

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

STARRED QUESTION NO:200
ANSWERED ON:21.07.2014
DEVELOPMENT OF IT PARKS
Premachandran Shri N.K.

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

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- (a) whether the Government extends financial assistance for the development of Information Technology (IT) parks established by the State Governments in their States;
 - (b) if so, the details thereof;
 - (c) whether the Government proposes to allow Foreign Direct Investment (FDI) for establishing the said parks and if so, the details thereof;
 - (d) whether the Government proposes a unified legislation for FDI in establishing IT parks; and
 - (e) if so, the details thereof and the steps taken by the Government in this regard?

Answer

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

(a) to (e) : A Statement is laid on the Table of the House. (US\$ in Billion, INR in Rs. Crores)

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 200 FOR 21.07.2014 REGARDING "DEVELOPMENT OF IT PARKS"

(a) and (b): The Department of Electronics and Information Technology, Ministry of Communications and Information Technology has no Programme/Scheme to extend financial assistance for the development of IT parks established by the State Governments in their States. However, the Government of India has issued a Gazette Notification on 28th May 2008 for setting up of Information Technology Investment Regions (ITIRs) to promote investments in the Information Technology (IT)/Information Technology Enabled Services (ITES)/Electronic Hardware Manufacturing (EHM) units. Under the scheme, ITIRs are envisaged to be specifically delineated investment regions, with a minimum area of around 40 square kilometer along with the associated services and infrastructure. Such a region would augment exports and generate employment. State Governments are required to play the lead role in setting up of the ITIR. The ITIR policy is aimed to promote investment in IT sector in upcoming cities/towns and remote areas.

(c), (d) and (e): According to the Department of Industrial Policy & Promotion (DIPP), Ministry of Commerce and Industry, the Consolidated Foreign Direct Investment (FDI) Policy (Circular of 2014) does not contain provision for 'IT Parks'. However, Para 6.2.12 of the extant FDI Policy provides that FDI upto 100% is permitted under automatic route in Industrial Park, subject to the conditions contained therein. Industrial Park has been defined to mean as a 'project in which quality infrastructure in the form of plots of developed land or built-up space or a combination with common facilities, is developed and made available to all the allottee units for the purposes of industrial activity'. If an IT Park conforms to above definition of Industrial Park, extant policy on the sector as mentioned in Para 6.2.12 will apply. The relevant sections of the FDI policy are given at Annexure.