



Information Technology Investment Policy 2015-20



Table of Contents

DEFINITIONS	3
PRELUDE.....	5
VISION	5
OBJECTIVES	5
STRATEGIES	5
WHY GOA?	6
INCENTIVES	8
EMPOWERED COMMITTEE	11
POLICY PERIOD/OPERATIVE PERIOD	11

DEFINITIONS

- (a) **IT Industry:** Will include development, production and services related to IT products and IT Software.
- (b) **IT Software:** IT software is defined as any representation of instruction, data, sound or image, including source code or object code, recording in machine readable form and capable of being manipulated to provide interactivity to the user.
- (c) **Information Technology(IT) / Information Technology Enabled Services (ITES):**
IT companies includes IT software; IT services and IT Enabled Services includes Call Centres, Medical Transcriptions, Back Office Operations/Business Process Outsourcing (BPO)/Knowledge Process Outsourcing (KPO), Website services and Development, AVGC (Animation, Visual Effects, Gaming and Comics), IT System Audit Services, Legal Database Processing, Bioinformatics, IT enabled banking, non-banking services including insurance, pension asset management and market related services, IT solution provider/Implementers (including server data banks, application service provider, internet/web based e-commerce service providers and system integrators)/Visual Effects/Digital Entertainment and IT Engineering Services Companies.
- (d) **State** means State of Goa.
- (e) **IT Park:** Exclusively delineated or earmarked site/area managed and developed/to be developed with IT/ITES office space and other amenities and made available on lease basis for IT industry, as per the terms and conditions outlined.
- (f) **ESDM:** Electronics System Design and Manufacturing.
- (g) **EMC:** Electronics Manufacturing Cluster scheme notified vide Notification No. 252 dated 22.10.12 in Part-I, Section 1 of Gazette of India. Exclusively delineated or earmarked site/area managed and developed/to be developed with electronic manufacturing units with amenities made available on lease basis as per the terms and conditions outlined.
- (h) **Commencement of Operations:** Date on which commercial operations of the company has commenced, i.e. the date of the first commercial sale bill/ invoice raised by the IT/ITES/EMC Unit.
- (i) **Investment Areas:** Area notified for setting up of IT/ITES/EMC unit.
- (j) **DOIT:** Department of Information Technology, Government of Goa.
- (k) **DeitY:** Department of Electronics and Information Technology, Government of India.

- (l) **Applicant Unit:** IT/ITES/EMC unit /company willing to invest in investment areas.
- (m) **Registered Unit:** Unit/company registered with Department of Industries, Government of Goa.
- (n) **Eligible Unit:** Registered IT/ITES/EMC unit.
- (o) **Existing established unit:** IT/ITES/EMC unit operational for more than 3 years.
- (p) **Local:**
- i. Persons born in the State of Goa **or**
 - ii. Persons who are residents of the State for 15 years or more **or**
 - iii. Persons having at least one of the parents born in Goa **or**
 - iv. Spouse of a person covered under any of the conditions mentioned above in (i), (ii) and (iii).
- (q) **IPB:** Goa Investment Promotion and Facilitation Board, Government of Goa.
- (r) **Start-up IT/ITES/ESDM unit:**
- i. Unit with revenue of less than ₹ 5 crore **and**
 - ii. Unit with 30 or less technically qualified personnel.
- (s) **Local IT/ITES/ESDM unit:**
- i. Unit with at least 50% stake of local in the company.
- (t) **ITI:** Industrial Training Institutes.
- (u) **BITS:** Birla Institute of Technology and Science.
- (v) **NIT:** National Institute of Technology.
- (w) **IIT:** Indian Institute of Technology.
- (x) **Premium rate:** Rate fixed by DOIT for industrial area x area of land to be allotted.
- (y) **Lease Rent:** 2% of the Premium per year.
- (z) **Self-consumption:** The possibility for any kind of electricity consumer to connect a photovoltaic system, with a capacity corresponding to his/her consumption, to his/her own system or to the grid, for his/her own or for on-site consumption and feeding the non-consumed electricity to the grid and receiving value for it.

PRELUDE

Goa is a modern and forward-looking State with impressive achievements in social, economic and industrial sectors including Information Technology. Government of Goa is conscious and deeply committed to the effective and optimum utilization of Information and Technology for promoting good Governance to facilitate service delivery, encourage citizen participation in decision making and make the governance system people friendly, transparent and accountable. It further acknowledges IT as the key enabler for greater socio- economic development of the State.

In this context, Government is unveiling its IT investment Policy with special focus on setting up a strong base in IT/ITES and EMC in Goa. Goa is an ideal destination for IT industries owing to its inherent non-polluting nature, attractive policy incentives, along with excellent air, rail, and road connectivity. The literate English speaking population would further facilitate in promoting the State's vision.

VISION

Vision is to make State of Goa the most preferred destination for investors, thereby making IT/ITES/ESDM a vibrant industry leading to inclusive growth and employment generation.

OBJECTIVES

1. To create a world class IT infrastructure in the State.
2. To attract a minimum of 10 leading IT/ITES and 5 leading ESDM companies to the State as anchor units.
3. To achieve direct and indirect employment of close to 15,000 professionals in IT/ITES/EMC units.
4. To encourage Start-ups IT/ITES/ ESDM space.
5. To maximize direct and indirect employment opportunities for the youth in the State in the fields of IT/ITES/ESDM.
6. To promote a modern, clean, green, eco-friendly working environment.

STRATEGIES

- a. Providing attractive incentives for companies to make investments in IT/ITES/ESDM sectors in the State.
- b. Ensuring speedy, time-bound, hassle free clearances.
- c. Encouraging AVGC industries as Goa has rich cultural ethos and artistic traditions with strong base in Tourism and Entertainment.
- d. Create industry-ready skilled & technical manpower.

WHY GOA?

1. Power and Water Tariff are available at globally competitive rates.
2. Land.
 - Land has been earmarked for setting up of IT/ITES and ESDM units.
 - Provision of basic infrastructure viz. internal roads, water and sewage connection, substation for electricity etc. in the proposed investment area.
3. Industry- friendly Government and Peaceful Society.
 - Proactive support for IT/ITES and EMC is the greatest strength.
 - There are 22 established Industrial estates and industrial areas in the state housing variety of industries creating a good eco-system.
 - No Octroi levied in the State.
4. Excellent Connectivity.
 - Road & Rail: Goa has the highest density of road connectivity. NH17 and Konkan railways connect Goa to west-coast cities. It is well connected to major commercial hubs i.e. Mumbai, Bangalore, Hyderabad, Pune etc. through Air, Rail, Road and Sea.
 - Airports: Goa presently has one operational international airport at Dabolim which takes care of domestic and international airlines. Second international airport is proposed at Mopa, Pernem in North Goa scheduled to be operational by 2018-19.
 - Port: Goa has an added advantage of having a Sea Port –Mormugao Port along the beautiful city of Vasco da Gama. It is a major and thriving port in India and provides an excellent sea route for movement of goods.
 - Broad band connectivity: State has world class fibre optics broadband network infrastructure in place. The broadband connectivity provides 10 Gbps connectivity from the State Headquarters / District Headquarters up to the Taluka (Block) level and 1 Gbps connectivity from Taluka level to village Panchayats.
5. Quality Human Resource Capital.
 - The State has a literacy rate of 88.7% with fluency in English.
 - State has nationally reputed and recognized technical education centres with presence of a number of engineering colleges and prestigious institutes like BITS Goa, NIT etc. The upcoming IIT will add to the human resource talent pool. Goa also has 14 skill enhancing institutes, offering variety of diploma and ITI courses.
6. Other Infrastructure
 - Excellent Social infrastructure with state-of-the-art health care facilities.
 - Goa is a globally renowned destination for Tourism, Entertainment, Art & Culture activities providing an excellent work-life balance.

7. Attractive Policy Incentives.

- Various incentives are incorporated in the policy to enable investors to make Goa the most attractive investment destination in the Country.

INCENTIVES

A. APPLICABLE TO ALL UNITS OPERATING IN THE NOTIFIED AREAS.

The incentives mentioned under this section shall be applicable to all the units operating in the investment areas.

1. STAMP DUTY CONCESSIONS

- a. All units will be entitled for 100% remission of stamp duty on lease of land/office building.

2. EXEMPTION ON CST

- a. All units will be entitled for 100% reimbursement on CST for a period of 5 years from the date of commencement of operations or till the time of introduction of GST in the state, whichever is earlier.

3. ZERO RATE OF TARIFF

- a. Zero rate of tax for transactions effected by units from Domestic Tariff Area to units in Software Technology Park or to Electronic Technology Park. .

4. BENEFITS ON ENTRY TAX

- a. All units will be entitled for waiver of 100% entry tax for a period of 5 years on raw materials for self-consumption by the unit from the date of commencement of operations or till the time of introduction of GST, whichever is earlier.

5. LAND RELATED INCENTIVES

- a. State has earmarked land with the basic infrastructure for IT/ITES/ESDM.
 1. Land will be made available at subsidized rates. All IT/ITES/ESDM units established in the notified area will be eligible for additional rebate of 20% if fixed capital investments is made within 3 years of approval.
 2. Land will be leased out for up to 30 years, extendable on mutually agreed terms and conditions for a further period of 30 years.
 3. Lease rent will be 2% of the premium amount for the first 5 years. Thereafter it will be enhanced at the rate of 5% every 10 years.

6. LAND USE EXEMPTIONS

- a. Buildings erected in the notified IT Parks/EMC, will be eligible for an FAR of 2.00

7. INCENTIVE RELATED TO POWER

- a. State will offer the following incentives to the units.
 1. 100% waiver on payment of electricity duty on self-consumption up to 12 years from the date of commencement of operations.
 2. Single point quality power supply.
 3. Reimbursement (one time) of 30% of capital cost for setting up of in-house backup power plant upon commencement of operations, subject to maximum ceiling of ₹ 10 lakhs)

4. Reimbursement (one time) of 30% of the capital cost for setting up of in-house solar back up plant upon commencement of operations with a ceiling of ₹10 lakhs.

8. FAST TRACK CLEARANCE MECHANISM

a. All proposals of IT/ITES/ESDM companies for investments will be appraised by Investment Promotion Board (IPB) which will act as a single window clearance point.

9. INCENTIVE ON QUALITY CERTIFICATIONS

a. All units will be reimbursed actual charges or ₹ 3 lakhs, whichever is less, for certification (ISS/ISO 9000, ISO 14000, ISO 27001, BS 7799, SEI-CMM, e-SCM and CMMI. This is a one time incentive and can be availed by the units after commencement of operations.

10. SPECIAL INCENTIVES FOR PROMOTING LOCAL EMPLOYMENT - I

a. FOR A UNIT EMPLOYING LOCALS

Each unit will be entitled to a special incentive for generating local employment in the form of reimbursement of 10% of the salary paid out to the local employee; subject to a ceiling of ₹ 80.00 lakhs per year for a period of three (3) years after commencement of operations.

b. FOR A UNIT SET UP BY LOCALS

Each local unit will be entitled to a special incentive for generating local employment in the form of reimbursement of 15% of the salary paid out to the local employee; subject to the ceiling of ₹ 80.00 lakhs per year for a period of three (3) years after commencement of operations.

Note: Units can avail the incentives mentioned in clause 10 concurrently.

11. SPECIAL INCENTIVES FOR PROMOTING LOCAL EMPLOYMENT - II

a. All units that complete 3 years of operations will be entitled to direct benefit of ₹ 5 lakhs, on incremental recruitment of 100 heads of local employment.

B. INCENTIVES TO START-UPS.

Government will setup Incubation Centres to house start-up companies. Start-up companies operating in such Incubation Centres will be directly eligible for below mentioned incentives.

- a. All start-up units will be entitled to waiver of lease rental in the incubation centre for 5 years.
- b. All start-up units will be entitled to waiver of internet bandwidth usage charges with maximum limit of ₹ 1 lakh per annum for period of 5 years.
- c. A start-up unit will be entitled to a one time capital fund of ₹ 2 lakhs.

C. INCENTIVES TOWARDS ESTABLISHED IT/ITES/ESDM UNITS IN THE STATE.

The incentives mentioned under this section will be applicable to all the established units operating within the State's jurisdiction.

- a. 100% remission of total stamp duty paid to the Government towards lease/purchase made by the established IT/ITES/ESDM for any one of its unit operating in Goa. This will be a one-time remission with ceiling of ₹ 2 lakhs per unit.
- b. Established unit operating in Goa for more than 3 years and willing to expand/shift its operations in the notified area will be eligible to a land lease concession of 50%. Rest of the terms and conditions shall remain the same.
- c. Each established unit will be entitled to a special incentive on generating local employment in the form of reimbursement of 10% of the salary paid out to the local employee; subject to the ceiling of ₹ 5 lakhs per year for a period of three (3) years.

Note:

- Established IT/ITES/ESDM units registered with Department of Information Technology, Government of Goa or any other Government of Goa body/Department between the periods of 8th November, 2005 till the notification of this policy will be eligible for the benefits mentioned in this section.
- In case of established IT/ITES/ESDM units registered with Government of Goa, other than Department of Information Technology, during the above underlined period; such units should compulsorily register with Department of Information Technology on or before 31st March 2016. Failing which units shall not be entitled to any benefit under this section.
- At any given time existing unit outside the notified areas will be eligible for above incentives only.

D. INCENTIVES FOR NEW UNITS AND START-UPS UNDER IT ANYWHERE CONCEPT.

The incentives mentioned under this section will be applicable to all new units and start-ups operating anywhere in the state of Goa (except for start-ups operating in incubation centres set up by the Government).

- a. 100% remission of stamp duty paid to the Government towards lease/purchase made by the unit/start-up (IT/ITES/ESDM) while establishing operations in Goa. This will be a one-time remission with ceiling of ₹ 1 lakh per unit/start-up.
- b. Each unit/start-up will be entitled to a special incentive on generating local employment in the form of reimbursement of 10% of the salary paid out to the local employee; subject to the ceiling of ₹ 3 lakhs per year for a period of three (3) years.

- c. 100% waiver on payment of electricity duty on self-consumption up to 5 years from the date of commencement of operations for new units / start-ups subject to a ceiling of ₹ 2 lakhs per unit/start-up.
- d. Reimbursement of internet bandwidth usage charges with maximum limit of ₹ 1 lakh per annum for period of 5 years from the date of commencement of operation.

EMPOWERED COMMITTEE

An empowered committee (EC) will be constituted at State level for guidance, approval of grants and for monitoring and encouraging IT/ITES/ESDM establishment in the State.

The committee shall consist of following members:

1	Hon'ble Chief Minister	Chairman
2	Hon'ble Minister for Information Technology	Member
3	Chairman (Info Tech Corporation of Goa Ltd)	Member
4	Chief Secretary	Member
5	Finance Secretary	Member
6	Secretary (Information Technology)	Member
7	Managing Director (Info Tech Corporation of Goa Ltd)	Member
8	Three experts from IT/ITES/ESDM industry (for promotion and suggestions on investments)	Members
9	Director (Department of Information Technology)	Member Secretary

POLICY PERIOD/OPERATIVE PERIOD

This policy shall come into force with effect from the date of issuance of policy/date of notification and shall remain in force till 31st March 2020.