

**GOVERNMENT OF INDIA  
COMMUNICATIONS AND INFORMATION TECHNOLOGY  
LOK SABHA**

STARRED QUESTION NO:220  
ANSWERED ON:11.03.2015  
IT HUBS  
Antony Shri Anto

**Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:**

- (a) whether the Government has any plan to develop IT hubs in small towns;
- (b) if so, the details thereof and the steps taken by the Government in this regard;
- (c) whether the Government is encouraging Foreign Direct Investment in this regard; and
- (d) if so, the details thereof?

**Answer**

MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI RAVI SHANKAR PRASAD)

(a) to (d) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 220 FOR 11.03.2015 REGARDING IT HUBS

(a) to (d): The Government has approved North East BPO Promotion Scheme (NEBPS) for promotion of BPO Operations in North East Region (NER) including small towns, for creation of employment opportunities and growth of IT-ITES Industry. The Administrative Approval for implementation of the NEBPS under Digital India Programme, to incentivize establishment of 5000 seats, with capital support in the form of Viability Gap Funding (VGF), with an outlay of Rs. 50 crore (Rupees fifty crore only) for remaining period of 12th Five Year Plan i.e. 31.03.2017 has been issued on 30th January 2015. The Software Technology Parks of India (STPI), an autonomous society under the Department of Electronics and Information Technology (DeitY), Government of India, shall be the Nodal Agency for implementation of the NEBPS.

The companies willing to set up a BPO/Call Centre under NEBPS Scheme should be registered in India under The Companies Act, 2013 as amended till date. As per the extant Policy, FDI up to 100% is permitted under the automatic route in Information Technology sector, which means that foreign investment in IT sector does not require any specific prior approval from the Government.

Further, another Scheme for promotion of BPO Operations, for other parts of the country, particularly small town, is contemplated for creation of employment opportunities and growth of IT-ITES Industry. The proposed Scheme would, inter-alia, lay down the appropriate guidelines in regard to eligibility, location, nature of support to the Industry and other related aspects. This Scheme would be operationalized, after obtaining necessary approvals of the Competent Authority.