Concession in the Premium of Land allotted in Industrial Areas

Exemption will be given to investors in the premium of land allotted to them in the industrial areas, as per the details given below–

**A. Small Scale / Medium–Large Industry**

Region	Special thrust industry
Category A - General area	50 % exemption in land – premium 100 % exemption in land – premium for scheduled caste / tribe category investors
Category B - Most backward scheduled tribe dominant areas	50 % exemption in land – premium 100 % exemption in land – premium for scheduled caste / tribe category investors

**B. Mega Project**

Region	Special thrust industry
Category A - General area	50 % exemption in land – premium 100 % exemption in land – premium for the scheduled caste / tribe category
Category B - Most backward scheduled tribe dominant areas	50 % exemption in land – premium 100 % exemption in land – premium for the scheduled caste / tribe category

**NOTE:** To facilitate the free plot allotment to the members of the scheduled caste / tribe category, in industrial areas plots of land will be reserved for the members of these categories, up to 25 % in the General area and up to 50 % in the Most backward scheduled tribe dominant area.

**7. Project Report Subsidy**

New industries will, after their establishment, be given subsidy for re-imburement of expenses incurred on the project report, as per details given below–

## **Small Scale / Medium – Large / Mega Project**

Region	All industries
Category A - General area	only for scheduled caste / tribe category investors, one percent of the project cost, maximum limit Rs. 1 lac
Category B - Most backward scheduled tribe dominant areas	For all investors, cent percent amount of the expenses incurred for preparation of project report, maximum limit Rs. 2 lac

### **8. Interest Subsidy for Technology Upgradation**

Interest subsidy will be provided to the existing industrial units from the "Technology Upgradation Fund" on the term loan and working capital borrowed from financial institutions for technology upgradation, as per the details given below-

#### **A. Small Scale Industry**

Region	Special thrust industry
Category A - General area	40 % of the total interest paid for a period of 5 years, maximum limit Rs. 12.5 lac per annum
Category B - Most backward scheduled tribe dominant areas	40 % of the total interest paid for a period of 5 years, maximum limit Rs. 25 lac per annum

#### **B. Medium – Large Industry**

Region	Special thrust industry
--------	-------------------------

Category A - General area	40 % of the total interest paid for a period of 5 years, maximum limit Rs. 12.5 lac per annum.
Category B - Most backward scheduled tribe dominant areas	40 % of the total interest paid for a period of 5 years, maximum limit Rs. 25 lac per annum

C. **Mega Project**

Region	Special thrust industry
Category A - General area	--- Nil ---
Category B - Most backward scheduled tribe dominant areas	40 % of the total interest paid for a period of 5 years, maximum limit Rs. 25 lac per annum

9. **Exemption from Land Revenue on Land Diversion**

New small scale industries will be given full exemption from payment of land revenue on diverted land up to a maximum of 5 acres.

10. **Service Charges for Allotment of Land outside Industrial Areas**

10 percent service charges payable to District Collector for acquisition of private land and the service charges payable for acquisition of private land / allotment of government land by the Chhattisgarh Industrial Development Corporation outside the industrial areas will be reduced as follows—

- A. Service charges for acquisition of private land will be payable to the district administration @ 5 percent of the amount of award,
- B. Service charges for allotment of the acquired private land / government land to industries outside industrial areas will be payable to the Chhattisgarh Industrial Development Corporation @ 10 percent of the land value

#### **11. Quality Certification Subsidy**

On receiving ISO 9000, ISO 14000 or any equivalent national / international certification, expenses incurred thereon will be reimbursed to the extent of 50% or Rs. 75,000, whichever is less, to all new industries established in the State.

#### **12. Technical Patent Subsidy**

On obtaining a patent, expenses incurred thereon will be reimbursed to the extent of 50% or Rs. 5 Lac, whichever is less, to all new industries established in the State.