

Sector
IT/ITeS Industry
Project Title:
State Wide Area Network
Project Description:
<p>Realizing tremendous potential of Information Technology (IT), state governments across the Country has initiated various IT integrated development programs directed towards improving socio-economic status of masses and alleviate access to high quality service delivery modules. IT can be effectively employed to cater to a large base of population across different segments and geographical locations and can substantially increase the scope and area of various government reforms and services.</p> <p>The Government of Madhya Pradesh (GOMP) envisions using IT as a key growth driver and for this purpose the Government has decided to initiate the development of State Wide Area Network (SWAN). The envisaged SWAN would create the backbone of the information superhighway that would enable the functioning of various high-end services such as Tax Information System, e-Portal, Citizen Service Centers etc. Further, it would assist to streamline the flow of information, its dissemination and effective utilization.</p> <p>SWAN would be an end-to-end IP based network design facilitating convergence of all services towards a single system with compatibility to other existing networks. It would also have interface with VSAT system at central control station enabling converges of remote locations in the State which are not part of primary network. Further, the open architecture of system would enable effective bandwidth utilization.</p> <p>SWAN would provide cross linkages and support network for multiple local area networks (LANs) facilitating smart e-governance that would redefine the scope and execution of governance and services by augmenting the Government citizen interface. Thus, it would enable the State Government to offer convenient, transparent and expedite services to the citizens.</p> <p>Defying the geographic boundaries, it would encompass all 45 districts, 260 tehsils and 313 development blocks in the State. Wide coverage would facilitate outreach of government services to the far off and backward areas. The network would encompass all the Government department, services and associated business function.</p>

The key objective of establishing SWAN are:

- Creating an information highway that would assist horizontal and vertical integration within the organization for effective and efficient information exchange.
- Increase productivity and outreach of various government services
- Erase barriers that impede government and citizens interface
- Strengthen disaster management capability

For the envisaged project the GOMP invites participation from the leading national and international IT companies.

Project Rationale:

IT has the potential to completely transform the Government administrative machinery, redefine service delivery modules and enhance the Government - citizen interaction. IT integrated approach can be effectively utilized in Government administration to enhance efficiency, productivity and transparency.

Further, it can help to streamline communication, reduce cost and can significantly increase the scope and outreach of various services. On the contrary it empowers citizens and provides significant tangible and intangible benefits such as procedural convenience, increased accountability, abridge information gap and reduced corruption.

There is ample scope for implementation of high-end IT integrated solutions in the State administrative machinery in MP. The State has a rapidly burgeoning economy and it is well poised to be the next investment destination in the country. GOMP has ambitious plans to attract substantial investment especially FDI in the State, the key drivers for which are proactive Government support, single window clearance and efficient administrative machinery.

The development of SWAN would alleviate Government to business interaction leading to expedite proposal clearances, enhanced information exchange and convenient service delivery. Thus, it would modernize the administrative functioning and increase the investor's confidence by portraying a business like approach.

Market Potential and Demand Dynamics:

MP has been at the forefront to implement various e-governance initiatives among all the Indian states. The GOMP has evinced significant interest in adopting IT towards improving the functioning and service delivery of government departments. In line with its vision of creating a transparent and effective

administration, the government has initiated several e-governance projects.

The joint study conducted by IDC & Dataquest, ranks Madhya Pradesh as the fourth leading State in India in terms of overall perceived improvement of delivery of Government Services through e-governance initiatives.

Perceived Improvement in Delivery of State Government Services to CITIZENS Through E-Governance							
S. No	E-Governance Assisted Service Delivery Area	Highest Score	State Scores				
			Gujarat	Madhya Pradesh	Kerala	Uttar Pradesh	Karnataka
1	Water utility- service delivery & support	91.4	85.0	91.2	82.2	80.0	83.4
2	Municipal taxes- payment & information	89.6	88.6	89.6	84.0	75.6	84.2
3	Applying for birth/ death/ marriage certificates	89.6	89.6	89.6	82.4	76.8	70.8
4	Power utility- service delivery & support	92.4	92.4	88.6	80.0	80.0	85.2
5	Filing of income tax returns	91.4	91.4	87.8	90.0	82.6	80.6
1	Income tax department- filing of tax returns	94.6	85.6	80.0	92.4	90.4	82.0
2	Registration of land	91.4	88.0	71.2	90.6	83.4	71.6
3	Executing sale/ purchase of land/ property	93.6	93.6	72.8	90.4	80.0	70.0
4	Income tax department- application for PAN number	94.4	84.2	77.2	89.6	90.4	82.2
5	Sales tax/ Service tax- filing of returns	89.6	89.6	74.6	89.6	84.6	75.8

Government of MP has laid great emphasis on computerization of the revenue generating departments and the departments with large public interface. Some of the key e-governance projects initiated by the GOMP in the recent times are:

1. TRANSPORT DEPARTMENT

The department has implemented computerization of its activities viz. issue of driving licenses, vehicle registration, permits etc. With Smart Card interface, on a Build Own Operate (BOO) basis, the project has been operational since January 2002

2. E-KRISHI VIPNAN (EKVI)

M.P. State Agriculture Marketing Board (Mandi Board) has initiated computerization of all its offices and mandis (around 230) phase wise, to facilitate e-agricultural marketing in MP Private sector company are implementing this project on a BOO Model. Presently a pilot is under implementation.

3. MADHYA PRADESH TAXATION NETWORK

Commercial Tax Department, the highest revenue earning department of the Government, has implemented an ambitious and comprehensive project to facilitate on line registration and filling of tax returns. Under this project, a database of all tax payers has been created and all 55 locations of the department are networked

4. TREASURY NETWORK

Department of Finance, which manages Government funds through treasuries

and sub treasuries, is also implementing major computerization project to automate and network with the State Headquarters. This aims to facilitate information access on-line and bringing greater transparency and efficient fiscal management of resources. Project will be operational shortly.

5. LANDS RECORD DIGITALIZATION

Project implemented to computerize the record of ownership of agriculture land of approximately 6.50 million landholders. It has been operational in the entire State for quite sometime now and almost all the records have been digitalized. Copies of the records are made available to the citizens, at Tehsil Offices

6. COMPUTERIZATION OF PROPERTY RECORD REGISTRATION

Stamps and Registration Department, another major revenue earning department of the Government, is in the process of computerizing its operations. Software for the activity has been developed and a pilot project has also been operational. Now the department is rolling out the pilot in all its offices on BOT model

- *MP is among a few front-ranking Indian States to use e-governance effectively in providing health services and promoting trade, business and industry.*
- *The State holds first position in rendering public utility services through e-governance in areas such as Municipal Corporation, land (revenue), income tax and law. It also stood first in making proper arrangements to provide e-payment facility to the corporate sector.*

Thus, in view of all these initiatives it's imperative to develop various critical support systems such as SWAN.

Why Madhya Pradesh?

- Conducive environment for industry, package of incentives with investor friendly IT Policy.
- The State has set up over 24,000 kms of optical fibre backbone to cover all its 313 developmental blocks across 45 districts (One of the highest optical fibre coverage in the Country).
- Because of the central location the State is well connected to the major cities in the Country through air, road and railways. Presently the Government is also focusing on strengthening its road transport network. This excellent connectivity of the State is the key to all logistics related issues for the present and the potential upcoming industries.
- Presence of institutes of international repute like IIM (Indore), National Law

University (Bhopal), IITM (Gwalior) and a large number of engineering, management, medical and other professional courses fulfill the needs of high quality education and provide the sources of quality workforce. The cost of professional manpower is comparatively less in MP (10-15% cheaper) as compared to other industrially developed/ developing States.

- Despite the potential, the rate of prime land in the State is among the lowest in the Country, thereby offering an indirect advantage to the potential investors by reducing their capital investments.
- The law and order conditions in the State are among the best in the Country thereby making it a safe place to invest and a better place to live.

Government Support:

Special incentives for IT sector in the State are:

The State Government has announced certain **incentives** specific to the IT/ ITeS industry for attracting investors to the State. Following are the incentives for the IT industries in Madhya Pradesh*:

1) Employment Based Concession and Land Rate Concessions

- The companies in the State would be eligible for the rebate of USD 556 per job created or;
- A concession on land rate at 25% of the prevalent premium on investment of USD 2.22 million and above based on following schedule:

Project Costs (USD Million)	Maximum land available under concession
2.22 to 4.44	10 acres
4.44 to 11.11	15 acres
11.11 to 22.22	25 acres
22.22 and above	Case to Case basis

2) Stamp Duty Exemptions

- Stamp duty payable by IT companies on mortgage/ hypothecation with banks/ financial institutions in IT investment area will be exempted provided the new unit is certified to be an IT outfit by a designated agency.
- Stamp duty and registration fee exemption will be applicable on- sale/ lease by financial institution/ Government agencies/ private sector who acquire space/ premises in IT investment area for subsequent lease to IT units provided the new unit is certified to be an IT outfit by designated

agency.

3) Exemption on Tax & Acts

- Exemption from factories act, maternity act, contract labour act, payment of wages act, minimum wages act, ESI act.
- Exemption from the electricity duty tax, entry tax and work contract tax.
- IT units in IT investment area will be exempted from the octroi, entry tax and local bodies tax for all capital goods and raw material purchased by them.
- Rate of property tax in the IT investment area will be at par with residential premises.

4) Power Related Incentives

- No prior permission will be required for installation of the captive power plant.
- IT industry shall be provided power through a dedicated feeder.

5) Others

- Exemptions upto twice the existing FAR for entire IT investment area
- All facilities and incentives declared in the new Industrial Policy of MP Government are also applicable for IT Industries established on Government allotted land/ private land with the single window clearance for Government formalities.

Proposed Investment:

Substantial amount have to be invested in the development of various facilities and service components. The key capital cost would comprise of the following.

- Consultancy fees
- Server cost
- Hardware cost
- Software cost
- Land cost (Tower)
- Manpower cost
- Networking

The total cost for the Project is estimated around USD 220 million or INR 1000

crores.

Returns:

The private player has the opportunity to build and maintain the portal on the basis of Build Own Operate (BOO) model or it can charge a fixed annual amount from the Government for maintenance.

Coordinating Agency:

- **Madhya Pradesh Agency For Promotion of Information Technology**
- **Department of Information Technology**
- **Government of Madhya Pradesh**