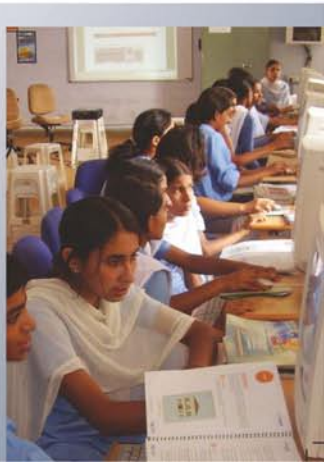
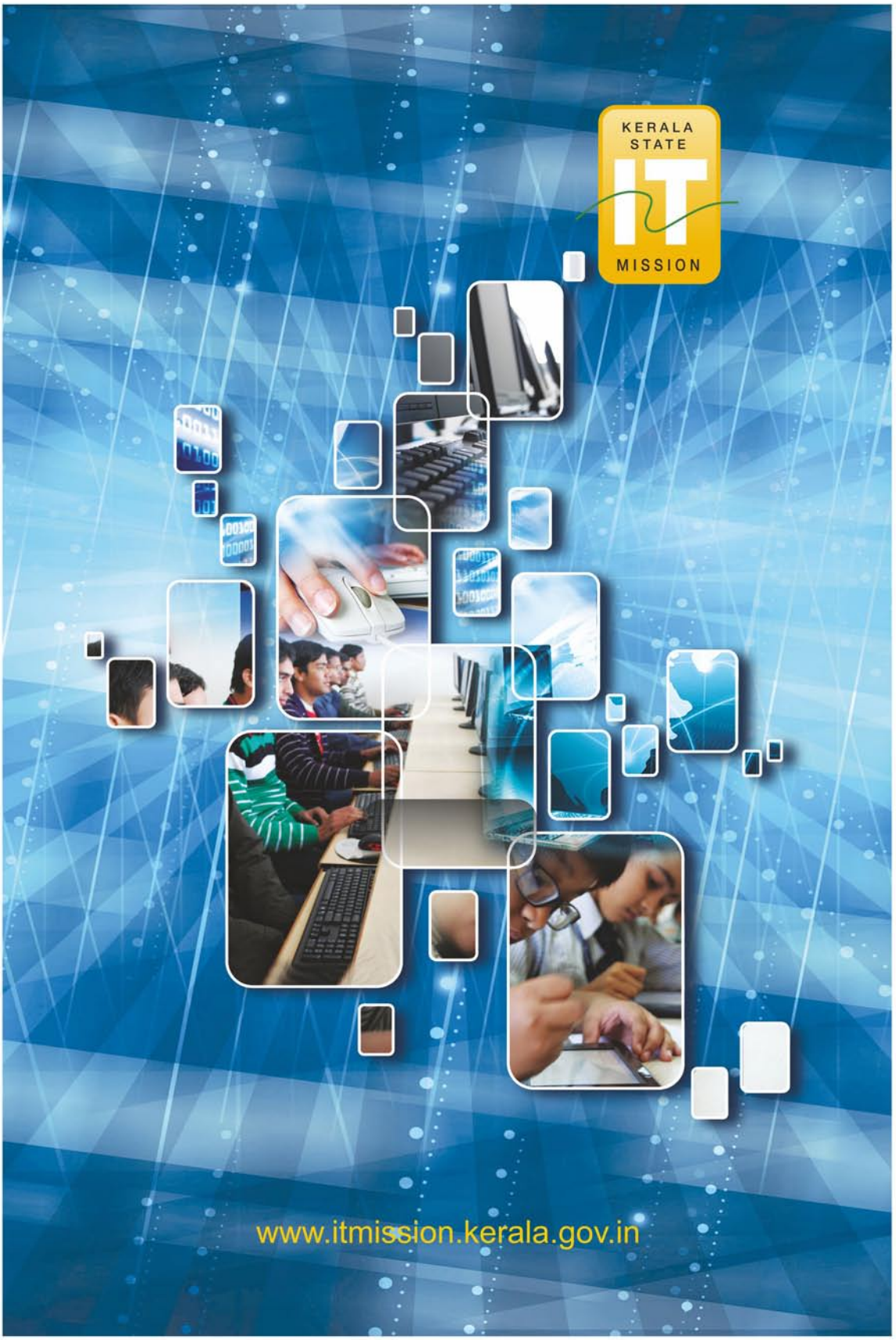
Department of Information Technology
Government of Kerala

KERALA IT POLICY

2012

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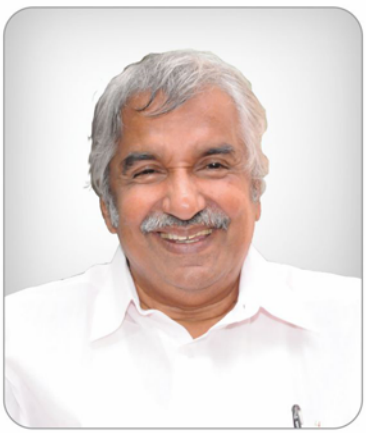
Hon.Kerala Chief minister



OOMMEN CHANDY
HON.KERALA CHIEF MINISTER
KERALA

THIRUVANANTHAPURAM
DATE: 11.02.2013

Let me congratulate the Information Technology Department for bringing out an IT Policy which encapsulates the spirit and direction of this Government's thinking. The Government of Kerala is committed to transparency and efficiency in governance and the IT Policy lays due emphasis on these aspects. The Government plans to stride ahead at a fast pace and there needs to be considerable effort to be in a position of significance in the global IT/ITES map. The Information Technology Policy of the Government of Kerala is a platform for every citizen to be part of a mission that could convert our place a 100% digital State, where the benefits of the technology advances and adoption reach each and every citizen. Development and Care has been the motto of this Government and hence inclusiveness has been a thrust area in the development plan.

Subsequent to the declaration of Innovation Zone at the Emerging Kerala Summit, we have made considerable provisions for the Youth to pursue their entrepreneurial dreams. Innovation and Entrepreneurship has been given proper significance in this Policy.

I wish the department and all concerned the very best in the implementation of the Policy. I am sure that this will bring a sea change in the way we perceive and do things in the State.

31/1/13

With warm regards,
OOMMEN CHANDY

OFFICE: SECRETARIAT, THIRUVANANTHAPURAM-695001

Hon. Kerala IT minister

P.K.KUNHALIKUTTY
MINISTER FOR INDUSTRIES &
INFORMATION TECHNOLOGY
KERALA

THIRUVANANTHAPURAM

DATE:.....11.02.2013.....

I am extremely happy to present the Information Technology Policy of the Government which focuses on radical change in the way we approach the sector. This policy comes in the wake of the Emerging Kerala Summit and we have ensured that the needs of the Industry and Investor have been well captured in the Policy.

The Government of Kerala look forward to a quantum leap in the sector in terms of investments, wealth creation and also utilization of the IT advances for the benefit of its citizens. The Policy encourages investments in the sector through private-public partnerships in the creation of IT space. The IT policy focuses on a three pronged vision in making Kerala a preferred investment destination for the sector, creating an integrated e-governance framework whereby the citizens get the benefits of a technology enabled governance mechanism and in emerging as a 100% e-literate and digital state.

Novel concepts like Certified Private IT parks, IT townships and Innovation Zones etc have been envisioned to give a thrust to the development of the sector. I am confident that the Investor community, young entrepreneurs, the academia and various other stakeholders concerned with development of our State will find this IT Policy addressing their aspirations and will work towards the fulfillment of the same.

(P K KUNHALIKKUTTY)

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Principal Secretary (IT)

MESSAGE

The IT Policy 2012 has been evolved through numerous discussions and debates with different stakeholder groups viz., Industry representatives, Subject experts, Policy makers, and Citizens (individually and collectively). The policy reflects the paradigm shift in our thoughts in the areas of IT infrastructure development, citizen services and wealth creation. The IT policy lays much emphasis in clearly articulating the commitment of the State in these areas.

The Policy lays down specific growth directions in terms of share of India's IT market, Job creation, e Governance and developing world class IT space to meet the industry demands. The Government realizes that the three major IT Parks in Kerala together with Smart City would take the IT infrastructure creation a long way but the same would not be sufficient to meet our ambitious dreams. The concept of integrated IT Parks in the private sector has been brought in to fulfill this vision. The Government, in its new IT policy has encouraged the concept of IT townships wherein all facilities are provided in the vicinity of the Parks .Many e-Governance initiative of the Government will be adhar enabled in due course where by the benefits will reach the intended beneficiaries as entitlement with out formal requests .These will go a long way in positively transforming the society in the way it thinks and act.

There are transformational elements ion the Policy which would change the way of governance in the state, like the pooling of the budgetary funds for e-governance, transparency and efficiency measures like electronic procurement and file tracking systems, increased use of Mobile based services in governance etc. The underlying elements of all the e-governance measures are the Electronics Delivery of Services and the Right to Services Act.

Kerala is in a state of economic transformation with more and more of the educated youth pursuing their entrepreneurial dreams. The Policy lays thrust on igniting the innovation and entrepreneurial spirit of the Youth and look forward to a nonlinear growth in the sector through Intellectual property creation

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1. Preamble

1.1 The State of Kerala has always been a forerunner among the states of India in the adoption and application of ICT be it the services/support to its citizens or enabling smoother functioning of the business community. Numerous initiatives have been taken up over the years, which have enabled the State to be at the forefront in implementing ICT projects and pioneer in E-governance activities. The basic ICT infrastructure has already been built up viz., the State Data Center, Kerala State Wide Area Network, Mobile Service Delivery Platform, FRIENDS, Akshaya , the CSC, with its initial emphasis on bridging the digital divide through e-literacy programs and Citizen Call Center etc. Starting at an information dissemination level we have progressed in many fronts to the transactional and transformational levels in the e-governance growth path. The reflections of these have been visible in the overall ICT adoption in the state across all sectors and ICT related initiatives being brought around by government agencies and private sector alike.

1.2 Government of Kerala acknowledges the critical importance of Information and Communication Technology as the key vehicle for the State's overall equitable development and reiterates its commitment to the sector. The State Government announced its first IT Policy in 1998. It was followed by the IT Policies in 2001 and 2007, which provided comprehensive support for the further development of this sector. These policies have helped Kerala to achieve unique distinctions as a preferred IT/ITES investment destination and also a leader in E-governance.

1.3 The state shall adopt focused strategies to present to the world the various opportunities in IT & ITES domain and shall thrive to be the most preferred destination for investments/businesses in the sector. Government of Kerala shall support industries in the sector by way of single window clearance, developing "Kerala IT" brand and incentivising the investors

2. Vision

2.1 The vision of the State's IT Policy is to "Plan, develop and market the state as the most preferred IT/ITES investment/business destination in India."

2.2 To utilize ICT for the effective, transparent and efficient delivery of services to the citizens seamlessly through an integrated e-governance framework.

2.3 To make the state of Kerala a 100 percent e-literate and digital

3. Objectives

3.1 Achieve up to 5, 00,000 direct employment in the ICT sector by 2020.

3.2 Create at least 3,000 technology startups in the state by 2020

3.3 Ensure electronic delivery of services to citizens and business across all departments and functions to achieve the objective of Transparency and efficiency

3.4 Enable 'SMART' (Simple, Measurable, Accountable, Responsive and Transparent) governance through digital work flow and automation systems

3.5 Re-engineer the Government business practices and rules to suit the delivery of electronic services

3.6 Have the best in class ICT and allied infrastructure thereby ushering efficient and effective developments within the government and in the sector as such.

3.7 Provide broadband connectivity to all Government offices up to Panchayat level through OFC by 2014

4. Competitive Advantage

4.1 The developments made in creating world class ICT infrastructure spread across the state, accomplished through the hub and spoke model centered around major cities like Thiruvananthapuram, Kochi and Kozhikode has made Kerala one of the best-networked States in the country.

4.2 Best Bandwidth Connectivity: VSNL's International Communication Gateway, with high-speed submarine cable landings (SEA-ME-WE-3, SAFE and FLAG).

4.3 Optical Fiber connectivity network provides high quality, reliable bandwidth availability in any part of the State.

4.4 Kerala possesses cost effective and highly skilled human resource base with lowest attrition in India (less than 5%).

4.5 Having a strong e-Governance infrastructure is a key enabler for the ICT industry to thrive in the State. Kerala is one among the early adopters and ranked as leader state in e-Governance.

4.6 Another key differentiator Kerala offers is the cost factor. The operational costs are one of the lowest in India (less than 40 per cent) and the rentals/real estate costs are less than other major IT locations in the country. The power and water tariffs are one of the lowest in the country. This coupled with a low cost of living for the employees' results in lower operational cost to companies.

4.7 High mobile penetration, almost 100% makes the state best suited for mobile-Governance based applications. The state also holds the unique distinction among Indian states, to have pioneered the use of mobile technologies in governance and was listed a champion by the latest ASSOCHAM-Deloitte report on M-vas, which opens up new vistas for innovations and investments.

4.8 Quality of Life – Kerala ranks very high among Indian states in social indices be it Heath, Education, Housing, Environment , law and Order and low cost of living. This makes the state an attractive destination for the professionals to maintain a work life balance

5. Strategies

5.1 E–Governance

The Government aims to be at the highest level of maturity in e-governance ie., by transforming itself into a fully integrated e-Government and to become the best e-Governed state in all fronts by:

5.1.1 Subject to technical feasibility Government shall endeavor to provide all the services coming under the Kerala State Right to Service Act, 2012 electronically .

5.1.2 A minimum of 3% of plan funds shall be pooled for e-Governance initiatives both in procurement of hardware and development of software application. This will be allocated among departments based on requirements.

5.1.3 Each department of government will publish in the official website an annual action plan for their e-governance initiatives with service targets and milestones for project completion. For the current year this plan of action will be published within 2 months from the date of release of this policy.

5.1.4 24X7 ubiquitous delivery of services to the citizens augmented by e-delivery of services through CSCs, which enables the services to be accessed by common man in his/her locality.

5.1.5 Focus will be given to Government Process Re-engineering and change management for the effective delivery of citizen centric (G2C) services.

5.1.6 Open standards will be adopted in all e-Governance solutions.

5.1.7 The State will structure its e-governance projects aligned to the National e-Governance Plan and ensure compliance with National e-Governance standards to ensure interoperability among applications within the state and also across the country.

5.1.8 The Government is committed to curb software piracy and to protect the IPR of software companies and will encourage and support the use of Genuine and Legitimate Software in the State.

5.1.9 The Government will give high priority for upgrading the e-Government infrastructure and online services from the current Internet Protocol IPV4 to IPV6.

5.1.10 The Government will enter into strategic partnerships with public and private network providers to ensure adequate bandwidth in the remotest places in the State.

5.1.11 Government will promote wider adoption of mobile governance across government services.

5.2 Policy initiatives

5.2.1 E-waste: The Government affirms its commitment to environmental protection by ensuring proper e-waste management. The disposal of obsolete IT equipments shall be made in accordance with e-waste management rules of GoI

5.2.2 New Technologies: The Government will promote the increased use of new and evolving technologies such as cloud computing, wireless technologies and next generation networks etc. to enhance the public service delivery and to ensure optimal use of resources and maximizing public value.

5.2.3 Data sharing: The Government will facilitate sharing of data across departments to establish a connected government and thereby providing citizens with hassle free services.

5.2.4 Government Process Reengineering (GPR): The Government will redesign the Government processes radically to achieve improvements in efficiency of governance and will ensure that proper change management is effected for the delivery of citizen centric (G2C) services with participation of the Industry

5.2.5 Social Media: Government departments/organizations will have an active presence in the social media and a social media guideline will be put in place.

5.2.6 Inclusiveness: Government web content shall be made accessible to the differently-abled by ensuring that all government websites comply with the WCAG 2.0 Level AA.

5.2.7 Malayalam computing: All Government websites shall also be available in Malayalam and shall adopt Unicode characters.

5.2.8 Data Security: Government will ensure highest level of security and privacy of citizen data, security and quality audit shall be mandated in all e-governance applications prior to deployment.

5.3 Transparency initiatives

5.3.1 Disclosure of Government Files and Orders: Closed Government Files which are of public relevance and not on the negative list will be made electronically available to the public through the State Portal.

5.3.2 e-Procurement: The government will ensure a single unified end-to-end electronic platform for the procurement of Goods, works and services through PKI enabled workflows in procurement transactions. This e-Procurement solution will help transparency and efficiency in procurement in all departments.

5.4 Service Delivery initiatives

5.4.1 State Portal: Any time anywhere transactional e-services portal integrated with E-forms and e-payment gateway will be made available to the citizen through the state portal and Service Delivery Gateway, an MMP of NeGP.

5.4.2 Government will give priority to development of technologies for enabling Malayalam and promote the same while delivering government services online.

5.4.3 Service levels will be formulated for all e-services and monitored for its strict compliance to ensure effective delivery of services.

5.4.4 Integration of existing e-governance applications with that of UID will be implemented in a phased manner.

6. Welfare initiatives

6.1 Specific ICT Programs will be developed to cater to the needs of different sections of society. Appropriate interventions will be taken up in this direction, which includes;

6.1.1 Needs and grievances of differently- abled and tribal population. Like the currently ongoing "INSIGHT" program for the visually impaired

6.1.2 Programs aimed at Gender equality

6.2 Make sharable government data available to public for genuine uses like analysis, research, legal purposes etc. through APIs, Web Services etc.

6.3 Government also intents to build "Kerala App Store" an online repository of software programs developed for different purposes.

6.4 The Akshaya e-centres established by the State, with over 2300 outlets will in addition to regular e-literacy services will be upgraded to career and entrepreneurship skill development programs and Technology Literacy to the rural populace. Akshaya centers will be continuously adding more and more e-services to its palette, thus bridging the urban-rural divide with respect to access to information and e-services.

6.5 Government will setup an Integrated Government Call Center (IGCC) to enable the citizen to interact with the Government for accessing various services and to expedite grievance redress. Multi-modal access will enable the citizen to communicate using any of the communication channels (Voice – Land line Fixed/Wireless and Mobile Phones), Interactive Voice Response (IVR), Internet, e-mail or paper to interact with Government. It will also act as a centralized help desk providing the citizens with guidance/information on various services and scheme offered by the Government.

7. Business initiatives

7.1 To become forerunner and to develop the state as one of the most preferred IT destination in the country, Government is committed to create a sustainable ecosystem conducive for sustained growth of ICT in the state.

7.2 Thrust will be given for creation and improvement of civil infrastructure, connectivity among IT Hubs and ancillary facilities.

7.3 Leverage the recent trends of IT firms to move towards Tier II and Tier III cities by providing appropriate incentives and concessions.

7.4 Government will ensure that IT Parks established in the State will be equipped with green , eco-friendly , energy efficient layouts and interiors to provide world

class, cost effective work space to target small, mid-size and large Indian and multi-national IT/ITeS companies to set up their operations within IT Parks.

7.5 The Government intends to conduct aggressive marketing, media campaign, road shows, with specific focus given to trade development and branding, in the international and National IT markets to make well known the location advantages of Kerala to the prospective investors.

7.6 The Government aims to make Kerala a cosmopolitan place for working that will enable people from outside Kerala and outside India to work in Kerala. This will in turn make Kerala preferred IT work destination thereby ensuring return of local talent to Kerala.

7.7 The Government envisages removing the infrastructure bottlenecks which can hamper the growth of IT industry. Encouraging development of the supporting infrastructure will be a way towards it. The Government will encourage investment in PPP mode for bringing world-class schools and hospitals.

7.8 To bolster growth and investment in ICT, it is necessary to continue with the current financial incentives schemes offered to ICT companies by the Government and also add new schemes with special financial incentives. The existing investment subsidy scheme will be continued at the same level.

7.9 Government shall augment the business promotion efforts of IT SMEs by facilitating group business promotion trips to various countries and participation in International trade fairs.

7.10 The Government wants to promote the growth of micro IT firms operating from homes. IT as a cottage industry can percolate down to remote villages and homes. The IT parks can guide the people in setting up small scale IT firms and handhold

them so that it will encourage social entrepreneurship. The promotion of such micro IT industries will result in equitable development of the State.

7.11 The rapid growth of IT industries have led to real-estate prices to sky rocket and increased attrition and infrastructure choking, forcing companies to look beyond the "leader locations" viz, Thiruvananthapuram, Kochi and Kozhikkode. Rural IT hubs can help address these issues and will give more visibility to smaller towns also as an investment destination.

7.12 In order to reap the benefits out of the Central Government's plan to give a big push to the hardware manufacturing sector by way of attractive incentives and other packages. Kerala's industrial policy encourages the establishment of eco-friendly manufacturing units that churn out of hi-tech products.

7.13 The Government shall work closely with industry associations like NASSCOMM, MAIT, CII, and GTECH and others to ensure a coordinated and smooth industry-Government interface on all matters of common concern, for the vibrant development of the IT industry in the State.

8. IT Parks

Considering the growing demand of IT space from IT industry for starting operations from the State, the Government will facilitate and encourage private initiatives to set up IT parks. Government shall support developing IT park as a township.

8.1 Government Owned IT park

8.1.1 Technopark in Thiruvananthapuram, Infopark in Kochi, Cyberpark in Kozhikode are the three IT parks promoted by the Government of Kerala. All these parks have world-class facilities and excellent growth prospects.

8.1.2 All these parks shall operate in Hub and Spoke model and continue to construct more built up space as determined by respective boards and allot land through a transparent process

8.1.3 Kerala State IT Infrastructure Ltd (KSITIL) is the apex company formed under this Government of Kerala for pioneering the development of IT/ITES Special Economic Zones (SEZs), IT Townships and IT Parks in the state of Kerala. KSITIL will create basic infrastructure including road access, water, and electricity for each project. KSITIL shall then allot land to Private Developer / IT company for development of IT parks/SEZs/townships.

8.1.4 Government IT parks shall introduce Solar power generation in their buildings and introduce rainwater harvesting in their parks

8.2 Private Developers Inside Government Owned IT parks

8.2.1 Taking into consideration of the increasing demand for built up space inside the government owned IT parks, the park will invite private developers established in India and abroad to construct more built up space.

8.2.2 Government owned IT Park shall lease land parcels to IT/ITES/BPO companies and Private Developers at prices determined by the respective boards.

8.3 Certified Private IT parks

8.3.1 In order to increase the availability of IT infrastructure government shall promote IT Parks in the Private Sector (Private IT Parks) outside the government owned IT parks.

8.3.2 The Government shall frame the guidelines and standards for private IT Parks certification

8.3.3 Private IT Parks that meet the certification shall be governed by the same set of industry enabling regulations that are applicable to Government owned IT Parks unless other wise specified by the Government.

8.3.4 The certified private IT parks shall have the following benefits
a) All certified Private IT Parks shall be brought under the Industrial Township and Single window clearance Board Act
b) Maximum FAR/FSI as prescribed in the Govt owned IT Parks shall be available
c) At least 50% of the built up area shall be used for IT/ITES purpose.

8.3.5 The certified private IT parks shall earmark 5% of the total built up area as furnished space for allocation to startups/small IT units.

8.3.6 Schemes for Solar power generation and rainwater harvesting shall be a condition for approving Private IT parks

8.3.7 From IT Parks to IT Township: The major factor for IT growth is availability of talented human resources. IT professionals prefer locations that provide good quality of life and infrastructure. Employees in all IT parks prefer to do **"walk to work"** instead of hours of commute. The need for commercial amenities such as malls, budget apartments, schools, guesthouse, star and budget hotels, multiplexes, entertainment centers, hospitals, sports and recreation centers, day care centers, working women's hostel, restaurants, boat clubs, etc inside IT park arises from this concept.

8.3.8 Up to 30% of the land in Government owned IT park may be allotted for creating commercial amenities as determined based on the needs of each park by the respective boards, to make the location a happening and an attractive destination for IT community.

8.3.9 In order to improve the attractiveness of remote/rural locations, which often lacks connectivity and living facilities, locations outside Hubs (Spoke locations)

shall create provisions for living, housing, working women's hostel, etc within the area ear marked for commercial amenities.

8.3.10 Land shall be given to government, non-IT engineering/consulting and educational agencies at the commercial price as decided by the respective boards.

9. HR development for IT

9.1 Human resource constitutes to be the single most important resource in the IT industry. The linear growth of IT industry over the last 3 decades created a huge demand for highly skilled manpower and demand-supply gap. This has also resulted in reduced employability of fresh graduates as well.

9.1.1 Kerala has always been the producer of fine skilled human resources for many industries around the world. Government has realized the importance HR in IT industries and has come up with many initiatives

9.1.2 11% of the national IT pool is skilled human resources from Kerala.

9.1.3 Government will establish Government-Industry-Academia task force to identify knowledge partners to develop content for the new curriculum.

9.1.4 IIITMK at Trivandrum will be developed and strengthened with more departments and infrastructure to create a pool of Hi-tech human capital, which in turn will enable the growth of IT industry in the state.

9.1.5 An ICT Academy with unified syllabus and standards will be established to enhance the employability skills, communication skills and technological skills with Industry participation will be established. A Grading system for Quality Accreditation will be introduced.

10. Nurturing Innovation & Entrepreneurship

10.1 The Technology Business Incubation center in Techno park Trivandrum, a successful TBIC in the country, incubated over 200 startups in the last 6 years. Promoting entrepreneurship by providing suitable facilities through a TBIC is an effective method of converting job seekers into job and wealth creators. Another major TBIC viz., The "Start up Village" has come up in the PPP model at Kinfra Hitech Park Kalamassery.

10.1.1 Taking cue from these models Government proposes to establish an "Innovation Zone" in Infopark, Kochi, focusing on specific technology verticals Telecom, Gaming, VLSI, Business analytics etc. The Innovation Zone shall have the entire spectrum of private partner networks and will create innovation and entrepreneur zones. This cluster shall have all Technology Business Incubation facilities like furnished space, mentoring support, network opportunity, Lab Facility and IEDC centers,

10.1.2 The Government will promote 'Host Institutes' of TBI's for setting up Technology Business Incubators in Kerala.

10.2 Land and Space for Incubation facilities: Host Institutes of Technology Business Incubators (TBI's) recognized by National Science and Technology Entrepreneur Development Board, Govt of India shall be entitled for lease of land and space, for setting up TBI's and related infrastructure such as Electronics Labs, Mobile Lab, etc at Government owned IT Parks. The lease amount in such cases shall be payable in equal annual installments over the period of lease as decided by the respective boards

11. Incentives

11.1 Fiscal Incentives

11.1.1Fiscal incentives shall remain in force for a period of 6 years w.e.f 1st Dec 2010

11.1.2 Fiscal incentives for eligible companies will be as follows

11.1.3 Standard Investment Subsidy (SIS) - 30% of Fixed Capital Investment subject to a limit of Rs. 15 lakhs for companies located in Thiruvananthapuram and Ernakulam districts. For companies located in other districts the applicable SIS will be 40% of Fixed Capital Investment subject to a limit of Rs. 25 lakhs.

11.1.4 Fiscal incentives shall be applicable to all IT/ITES companies/firms/units operating in Kerala other than those located within an SEZ

11.2 Concessional Power Tariffs

11.2.1 IT/ITES units, Government IT parks, certified private IT parks and Akshaya e-centers are entitled to power tariff under HT1 or LT-IV tariff as applicable.

11.3 Floor Area Ratio (FAR) / Floor Space Index (FSI)

11.3.1FAR/FSI in the Government owned and certified private IT parks shall be subject to a maximum of 5

11.4 Stamp Duty Exemption

11.4.1 Exemption from stamp duty upon executing lease / sale agreement by and for the government owned IT park for sale/ purchase of land and lease of built up space.

11.4.2 Exemption from stamp duty upon executing lease agreement by the private IT Developers inside government owned IT park for lease of built up space to IT units.

11.4.3 Exemption from stamp duty upon executing lease agreement by the certified IT Park for lease of built up space to IT units.

11.5 An IT software development firm that has its registered office in Kerala and have development/operations center in Kerala, and otherwise compliant with the tender requirements, shall be entitled to a purchase preference on IT software solutions procured by Kerala Government / PSU's / Government Bodies

11.6 An IT hardware manufacturing firm that has its registered office in Kerala and have a manufacturing plant in Kerala, that is excise paying and ISO certified, and otherwise compliant with the tender requirements, shall be entitled to a purchase preference on IT hardware procured by Kerala Government / PSU's / Local Self Government (LSG)/Autonomous Institutions , if they are within 10% of the lowest and are willing to match the same).

11.7 Incentives for Green and Self Power generating IT buildings : The Government shall offer concession in building tax at the rate of 50% for platinum 40% for gold and 25% for silver respectively for LEED/GRIHA or equivalent rated IT buildings inside government owned IT parks and certified private IT parks.

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KERALA STATE IT MISSION

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