

**MEMORANDUM OF
UNDERSTANDING**
(M o U)

BETWEEN

ASSAM ELECTRONICS DEVELOPMENT CORPORATION LTD.

AND

INFORMATION TECHNOLOGY DEPARTMENT
Government of Assam

For the Financial Year 2006-07

PREAMBLE

Assam Electronics Development Corporation Ltd. (AMTRON) at a glance

The Assam Electronics Development Corporation Ltd. (AMTRON) was established in the year 1984 to accelerate the growth of electronics and IT Industries in Assam. Over the years, AMTRON has developed expertise and leadership position in the Information & Communication Technology Industry in the entire NE region. As a pioneer of ICT in this region, AMTRON has been instrumental in bringing the NE Region in the national ICT map both as a promotional agency and as a direct promoter of ICT industries in this backward state of the country. AMTRON has not only been successful in developing basic infrastructures for growth of ICT in AMTRON itself, but also outside of AMTRON through its promotional activities.

AMTRON has developed expertise in providing Turnkey Solutions in ICT, Project Management, Event Management, Software & Hardware Consultancy, including Software Development and Networking Solutions, IT Infrastructure Development, Manpower Training & Development in the IT Sector. AMTRON success stories include establishment of the first modern Manufacturing plant for B&W and Colored TVs, EPABX, Computerization of Various Govt. Departments Works and many ambitious Central Govt. and State Govt. Projects in the State of Assam.

1. MISSION

To act as a developmental agency in the ICT sector for the State of Assam so as to develop world class ICT Industries and services and infrastructure through both public and private participation, with an objective to generate wealth and large scale employment opportunities in the State in particular and in the North Eastern Region in general.

2. OBJECTIVE: The Objectives of AMTRON, keeping in consonance with its Mission Statement, have been broadly categorized into seven:

i) Growth of Electronics, Hardware & Software industry

- Promote and invest in the Amtron Informatics (India) Limited, which is 100% owned subsidiary of AMTRON, set up on 27.03.2002 for revival of AMTRON under the NE Industrial Policy, 1997 of Government of India, and is currently manufacturing wide range of electronics & IT goods in association with reputed Indian & MNC companies such as ONIDA, LG, BPL etc.
- Promote and invest in subsidiary companies for growth of the electronics & ICT in the State.

- Promote exports of electronics hardware & software from Assam, primarily to the South East Asian countries.
- Promote local entrepreneurs to set up electronics hardware & software industries, business activities through Grant, loans and FI tie-ups.
- Set up IT Park, BPO city and Hi-Tech City projects for attracting investment in IT/ITES sector.
- Create IT awareness among masses through campaigns, publicity events, workshops & media
- Market the ICT & electronics potential of the State in India and abroad by participating in national/international Expos, road shows, conferences & workshops.

ii) Building of Human Capita

- Promote Amtron Institute of Information Technology (AIIT) on the lines of IIIT, and divert all of its education & training activities to this institute.
- Tie up with AICTE, DOEACC, CISCO, NOVEL, AUTODESK, MICROSOFT, IBM, ORACLE, REDHAT, NIIT, SAP, BAAN etc. to provide quality training, skill up-gradation and quality certification to the local youth of the region for employability in the IT/ITES sector
- Take up IT/ITES educational programs for target groups such as corporate houses, Government departments, school children, women, economically & socially challenged sections, senior citizens etc.
- Build a Human Capital Database, especially of the educated and trained manpower in the IT & services sector
- Promote R&D in software & hardware
- Promote interface between industry & academics in the ICT sector

iii) e-Governance & Citizens' Access to Information

- Build and maintain the Assam State Wide Area Network (ASWAN) with active assistance of the State Government, including last mile connectivity.
- Provide Internet, Audio, Video, Voice and Integrated Data services to the Government Departments and agencies against reasonable charges for these services
- Provide e-Governance services, G2C, C2C, & G2B services, portals and replicate e-Setu through kiosks
- Provide know-how & expertise to the Government Departments for back end computerization and business process re-engineering

iv) Systems & services

- Provide internet, connectivity and network services to the public, business houses and entrepreneurs on the ASWAN/AMTRON network on commercial terms
- Provide consultancy & turnkey solutions
- Carry-out turnkey implementation of projects
- Carry-out trade & commerce in electronics & ICT sector
- Provide maintenance support services
- Service Provider – State Level Agency (SLA), e- Commerce, Web services etc.
- Software & services exports

v) Regulatory Role

- State Nodal IT Agency
- Implementation of IT Policy
- Certification & Quality management in IT/ITES sector

vi) **Role as IT Directorate of the Government of Assam**

- Preparation & submission of Annual Plan/Non Plan Budget
- Providing back-end support to the IT Department
- Preparation & Implementation of Plan/Non Plan schemes
- Monitoring & evaluation of IT in various Departments

vii) **Corporate**

- Accident & fire free premises
- Payment of Regular salary, PF & other statutory dues
- Distribution of uniform to employees
- Skill up-gradation & capacity building
- Steps for acquiring ISO & CMM certification
- Preparation of Corporate Plan, Budget & Roadmap
- Welfare of staff – Medical & accident insurance, water, sanitation, canteen, recreation
- Acquiring of new technologies, investment in infrastructure

3. **COMMITMENTS [Targets for 2006-07]**

SL No	Criteria	Units	Weight -age (%)	Criteria Value				
				1	2	3	4	5
				Excellent	Very Good	Good	Fair	Poor
A Physical Targets								
1	Turnkey Solutions (GOI, GOA, Non Govt.)	Creore per annum	20	10	8	6	3	1
Project Implementation, Consultancy & Training								
2	a) Minor Projects (Below 100 Lakh)	Lakh per annum	10	100	80	60	30	10
	b) Major Projects (Above 100 Lakh)	Creore per annum	10	10	8	6	3	1
3	Export Business	Lakh per annum	5	10	8	6	3	1
4	Production of Subsidiary Company	Units	5	10000	8000	6000	3000	1000
5	HRD & Training	Lakh per annum	10	40	30	20	10	5
B Financial Targets								
1	Turn over	Creore per annum	10	50	40	30	20	10
2	Turn over /employee	Lakh per annum	10	25	20	15	10	5
3	Turnover of AMTRON Subsidiaries	Creore per annum	10	10	8	6	3	1
C Dynamic Efficiency								

1	Contribution to State Exchequer in terms of Commercial taxes	Rs in Lakh	5	50	40	30	20	10
2	Outstanding Statutory Liabilities	Rs in Lakh	2	10	20	35	70	100
3	Up-dation of A/c & Balance Sheet (No. Of Financial Yrs pending)	No. of Years	3	0	1	2	3	4
TOTAL WEIGHTAGE			100					

ACHIEVEMENTS OF AMTRON DURING 2004-05 & 2005-06

SL No	Criteria	Units	2004-05	2005-06
A	Physical Targets			
1	Turnkey Solutions (GOI, GOA, Non-Govt.)	Crore per annum	0.75	1.0
2	Project Implementation, Consultancy & Training			
a	Minor Projects (Below 100 Lakh)	Lakh per annum	---	0.75
b	Major Projects (Above 100 Lakh)	Crore per annum	--	0.55
3	Export Business	Lakh per annum	1000	4500
4	Production of Subsidiary Company	Units	10000	--
5	HRD & Training	Lakh per annum	NA	NA
B	Financial Targets:			
1	Turn over	Crore per annum	14	47
2	Turn over/employee	Lakh per annum	NA	NA
3	Turnover of AMTRON Subsidiaries	Crore per annum	10	--
C	Dynamic Efficiency			
1	Contribution to State Exchequer in terms of Commercial taxes	Rs in Lakh	---	---
2	Outstanding Statutory Liabilities	Rs in lakh	---	---
3	Updation of A/c & Balance Sheet (No. Of Financial Yrs pending)	No. of Years	---	---

N.B: NA:- Presently not available.

4. DELEGATION OF POWER:- The Government will consider favorably the following delegation of powers to the Corporation:

- i) For undertaking capital investment by the Corporation in building, plant, machineries etc. for capacity expansion, modernization, up-gradation of technology etc. up to Rs.2.00 Crore without going to the PIB. This is necessary because any modernization work involving technology cannot be kept waiting for grant of approval because this process consumes time and by the time the proposal gets clearance, there may be a drastic change in technology and at the same time cost escalation.
- ii) To invest in instruments like reputed Mutual Fund (MF) of low risk but having better return than normal bank interest in FDRs etc. There are quite a few nos. of MFs those have portfolio arrangement like 80% investments are in Govt. bond assuring secured returns and rest in high yielding shares of energy, telecom and software sectors.
- iii) Delegate authority to select and appoint consultant of international repute to assess the state's IT capability and market State's plan for building IT Infrastructure like State of the Art IT Park in Public/Private partnership with Govt.
- iv) Delegate the Corporation the authority to act as online payment gateway for the Govt. of Assam. All e-payments to be received through the e-payment gateway of Govt. of Assam managed by AMTRON commercially.
- v) Delegate the power to the Board of the Corporation to send AMTRON personnel on visit to overseas countries etc. for scouting/showcasing business opportunities and technologies for the corporation's growth and profit which in turn would ensure the growth of the state in IT sector and employment generation opportunities building IT infrastructure like IT Park, Regional Center of Excellence.

5. ASSISTANCE FROM THE GOVERNMENT: The Government will consider favorably the following assistance to the Corporation

- i) Entry Tax and VAT exemption on products manufactured by AMTRON and its subsidiary companies like AILL to consolidate the Corporation's position in manufacturing of Electronics and IT product (including white goods and consumer electronics products) in the entire N. E. region and pave the way for industrial growth in the region and to generate employment.
- ii) **As AMTRON has been acting as the IT Nodal Agency for the State Govt, its role now has been that of a almost de-facto Directorate of the IT Department without getting any extra budgetary support. AMTRON performs various functions on behalf of the Government like preparation of reports, proposals, planning the IT Budget, Schemes etc. Hence for smooth functioning of activities of the IT Department, it has become necessary to declare AMTRON as the IT Directorate and provide a budgetary support in the form of grant-in-aid of Rs.200 Lakh per annum with subsequent rise in the amount in every subsequent years.**
- iii) State Govt. will ensure that fund from center would be routed directly to AMTRON for executing IT related projects where center agrees to provide funding to state proposals.
- iv) Govt. will consider according AMTRON and its subsidiaries to implement and execute its all projects and developmental works in IT sector for the State. AMTRON and its subsidiaries shall have the purchase preference policy as laid down by the State Govt. from time to time.
- v) Govt. to appoint AMTRON as State Level Agency (SLA) for executing SMART CARD based registration process of Transport Department and Photo Identity Card of Voter List of the

- State Election Department. As the work involved in this category is of recurring nature, therefore this is required for sustaining the corporation commercially.
- vi) Govt. to make AMTRON the Nodal IT Agency for the GIS based Disaster Management Program.
- vii) While implementing IT in all the line Departments of the Govt. AMTRON for the State Govt. of Assam will act as the overall consulting department against payment of agency charges as given below:
- | | |
|-----------------------------------|-------|
| I. Project Value up to 50 crores | 7.5% |
| II. Project value above 50 crores | 10.0% |
- viii) In case the Corporation is asked to execute commercially non-viable projects on strategic/special consideration by the State Govt., then the State Govt as may be appropriate in the circumstances would provide financial support.
- ix) The Govt. to assist the Corporation in making recoveries of outstanding dues from various Govt. departments / PSEs.
- x) Govt. will consider supporting investment in assets and capacity building through equity participation.
- xi) Govt. would provide necessary budgetary support to the Corporation in its role for image building for the State in the IT sector.
- xii) Govt. will consider allowing the Corporation to seek Govt. guarantee in lieu of land and building for devising the Corporation and its subsidiaries growth strategy.
- xiii) Govt. will consider waiving / converting to grant in aid outstanding loan of Rs.55 Lakh of the Corporation for easing the constraints on working capital.
- xiv) The Corporation has following receivables against loan and interest from other State PSE and Bank as given below:
- ◆ Rs. 28,43,000.00 from Assam Tea Corporation Ltd.
 - ◆ Rs. 97,68,000.00 from Assam Spun Silk Mill Ltd.
 - ◆ Rs. 16,81,000.00 from City Co-operative Bank
- The above receivables should be adjusted against the sales tax amount of Rs. 82,49,971 as assessed dues of Corporation during 30.9.1990 to 31.12.1993
- xv) Govt. will consider giving right of way for laying OFC to the Corporation, which in turn can be traded with various OFC laying companies (Govt. and Private). Further, right of way for using ASEB distribution network to the Corporation for its broadband network to reach the doorstep of the people to provide quality Internet connectivity with voice, data and video service.
- xvi) Govt. to raise its share capital (Equity Participation) in AMTRON from the Current Rs.10 Crore limit to Rs. 30 Crore, which has already been approved by the Board of Directors of AMTRON.

6. FREQUENCY OF MONITORING & INFORMATION FLOW

- i) The frequency of monitoring & information flow shall be quarterly, i.e.
1. June ending (report to be submitted by 7th July)
 2. September ending (report to be submitted by 7th October)
 3. December ending (report to be submitted by 7th January)
 4. March ending (report to be submitted by 15th April)
- ii) The overall performance of the MOU will be evaluated at the end of term of the MoU. The Corporation will submit the self-evaluated report to the Public Enterprise Department by 30th April 2007.

Sd/
Managing Director
Assam Electronics Development Corporation Ltd.

Sd/
Commissioner & Secretary
Government of Assam
Information Technology Department