



DEPARTMENT OF INFORMATION TECHNOLOGY
GOVERNMENT OF GOA

GOA INFORMATION TECHNOLOGY POLICY 2018



1. Preamble

The era of Information Technology (IT) companies providing high quality services at competitive price points, on account of labour arbitrage, is passé. Over the last few decades, IT/ITeS industry has emerged globally as a key driver of growth and is a large industry employing millions of people across the continents. The IT landscape has significantly changed in the last few years, and this change has transformed way IT companies can stay relevant in the future. Automation and robotics have changed the human capital landscape and are exercising enormous pressure on the work force to stay relevant. Software being available as a service, is making many established business models obsolete. Beneath this disruption, and uncertainty lies a promising future brimming with immense potential – it is that potential that this policy envisages to leverage.

The Government of Goa is determined to make Goa a powerhouse of technology innovation and disruption, by building a robust eco-system that makes Goa the first choice for investment in and expansion of high-end technology jobs of the future. To this effect, the Government will extend all possible support to high end technology companies to start their operations, and will serve as a partner in realising their strategic organization objectives.

Goa is a popular urban state with India's highest per-capita GDP, enviable human development indices, and unparalleled connectivity. Goa is right in the middle of the National Highway 48 stretch connecting Mumbai and Bengaluru. Goa houses the Mormugao port, one of India's major ports opening India's naval connectivity to the Middle East and the Atlantic. Goa has the Dabolim International Airport, and a second international Airport is under construction at Mopa. Goa has extensive road connectivity within the state, and railway connectivity to the rest of India.

Goa's cosmopolitan culture, robust infrastructure, quality manpower, picturesque landscape, clean environment and development orientation provides unparalleled quality of life; these factors not only make Goa an ideal base for established organizations to invest in and expand, but can also make it a strategic imperative to be in Goa. It is towards this objective that this policy has been drafted. This policy also supports the scaling-up of start-up companies into the next phase of growth.

While the Government is keen on creating employment opportunities for Goans, the State is open to attracting the best and brightest technology talent from different parts of the world. The infusion of high end talent will have a positive effect on the state's economic growth, the state's skill quotient, and will enable local Goans become one of the most sought-after talent pool nationally and globally. The Government is also keen on inviting Goan diaspora, who have successfully started their own ventures or are holding leadership responsibilities in leading multi-national organizations, to expand the footprints of their organization in Goa.

The Government recognises that industry aligned education and skill development initiatives are vital for the transformation that the Government is committed to. Hence the Government is driving various initiatives to enhance the skill quotient of students and professionals, to make them technically competent to meet industry requirements.

In order to incentivise promising IT units to be established in Goa, the Government of Goa, on a case to case basis, can grant any exemption beyond the scope of this policy, to promising companies operating in areas that have high growth potential.

Through this policy, the Government is also institutionalising a framework for onboarding industry professionals from the private sector, into the Government set up, to enhance the implementation and delivery quotient of the IT Department.

Building a lasting institutional framework that changes the technology landscape of Goa, and makes the state an attractive base for technology companies, involves a concentrated strategy and robust implementation. Based on the changing dynamics of the technology industry, entrepreneurs, human capital, and other aspects related to the start-up eco-system, this policy will keep evolving and remain proactively responsive to put Goa on the global IT map.

2. Definitions

2 A. **"IT Service"** refers to the application of business and technical expertise to enable organizations in the creation, management and optimization of or access to information and business processes.

2 B. **"IT Enabled Service (ITeS)"** means the following business process outsourcing services provided mainly with the assistance or use of information technology, namely:—

- back office operations;
- call centres or contact centre services;
- data processing and data mining;
- insurance claim processing;
- legal databases;
- creation and maintenance of medical transcription excluding medical advice;
- translation services;
- payroll;
- remote maintenance;
- revenue accounting;
- support centres;
- website services;
- data search integration and analysis;
- remote education excluding education content development; or
- clinical database management services excluding clinical trials,
- but does not include any research and development services whether or not in the nature of contract research and development services;

2 C. **"IT Industry"** will include development, production and services related to IT Products, IT Software and IT service and ITeS.

2 D. **"Existing Unit"** means a Unit of IT Industry, which is registered or has established its operations in Goa and has already commenced its operations three years before the date of notification of this Policy

- 2 E. **“New Unit”** means a unit of IT Industry that is registered or has established its operations in Goa and plans to commence or commenced its operations after the notification of this policy. The unit that have started its operations prior to the notification of this policy and does not fall under the category of “Existing Unit” will also be considered as New Units.
- 2 F. **“Expansion”** means an existing unit taking up ‘expansion’, with investment more than 50% of its Investment on the date of initiating the expansion and commencing operations of the said expansion during the operative period of the policy and, which shall also have in-built implications of increase in additional employment by minimum 50% of existing employees.
- 2 G. **“Commencement of Operations”** or **“Commercial Operation Date (COD)”** A business may be regarded as having commenced operation when, started its first commercial activity and also produced its first bill of sale/service.
- 2 H. **“Investment”** refers to the net physical assets (investment minus disposals) within the measurement period. It does not account for the consumption (depreciation) of fixed capital, and also does not include land and building purchases.
- 2 I. **“Resident of Goa”** or **“Goan Origin”**
- Persons born in the State of Goa or
 - Persons who are residents of the State for 10 years or more or
 - Persons having at least one of the parents born in Goa or
 - Spouse of a person covered under any of the conditions mentioned above.
- 2 J. **“Goan Graduates”** are defined as
- 2.J.1.** Persons of Goan Origin who have successfully completed an IT related degree/diploma program from any educational institute
- 2.J.2.** Persons who have successfully completed an IT related degree/diploma program from any educational institute located in Goa.
- 2 K. **“Freshers”** means Goan Graduates who have been recruited by IT/ ITeS Units in Goa within the two years from the date of completion of their graduation.
- 2 L. **“Smaller Business Units”** are units that employ less than 50 IT professionals in Goa.
- 2 M. **“Other Business Units”** are units that employ between 50 and 200 IT professionals in Goa
- 2 N. **“Mega Business Units”** are units that employ in excess of 200 IT professionals in Goa.
- 2 O. **“Direct Employees”** means Employees who are on the payrolls of the unit and are directly involved in the production of IT goods or services.
- 2 P. **“Goan Diaspora”** are defined as any person who is/was “Resident of Goa” or of Goan Origin and who is working/settled abroad for at least a minimum period of 5 years.
- 2 Q. **“Government”** refers to the Government of Goa.
- 2 R. **“Net Income”** refers to the EBIT (Earnings before Interest & Taxes) of the unit during the financial year.

3. Vision

To create and nurture a globally competitive Information Technology ecosystem that powers the state's economic growth, and firmly establishes Goa as a preferred destination for investment in high-end software products and service capabilities.

4. Mission

In order to realise the above stated vision, the Government of Goa has identified the following mission areas, which would act as vision catalysts.

- a) To make Goa a matchless human capital resources base for high end IT units.
- b) To attract and facilitate the setting up of at-least five mega business units by internationally reputed IT companies.
- c) To become the centre for investment and growth in the following key domain areas:
 - Internet of Things
 - Automation and Engineering
 - Data Science
 - Artificial Intelligence
 - Machine Learning
 - Robotics
 - 3-D Printing
 - Software Products
 - Virtual Reality/ Augmented Reality / Merged Reality
 - Blockchain
- d) To make Goa the first choice for any IT company planning investments or expansion in the key focus areas listed above.

5. Objectives

- a) To develop state-of-the-art infrastructure to provide forat least 8,000-10,000 working spaces.
- b) To provide economic support for early stage investment.
- c) To infuse technology-enabled real-world problem-solving skills into theGoan education system through collaboration between industry and academia.
- d) To actively support the development of 10,000 advanced IT skilled and employment ready Goans, and at least 500 such specialized professionals spanning across the domain areas listed under 4.c.
- e) To make advanced coding skills ubiquitous across the student population in Goa.
- f) To incentivize IT companies/units to employ female professionals.
- g) To provide a hassle free and proactive governance and regulatory user experience for IT investors.

In order to meet the above mentioned objectives, the policy initiatives are classified into the following four key areas, for which the state will provide support:

- **Infrastructure Development**
- **Fiscal Incentives**
- **Governance**
- **Human Resource Development.**

The following pages of the document outline the support that the Government intends to provide in the above four areas.

6. State Support

6 A. Infrastructure Development

Through the following initiatives, the Government of Goa would provide world class infrastructure suitable for the establishment and development of Information Technology units

6.A.1. Government Developed Technology Park- IT Village

- a) The Government will develop a state-of-the-art Technology Park measuring a built-up area of at-least 15 lakh square feet; the park would provide work spaces for 8,000 – 10,000 employees.
- b) Within the Technology Park, the Government would develop an IT Village, measuring approximately 4 lakh square feet. The IT village would provide for ready to move in plug-and-play facilities with a built-up area measuring approximately 1 lakh square feet.
- c) The park would use green technologies, and would be designed and developed as a facility matching the latest green technology parameters.
- d) The park would also have a solar farming power grid set-up for the purpose of generating power for captive consumption.
- e) Occupants of the park will be provided 100% power back-up, highspeed internet, and other amenities.

6.A.2. PPP for IT Infrastructure Development

- a) In order to address specific and customised infrastructure needs of IT companies, infrastructure facilities will be developed through a transparent PPP model(s), depending on specific requirements.
- b) The Government, from time to time, will notify schemes for creation of land banks for further expansion of IT infrastructure.

6.A.3. Ready to move in IT Infrastructure

- a) For the immediate requirement of the industry, the Government would make available affordable warm shells or ready to move in plug-and-play office spaces on lease basis.

- b) For this purpose, the Government will use the PPP model facilitating lease of warm shells or ready to move in plug-and-play facilities from third party/(ies).

6 B. Fiscal Incentives

Through the following provisions and subsidies, the Government intends to render financial support to New and Existing Units investing or expanding in Goa.

6.B.1. Criteria

- a) In order to avail the complete benefit of the incentives mentioned in this section, the following criteria of employees should be fulfilled as applicable.

Employees of Goan origin or Goan Graduates	% of Incentive
Upto 30% of employees on rolls of the company as on last date of Financial Year or average full-time equivalent	50%
30% to 60% employees on rolls of the company as on last date of Financial Year or average full-time equivalent	75%
More than 60%employees on rolls of the company as on last date of Financial Year or average full-time equivalent	100%

- b) To avail the incentives mentioned in this section, the employees must be on the payrolls of the unit (New or Existing) for at least 12 months.
- c) The Units availing similar financial incentives under any other policy of the Government of Goa are not eligible for availing benefits under this policy.

6.B.2. Land/Built Up Area Rebate

- a) **Purchase of Land for creating IT Office Space**-A one-time rebate @ INR 40,000 per male employee (@ INR 50,000 per female employee) will be provided up to 60% of the cost of the land as determined by the Consideration Amount (value as defined in the Stamp Registration/ Sale Deed)
- b) **Purchase of Built Up office space for IT operations** - A one-time rebate will be provided up to 20% of the cost of the space as determined by the Consideration Amount (value as defined in the Stamp Registration/ Sale Deed).
- c) A Unit can avail any one of the above mentioned rebate. In order to avail this rebate, the Units should have direct employment proportional to the built up space created at the rate up to 80 sq.ft. per employee. Direct employees should have been on the rolls of the unit for a minimum period of 12 months.
- d) For Existing Units, rebate may be claimed on transactions that are made up to 3 years prior to the notification of the policy. For New Units, rebate may be availed on transactions made post notification of the policy. Prescribed guaranties would be taken from the sponsors of the project for the rebate.

- e) This rebate will be reimbursed to the companies in three tranches post Commercial Operation Date or from date of notification of the policy whichever is later.
- f) The maximum rebate under this provision for land purchased would be INR 1.5 crore and for the purchase of Built up space would be INR 1 crore.

6.B.3. Lease Rental Subsidy

- a) All New & Existing Units can avail a rental/ Lease reimbursement on the built up office space lease /rent, up to 50% of the Annual Lease Rentals (60% in cases where 30% or more of the employees are women) for a period of 2 years.
- b) The above rebate is also applicable if the built up space is leased from GIDC/ any Government Agency.
- c) For the units availing land from GIDC/ any Government Agency, a reimbursement of the upfront lease premium (as per the Stamp Registration) paid by the unit shall be reimbursed as per the payment to the Allotment Agency. In addition, the annual lease rentals paid to the allotment can also be claimed post completion of one year of operation. This reimbursement would be provided for a period of 2 years.
- d) In order to avail this benefit the unit should be operational for at least one year prior to the date of applying for the incentive.

6.B.4. Capital Investment Subsidy

- a) Capital investments does not include investments made towards land and building, if any. Any New and Existing Unit can avail capital investment subsidy only if the unit has operated from the said office space for a period of more than 2 years.
- b) **All New Units** developing office spaces will be eligible for an investment subsidy up to 20% on the investments made during the policy period.
- c) An additional 10% subsidy on the investments made will be provided in case of establishment of **Mega Business Units**.
- d) An additional 10% subsidy on the investments will be provided for the establishment of office spaces for the industries identified as key focus areas for the Government (refer 4.c)
- e) All Existing Units, which qualify as Mega Units are also eligible for investment subsidy up to 20% of the capital investment incurred in the last 3 years prior to the date of notification of this policy.
- f) In case of any expansions, the units can avail the investment subsidy, provided it meets the criteria of the Expansion Unit.
- g) The maximum rebate under this provision would be as follows:
 - i. Smaller Business Units – INR 10 Lakh
 - ii. Other Business Units – INR 50 Lakh
 - iii. Mega Business Units – INR 1 Crore

- h) In order to avail the complete benefit of the incentives the criteria of employees mentioned in 6.B.1 (b) would be applicable.

6.B.5. Registration & Stamp Duty Subsidy

All New and Existing Units shall be eligible for reimbursement of the stamp duty, such that the registration and stamp duty charges will not exceed INR 100/- and the excess amount paid to the authorities concerned will be reimbursed. This subsidy will be provided in full, at the end of two years from the start of commercial operations or from the date of Notification of the Policy; whichever is later.

6.B.6. Power Subsidy

- a) All Units operating in Goa will be provided 20% subsidy on power bills (only on the power charges, excluding any duty and taxes, but not on the total bill), subject to a maximum of INR 5 lakh per annum per Unit whichever is lower. The subsidy will be provided for a period of 3 years from the date of commencement of operations or from the date of notification of this policy whichever is later.
- b) **Solar Power** -All Units operating in Goa running on 100% solar energy will be eligible for a reimbursement of 10% of their capital cost of the installation of Solar Power Generation Unit subject to a maximum subsidy of INR 50 lakh. The unit should also be registered with Goa Energy Development Agency (GEDA) for production of solar power.

6.B.7. Internet Subsidy

All New & Existing units can avail a 25% reimbursement on high speed bandwidth, subject to a maximum of INR 5 lakh per annum whichever is lower. The subsidy can be availed for a period of three years from the date of commencement of operations or from the date of notification of this policy whichever is later;

6.B.8. Salary Subsidy

- a) All New and Existing Units can avail a salary subsidy for Fresher's recruited during the operation period of the Policy. The subsidy would be provided as a matching grant to salary paid to Fresher's up to INR 10,000 per Fresher per month (INR 12,500 for female Fresher) for a period of 2 continuous years of operation post the notification of this policy.
- b) A recruitment assistance of INR 10,000 per Fresher will be provided to the Existing and New units that recruit through Campus recruitment from the educational institutes located in Goa. This incentive shall also be extended to startup units in Goa.

6.B.9. Patent Filing Reimbursement

All New and Existing Units located within Goa shall be eligible for a total reimbursement of up to INR25 lakh per unit for the expenses incurred towards filing of patents during the policy period. This incentive shall be provided in the form of reimbursement of up to

INR2.5 lakh for every successful domestic patent, and up to INR5 lakh for every successful international patent.

6.B.10. Quality Certification Reimbursement

All New and Existing Units shall be eligible for a reimbursement of the cost of industry standard quality certification. This incentive may be claimed only once for any number of certifications acquired during the policy period. The maximum amount that may be availed under this reimbursement is capped at INR 5 lakh per unit.

6.B.11. Special Incentives for Smaller Business Units

- a) **Marketing Support:** A reimbursement of 50% of the exhibition rental cost for will be provided for participating in national/ international exhibitions, limited to 9 square metres of space, subject to approval by the Government.
- b) **Performance Linked Grant:** Units that record a growth of 15% y-o-y turnover for a period of any three consecutive years during the operation of the policy, will be provided a performance grant of 5% of the reported net income subject to a total cap of INR 25 lakh.
- c) **Interest Subsidy:** Interest subsidy on working capital loan will be provided, subject to a maximum of INR 5 lakh per annum, for a period of 3 years.

6.B.12. Encouragement to the Goan Diaspora to start business in Goa

- a) A 100% reimbursement of the lease rentals will be provided for a period of first 6 months of operations. Further, a reimbursement of INR 35 per sq. ft. or 80% of the total lease rentals; whichever is lower; will be provided up to a maximum period of 2 years.
- b) An additional 10% investment subsidy on the capital investments as defined in section 6.B.4 shall be provided in case of units are owned by the Goan Diaspora.
- c) For availing this incentive, the company/ firms should satisfy all of the following conditions:
 - i. Is registered in Goa
 - ii. CEO / Head or the Majority Stakeholder(s) is a Goan Diaspora.
 - iii. Hires minimum 15 employees and minimum 60% of those employees are of Goan Origin.

6.B.13. Special Incentive Allowance

- a) New and Existing Units would be provided with the following special incentive allowance once at the end of every three year period
 - i. Smaller Business Units: INR 50 lakh
 - ii. Other Business Units: INR 1 crore
 - iii. Mega Business Units: INR 2 crore

- b) The minimum criteria to be met by the units to avail this special incentive allowance is as follows

Criteria	Unit
Annual Growth	>= 20% pa for a period of 3 years
Employee Head Count (Goans or Goan Graduates)	>= 75% of the total employees
Female Employees	>= 60%
Employee Certification (6.D.1)	100% of the Goans
Quality Certification by the company (6.B.10)	At least one during the Policy period

6.B.14. Special Incentives to Multinational Technology Company

Any Multinational Technology Company having a minimum global turnover of minimum USD 2.5 billion dollars will be entitled for special package of incentives beyond the scope of the policy as decided by the Empowered Committee on a case to case basis. In addition, the Empowered Committee, on case to case basis may offer customised packages to companies that develop innovative solutions.

6 C. Governance

6.C.1. Exemption under Labour Laws

- All New and Existing Units can function 24x7x365, in three shifts.
- New and Existing Units would be exempted from inspections under all labour laws, barring inspections arising out of specific complaints. The New & Existing Units would be permitted to file self-certifications, to ensure compliance as per the labour laws.

6.C.2. Empowered Committee

- An Empowered Committee (EC) will be constituted at State level for guidance, approval of grants and for monitoring and encouraging New and Existing Units in the State.
- The EC shall be authority in deciding the incentives, which would be provided as per schemes defined in this policy.
- The EC would be responsible for expediting decisions on approvals of incentives to the New and Existing Units.
- The EC shall consist of following members:

1	Hon'ble Chief Minister	Chairman
2	Hon'ble Minister for Information Technology	Vice-Chairman
3	Managing Director – GITDC	Member
4	Chairman – Info-Tech Corporation of Goa Ltd	Member

5	Chief Secretary	Member
6	Finance Secretary	Member
7	Secretary (Information Technology)	Member
8	Director (Department of Information Technology)	Member Secretary
9	Chairman – Economic Development Corporation	Member
10	Managing Director – Goa Electronics Limited	Member
11	Managing Director – Info-Tech Corporation of Goa Ltd	Member
12	Four Industry representatives	Members

6.C.3. Goa IT Advisory Council

The Goa IT Advisory Council will act as an advisory body/ think tank which will provide industry relevant insights to the state Government. The Goa IT Advisory Council will be chaired by the Hon'ble Chief Minister and Co-Chaired by the Hon'ble IT Minister, and will comprise of members from the industry.

6.C.4. On-boarding of Industry Specialists

A dedicated arm of the Government, under the Department of Information Technology will be formed for the purpose of implementing this policy and realising the vision of creating and nurturing a world class Information Technology ecosystem that powers the state's economic growth, and firmly establishes Goa in the international IT industry map. It will consist of experienced and suitably competent professionals from the private sector.

6.C.5. Ease of Doing Business

- a) **Single Window System:** As part of the Government of Goa's endeavor to promote EoDB in the state, the IT Department will support the Industries Department in developing a web based single-window portal for all types of investments in the state, with a special focus on Information Technology. The portal will enable registration of the IT units, facilitate two-way communication with the Government for updates and reminders on regulatory matters, and access to the repository of information on all state-level compliances that are required for the units. Through the single window portal, the Government will also provide a channel for the units to provide policy inputs to the Government.
- b) **Time-bound Approvals:** Through the single window system, all decisions regarding incentive approvals and payments will be provided within 90 working days, subject to due compliance to the procedures by the applicant.

6 D. Human Capital Development

Goa has reputed technical institutes and engineering colleges. It is imperative to constantly create an environment that promotes quality education in emerging technologies and alignment with the specific needs of the industry. For this purpose, the following initiatives shall be introduced by the Government.

6.D.1. Certification Programs

- a) Goan IT Professionals can avail reimbursement upto 50% of the expenditure incurred for obtaining certifications for improving their employability.
- b) These Certifications should be by the vendors or by Authorised Training Partners of the Vendors. Department of IT would come up with the list of courses/ certifications (which would be updated from time to time) which can be considered for reimbursement under this scheme.
- c) Units providing training to the Goan IT Professionals as group through vendors or by Authorised Training Partners of the Vendors can avail reimbursement upto 50% of the expenditure incurred for obtaining certifications for improving their employability.

6.D.2. Industry Collaboration

- a) Through collaboration with industry, Centres of Excellence and industry sponsored Chairs will be established in institutes of higher education in Goa.
- b) Through industry collaboration and extended learning programs, efforts will be made to promote the skill levels, industry compatibility and teaching proficiency of the faculty members.
- c) Every year, up to 10 teachers from technical colleges in Goa, will be sent to centres of excellence within the country or abroad, to undertake advanced learning academic certification programs.

6.D.3. Training Programs for the Students

- a) The Government would enhance the skill quotient of students passing out from technical institutes in Goa by infusing technology-enabled real-world problem-solving and coding skills by fostering collaboration between industry, Goa University, NASSCOM, Ministry of Skill Development (Government of India), and Institutes of excellence such as IITs.
- b) The Government will open avenues for skill development through enrolment in Massive Open Online Courses (MOOCs); students would be suitably rewarded for obtaining industry relevant and advanced technical skills through MOOCs.
- c) The Government, from time to time, will introduce programs such as trainings, knowledge sharing camps, and/or national and international learning tours in collaboration with technical institutes and industry specialists to promote advanced IT skills amongst the student population passing out of technical institutes in Goa.

7. Other Aspects

- 7.A.1. This policy shall remain in operation for a period of five years from the date of notification in the official gazette.
- 7.A.2. New and Existing Units availing similar financial incentives under any other policy of the Government will not be eligible for availing benefits under this policy.
- 7.A.3. The Department of Information Technology will issue detailed implementation guidelines in consultation with the Departments concerned in order to achieve the goals and objectives of this policy.
- 7.A.4. In case of any doubt/ambiguity/lack of clarity regarding the meaning or interpretation of the any of the provisions of the policy stated above, which may arise during the implementation of the policy, the same shall be clarified in terms of the contents of the Preamble, Vision, Mission, and Objectives stated above.
- 7.A.5. In case of any disagreement regarding meaning/implementation of any of the provisions of the policy, the same shall be decided by the Empowered Committee and the decision of the Government in this regard shall be final and binding on all parties.
- 7.A.6. In the event of any of the information, in whole or in part, provided by any unit to avail the incentives under this policy is found to be false, misleading, or misrepresenting any facts in any manner whatsoever, the said unit will return any amount received as incentives along with an interest @ 18% per annum from the date of disbursal to the date of return. Provided further that such unit shall be debarred from availing any incentives under any policy and/ or schemes implemented by the Government in future.
- 7.A.7. In case of any dispute between Government and any Unit, the decision of Chairman of the Empowered Committee is final.
- 7.A.8. The Policy is subject to the legal jurisdiction of Goa regarding any matters concerning with the incentives mentioned. The incentives shall be governed by the Indian Laws in Force and any proceedings relating to this policy shall be filed or taken by the unit to a Court of Law only in Goa.
- 7.A.9. The provisions contained in this Policy and the Schemes framed thereunder shall not be treated as binding representations or assurances on the part of the Government and in the event of non – implementation of any such provisions by the Government, the doctrine of promissory estoppels shall not be applicable against the Government..

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