Policy Note 2006-2007

Demand No. 31

India has witnessed tremendous growth in the IT sector in recent years. Government headed by the present Chief Minister during his previous tenure was instrumental in bringing the Information Technology revolution to Tamil Nadu. It is a matter of pride that Tamil Nadu was the first State in India to announce an IT Policy in the year 1997. TIDEL, a World class IT facility was also established during that period (4-7-2000). Likewise, many far-sighted schemes were implemented during the period 1996-2001. These measures laid the foundation for the spectacular development of IT in Tamil Nadu.

Tamil Nadu has witnessed substantial growth in IT, ITES, BPO and IT Hardware manufacturing sectors. The Software exports from Tamil Nadu had touched Rs.14,115 Crores. The depth and range of the IT sector can be gauged from the wide based portfolio of its export basket - Application Software and System Software (70%); IT Enabled Services (ITES) and Business Process Outsourcing (BPO) (13%); Communication Software, VLSI Design and Web Solutions (8%); IT Consultancy (6%) and Product Development (3%).

The number of Software Units in the State is also growing rapidly. So far 1437 Software units have established their facilities. The rapid rise in the number of national and international players that have chosen to establish their business establishments and manufacturing facilities as well as the expansion of the activities of the established firms in this State is a firm indication that Tamil Nadu has emerged as a preferred destination for domestic as well as foreign direct investment. Leaders in the Indian IT sector like Tata Consultancy Services (TCS), Infosys, Wipro, Satyam, HCL, Patni Computers, I-Flex, Polaris and Hexaware as well as a galaxy of international majors - Accenture, Verizon, Xansa, Office Tiger, Standard Chartered Bank, ABN Amro, Alcatel, Cognizant Technology have established their operations in Tamil Nadu.

To add to the leadership role that the State has in the Software sector, large international Hardware manufacturers like NOKIA, Foxcon, Flextronics and Motorola have already located their facilities in Tamil Nadu.

The Information and Communication Technology Department in the Central Government has played a crucial role in bringing these units to Tamil Nadu. The Central and State Government are jointly taking action to establish Tamil Nadu as the leading State in the IT Sector. Many more National and International establishments have shown interest to invest in Tamil Nadu.

New Information Technology (IT) Policy

With a view to consolidate the gains made so far and to propel the industry into a higher growth trajectory, the Government of Tamil Nadu has decided to formulate a new Information Technology Policy. This policy will comprehensively cover all sectors of the IT industry- Software, IT Enabled Services, Business Process Outsourcing, Product Development, Knowledge Process Outsourcing etc. A separate policy for IT Hardware manufacturing and Bio Technology will also be formulated. In short, the policy will put in place the required environment for an all round growth of the "Knowledge Economy".

Second TIDEL Park

TIDEL Park, a world class IT facility was inaugurated by the then Prime Minister of India in the presence of the present Chief Minister of Tamil Nadu and the former Union Minister for Industries and Commerce late Thiru. Murasoli Maran on 04-07-2000. The 12 storeyed state of the art building has a built up area of 1.28 million square feet. The building is fully occupied since its inception with 32 Companies-Indian as well as International occupying the building at present. More than 12,000 people are employed here.

At the inaugural function of the TIDEL Park, the present Chief Minister of Tamil Nadu had announced that a second TIDEL Park will be established at Chennai. In fulfillment of this decision a second TIDEL Park will be established at Taramani in Chennai.

IT Park in Coimbatore

Hon'ble Chief Minister accompanied by the Hon'ble Union Minister for Communication and Information Technology visited the premises of WIPRO and Infosys in Bangalore on 15-06-2006. On the basis of the discussions held there, a decision has been taken to establish an IT Park on the lines of TIDEL Park at Coimbatore. This would be a joint venture between the Government of Tamil Nadu and The Software Technology Parks of India (STPI), a body under the Government of India on one hand and private sector partners on other hand.

IT Parks in Madurai, Trichy, Salem and Tirunelveli

The Government is firmly committed to spread the IT revolution to other Towns of Tamil Nadu. It has therefore decided to set up IT Parks in Madurai, Trichy, Salem and Tirunelveli apart from Chennai and Coimbatore announced earlier. The Collectors of the respective Districts have already commenced the process of identifying suitable lands for this purpose.

Indian Institute of Information Technology, Design and Manufacturing

The Human Resources Development Ministry of the Central Government has decided to establish a National Centre of Excellence called "Indian Institute of Information Technology, Design and Manufacturing" meeting international standards at Chennai. As land had not been entrusted to Central Government since 2003, and as no decision had been taken, the construction of buildings and commencement of this prestigious institution has been delayed. As soon as the new Government has assumed charge, decision has been taken to provide the required land to the Central Government and render necessary cooperation. The establishment of this prestigious institution in Tamil Nadu will further enhance the attractiveness of the State as an IT destination.

Information Technology Task Force

As announced in the Budget speech, a State Information Technology Task Force comprising of representatives of Information Technology sector will be constituted to identify the infrastructural requirements. This will attract large investments to our State in the Information Technology sector.

Scheme to provide free Colour Television Sets

The Government has decided to launch a unique scheme of free distribution of Colour Television sets to the households not having Colour Television Sets. This scheme will be commenced in the first week of September to commemorate the birth anniversaries of Arignar Anna on 15th September and Thanthai Periyar on 17th September and continued to be implemented thereafter. A provision of Rs.750 crores has been made in this Budget, apart from the expenditure of Rs.9 Crores for 30,000 Colour Television

sets being procured for distribution in the first phase. This shows the commitment of the Government to continue to implement the scheme.

A Committee of Legislators comprising representatives of political parties represented in the Legislative Assembly has been formed to ensure transparency in procurement and proper distribution of Colour Television sets. In this Committee headed by the Hon'ble Chief Minister, Hon'ble Minister for Local Administration Thiru. M.K. Stalin on behalf of the DMK, Thiru. D.Sudarssanam on behalf of the Congress, Thiru. G.K.Mani on behalf of the Pattali Makkal Katchi, Thiru. C.Govindasamy on behalf of the Communist Party of India(Marxist), Thiru. V. Sivapunniam on behalf of the Communist Party of India, Thiru. K. Selvam on behalf of Dalit Panthers of India, Thiru. H.Abdul Basith on behalf of Indian Union Muslim League and Thiru. Poovai M. Jaganmoorthy on behalf of Puratchi Bharatham are included. This Committee met on 27.6.2006 and decided that 30,000 Colour Television sets may be procured through National competitive bidding in the first phase and through International open competitive bidding in the next phase. National competitive bids have been received on 24.7.2006 and finalised in consultation with the Committee of Legislators comprising representatives of political parties represented in the Legislative Assembly on 27.7.2006.

In the first phase Colour Television sets will be distributed to the families living in Periyar Ninaivu Samathuvapurams, families of Scheduled Tribes in Nilgiris District where there are no Samathuvapurams so far, families residing in two Tamil Nadu Slum Clearance Board tenements, one in North Chennai and another in South Chennai and residents staying in rehabilitation homes throughout the State.

Incentives for Manufacture of Computers in Tamil Nadu

It has been announced in the Budget speech of the Hon'ble Finance Minister that special concessions will be granted to companies that come forward to establish factories in Tamil Nadu for the manufacture of computers so as to increase the use of computers in our State and create a situation where computers will be affordable to all. Exemption will be given from the General and Central Sales Tax without any limit on the sale of computers manufactured by companies with an investment exceeding Rs.100 Crores in the Special Economic Zones in Tamil Nadu. This concession will be given for a period of 10 years from the year of commencement of commercial production.

Infrastructure Development

One of the prime requirements for the growth of the IT sector is the availability of "Industry ready" state of the art building infrastructure. Electronics Corporation of Tamil Nadu Limited (ELCOT) has been nominated by Government as the certifying authority for issuing No Objection Certificate for IT Buildings. ELCOT has streamlined its procedures for issue of No Objection Certificate whereby the certificates are being issued within 72 hours of receipt of completed applications. ELCOT has so far issued NOC to 143 IT Buildings with built up area in excess of 48 Million Sq.ft. Out of these, 23 buildings have been so far completed and fully occupied. The rest of the buildings are in different stages of construction and under processing. The availability of this huge pool of building infrastructure is a great attraction for investors in the IT sector.

The long delayed IT Expressway project has been put on the fast track and will be completed very soon. High level Committees have been formed to monitor the progress of this project and the project structure has been revamped to ensure that there are no bottlenecks in speedy completion. A comprehensive multi-sectoral development plan for Chennai city is being prepared to meet the challenges thrown up by the rapid increase of population on account of the phenomenal growth of the IT sector. A master plan is being formulated to provide basic amenities of power, roads, drinking water,

sewerage and storm water drainage to meet the demands of the increasing population of Chennai Metropolitan area. A Metro Rail Project has also been planned for improving the transportation needs of the Metropolis. The creation of satellite towns near Chennai has also been planned to ease the pressure on Chennai's infrastructure. All these infrastructural developments will ensure that Chennai continues to be a preferred destination for national and international investors.

IT Promotion

The Government of Tamil Nadu through ELCOT participates in a number of National and International IT related events in order to promote the State as an investment destination.

The premier IT event in this regard is 'CONNECT'. This is a one stop forum that unites the diverse stakeholders in the ICT sector - the Government, Industry, Service Providers, Academia and most importantly the End Users. The past five editions of CONNECT have attracted the attention of the cream of the IT Industry in India as well as from a large number of foreign countries and has emerged as one of the most popular forums in the National and International Calendar of ICT events. This year CONNECT 2006 will be conducted from 8th to 10th September 2006 in a grand manner. A large delegation of national and international participants is expected to attend the event.

A sum of Rs. 1.25 Crores has been provided in the demand for IT Promotion.

Incentives to IT Industry

A provision of Rs.3 Crores has been made in this years Budget for reimbursement of Stamp Duty paid by the developers in the private IT parks. The Government has also provided a sum of Rs. 1 Crore for encouraging the participation of Small and Medium enterprises in National and International events.

Tamil Nadu State Wide Area Network (TNSWAN)

Tamil Nadu State Wide Area Network (TNSWAN) is a project jointly implemented by the Government of Tamil Nadu and the Government of India aimed at providing backbone connectivity utilizing the 2 Mbps free bandwidth provided by the Public/Private Communication Providers (PCPs) linking State Headquarters at Chennai with all the 30 District Headquarters as well as linking Districts Headquarters to the Divisional Headquarters, Taluk Headquarters and Block Headquarters. The Project will be ready by December 2006. The Government has provided a sum of Rs. 12 Crores for this purpose.

Capacity Building

A scheme called the National e-Governance Action Plan (NeGAP) has been announced by the Government of India to introduce e Governance in selected Government Departments. As a part of this Plan, assistance is provided to the State Governments to enhance the capacity for the implementation of the e-governance projects implemented in the States. The project will be implemented with assistance from the Government of India. The Government has provided a sum of Rs. 13.95 Crores for this purpose.

Directorate of e-Governance

Tamil Nadu Government is committed to harness e-Governance as an enabler for ushering in a new era of digital governance where services will be delivered to the citizens through convenient and easily accessible delivery channels for creation of a model "e-Governed State" in the country. For this purpose

an Officer in IAS cadre has been posted as an Officer on Special Duty for creation of the Directorate of e-governance. A sum of Rs.26 lakhs has been provided in this Demand for this purpose.

The Directorate of e-governance will be instrumental in helping the departments in providing better accountability, enforceability, transparency, increased efficiency in service delivery to the citizens. In order to do so as a first step 12 Mission Mode Departments have been selected. They are as follows:--

1. Land Records

2. Commercial Taxes

3. Registration

4. Agriculture

5. Food and Civil Supplies

6. Health

7. Panchayats

8. Education

9. Treasuries

10. Municipalities

11. Transport

12. Employment

The services pertaining to these departments will be available to citizens early.

In order to empower the people in the rural areas to bridge the digital divide, a framework for rural service delivery through Village Resources and Service Center (VRSC) is being under taken. VRSC Project has been launched to bring together all the departments under one single umbrella and give citizens of the State a "multi-service" - "single-window" experience in rural areas through the Village Panchayats. The key objectives of this project are: "Provide hassle free one-stop solution to the citizen". This will minimize multiple interaction points for the citizen and hence reduce the wastage of valuable time. This will ensure better turn around time in receipt, processing and issue of services. It will increase access to Government services by providing Government at the doorstep of the common man.

The Village Resources and Service Centre (VRSC) initiative from the Government of Tamil Nadu aims to leverage the Panchayats as access points for Government Service delivery and centres of knowledge and information dissemination. The venture aims at providing complete financial, technical, training and hand holding support to the Self Help Groups operating the Kiosks to help them gain maturity and reach sustainability.

The state Government is taking all possible measures for spread of e-Governance throughout the state, covering all the sectors with a view to providing hassle free, transparent and efficient service to the common man (both in urban and rural areas).

Electronics Corporation of Tamil Nadu (ELCOT)

Electronics Corporation of Tamil Nadu, a wholly owned undertaking of the Government of Tamil Nadu, formed in 1977 functions as an arm of the Government to leverage Information Technology activities and functions as a channel of connectivity for the investors of IT and ITES sector.

Project Implementation

Driving License Card

The preparation and issue of Laminated Computerized Driving License was entrusted to ELCOT by the Transport Department in all the 86 centres in the State. This project will be continued during this year with deployment of additional manpower and Computer Hardware.

Computer Education in Government Higher Secondary Schools and Colleges

Government has entrusted the work of implementation of Computer Education Project in 1197 Government Higher Secondary and Corporation Schools to ELCOT. The Government has also entrusted the implementation of computer Education in 60 Government Arts, Science Colleges, 5 Law Colleges and 12 Medical Colleges to ELCOT. It has been announced in the Governors address that all schools will be provided with computers in a phased manner in the next three years.

Computerization of Registration Department

The Government has entrusted the project of computerization of Registration Department in 475 District Sub Registrars offices to ELCOT. This project will be implemented with upgraded hardware.

In addition, various other schemes like computerization of various departments, facility management, data entry and training are handled by ELCOT.

Procurement and Services

ELCOT has been designated as the optional procurement agency for IT products to Government Department and Public Sector Undertakings. During the year 2005-2006, ELCOT procured IT products for a value of Rs.55.32 Crores. ELCOT has also established a Call Centre at ELCOT for attending to customer complaints on hardware and software. Procedures have been streamlined to ensure transparent and efficient services to all Government Departments.

As a novel initiative, ELCOT has established an application software and database support centre to cater to the needs of Government departments under open source environment. This centre would also have a call centre to provide technical assistance to Government departments and Village Resource and Service Centres (VRSC).

Tamil Virtual University

The Government of Tamil Nadu has established Tamil Virtual University (TVU) as a Society for providing internet based educational resources and opportunities for the Tamil Communities living in different parts of the globe as well as others interested in learning Tamil and acquiring knowledge of the history, art, literature and culture of the Tamils. This is a unique institution - the first of its kind in India. TVU offers Certificate Courses in three levels (Basic, Intermediate and Advanced) and B.A. Programme in Tamil. So far, nearly 12.62 lakhs people have visited the TVU website. About 2249 students from 58

countries have registered for the Certificate Programme and 2613 students for the B.A.Tamil Degree. It has 16 Coordinating Centres in 12 Countries.

E-Learning Infrastructure

The Teaching/Learning methodology adopted for the Academic Programme is E-learning through Internet based lessons with multimedia support. To further strengthen and augment TVU's web based virtual Education Programme, a state of the art e-learning methodology through Virtual Class Room, video conferencing equipments along with a streaming server and high speed internet connectivity are being established in TVU.

Study Centers

Tamil Virtual University has opened up four more Study Centres this year, one each in Australia, France, Myanmar and South Africa to be coordinated by Tamil e-learning, Arts and Literature Academy of Australia, Association for South Indian Studies, France, Cholia Muslim Religious Fund Trust-Myanmar, Ramamurthy center for Tamil Propagation in South Africa respectively, in addition to the already established twelve centers in USA, Sri Lanka, Malaysia, Mauritius, Canada, Germany, Switzerland and Reunion. It is planned to establish three more Study Centers during this year and extend the study centers throughout the globe.

Academic Programmes

The web based academic programme has reached the level of conducting Examination for the Certificate and Degree programmes in Tamil, through the various study centers of TVU located in different countries. Students from various countries have successfully completed the Level-1 and Level-2 Courses of the Certificate Programme. Further, a good number of students have registered for the level – 1 and level-2 courses from USA.

The B.A. (Tamilology) Degree Programme is offered under a 3 stage modular scheme comprising Diploma, Advanced Diploma, and Degree courses. All lessons for the Diploma course have been already put on the web and examinations were conducted. 56 students from Sri Lanka have successfully completed their Diploma Level Courses and awarded Diplomas by Tamil University, Thanjavur. Another set of about 98 students have taken their Diploma Exams in January 2006. The development of the web based lessons for the Advanced Diploma have been completed and 49 students have taken the I-Semester Examinations of the Advanced Diploma. Tamil Virtual University is planning to launch the Post Graduate Programme of MA.(Tamil) during the next academic year 2007 - 2008.

Tamil Virtual University has signed a Memorandum of Collaboration with IGNOU for sharing their education resources with the students of TVU. Their resources will be used from this academic year onwards.

Digital Library

Digital Library of TVU, established on its website, comprises of a rich collection of Tamil Literature and also provides a view window into the culture, history and heritage of Tamils. The literature content includes a large number of Tamil books. A total of 90,000 pages are on the web. During this year another 10,000 pages will be added.

Tamil Software Development Fund

Government of Tamil Nadu has shown sustained interest in promotional activities for the Tamil Software Development and has provided necessary funds. Providing Grant – in – aid under the Tamil Software Development Fund, a number of Tamil Computing Software packages have been developed. Further 3 projects have been recommended for funding.

Government will further promote the Tamil Software development as R&D efforts for the growth of Tamil computing and Tamil IT.

Standardization and Certification for Tamil encoding

To promote Tamil computing and to facilitate smooth data exchange among files and programs, Government of Tamil Nadu have standardized the Tamil 99 and Typewriter keyboards for data entry and TAB and TAM encoding for Tamil letters. TVU is the Testing and Certifying Agency for the Tamil software suites for the compliance with the standard. Thirteen Software Packages have already been Certified.

Standardization of Sorting Order for Tamil

With the increased use and spread of Tamil computing and Tamil IT, quite often, it is necessary to store the Tamil text (data) in a sorted order so that the search mechanism can locate it with ease. For this sorted data to be exchanged across Computer programs and files, the sorting order followed by all should be same and conform to a standard. Tamil Virtual University after detailed deliberations has recommended a comprehensive sorting order for the Tamil text.

New Schemes

1. Procurement of Tamil Fonts

At present various Tamil fonts are being used in the Government offices all over Tamil Nadu. Whenever proprietary font is used, charges have to be paid for each computer System. This entails huge expenditure. In order to have a standard font owned by the Government of Tamil Nadu, a set of fonts for use by all the Government offices will be procured by the Information Technology Department and supplied free of cost to each Head of Department, for official use. Hence a sum of Rs.20 lakhs has been provided for 2006-2007.

2. Setting up Of E-Governance Training Academy

The Government of Tamil Nadu has decided to set up an E-Governance Training Academy. For setting up the academy, a sum of Rs.20 lakhs has been provided for 2006-2007.

3. E-Governance Training To Government Officials

The Government is placing great emphasis on e-Governance. This requires extensive capacity building. A sum of Rs.10 lakhs has been provided for 2006-2007 for providing training to Officers and Staff on a Public Private Partnership model.

4. Supply of Laptop

E-Governance is being aggressively pursued by the Government of Tamil Nadu. This requires wide spread familiarity and extensive usage of computers. Senior Officers like the Secretaries to Government, Heads of Departments and Collectors play a lead role as champions of this process.

Moreover they are required to handle sensitive and confidential information often beyond office hours and this requires use of laptop. Hence, a sum of Rs.50 lakhs has been provided for the year 2006-2007 for the supply of laptop.

5. Seed Money Assistance for E-Governance Society

An Officer on Special Duty was posted to set up the Directorate of e-Governance exclusively to work on the Policy and Planning of Information and Communication Technology initiatives of the Government and also to augment the e-Governance initiatives and projects of the Government. It has been proposed to form an autonomous Society called Tamil Nadu e-Governance Agency with Central assistance for developing e-Governance applications and driving e-Governance. For setting up of the Society, seed money of Rs.20 lakhs is required. Hence, a sum of Rs.20 lakhs has been provided in 2006-2007.

6. Creation of Video Gallery for Cultural Aspects of Tamil Nadu

Tamil Virtual University has put graded lessons on the internet to teach the Tamil language. Now, it proposes to introduce Video clippings on Music, Drama, Classical Dance and Folk arts and other arts of the land to be put on the internet with video and audio facilities. Interested people can log-on and see for themselves the various arts and culture of Tamil Nadu in the website. This will create awareness about Tamil and Tamil Nadu and also encourage them to learn Tamil. Hence, a sum of Rs.15 lakhs has been provided in the Budget 2006-2007.

7. Promoting and Popularising Tamil Virtual University

In order to promote and popularise Tamil through Tamil Virtual University on-line advertisements and notification in popular magazines and news papers are necessary. It is also necessary to conduct workshops in important cities of India like Mumbai, Kolkatta and Delhi. Hence, a sum of Rs.10 lakhs has been provided in the Budget 2006-2007.

8. Cataloging and Digitizing Palm Leaf Manuscripts

There are plenty of Palm Leaf manuscripts written by eminent people available in different libraries throughout India. They contain valuable information on Culture, Heritage and Medicine apart from historical events. It is proposed to catalogue and digitize these Palm Leaf Manuscripts and make them available in e-form for the benefit of the public. A sum of Rs.5 lakhs has been provided in the Budget 2006-2007.

9. Content Creation and Distribution of Tamil Arts and Culture in Multimedia CDs

Tamil Virtual University has an extensive Video Gallery of Tamil Architecture and Culture. Churches and Mosques have also been built following this heritage. It is proposed to produce further Video Clippings. These will be hosted on the web besides being produced as CDs. A sum of Rs.5 lakhs has been provided in Budget 2006-2007.

In conclusion, while the Government of Tamil Nadu is firmly committed to promote the State as a premier destination for investors and thereby ushering in an unprecedented growth in the economy, it is equally committed to harnessing the powers of Information and Communication Technology as an engine of economic growth and rural transformation. Unless the fruits of the digital revolution bring about perceptible change in the lives of the common people, it would not reach its full potential. The vision of the Government is to achieve this goal.