GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:554
ANSWERED ON:14.07.2014
SOFTWARE TECHNOLOGY PARKS OF INDIA
Dhruvanarayana Shri Rangaswamy

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

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(a) whether small and medium Information Technology firms have exited from the Software Technology Parks of India due to withdrawal of income tax benefits;

(b) if so, the details thereof; and

(c) the corrective steps taken by the Government in this regard ?

Answer

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

(a) and (b) According to the Software Technology Parks of India (STPI), about 80% of the total exporting STP units belong to Small & Medium Enterprise (SME) category, with export revenue upto Rs.25 crores. A number of such SME STP units have exited from the STP scheme over the past two years, after discontinuance of Income Tax benefits w.e.f. 1.4.2011. The number of exporting SME STP units during the last three years is as under:

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Financial year  2011-12  2012-13  2013-14
No. of   3635  2996  2654
exporting SME
STP units
(with exports
upto Rs.
25 crore)
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Source : STPI

(c): The Government of India has notified the National Policy on Information Technology (NPIT), in September 2012. The vision of this Policy is to strengthen and enhance India's position as the Global IT hub and to use IT as an engine for rapid, inclusive and sustainable growth in the national economy. This policy envisages to increase revenues of IT and ITES Industry from USD 100 Billion at present to USD 300 Billion by 2020 and to expand exports from USD 69 Billion at present to USD 200 Billion by 2020. The key strategies identified in NPIT 2012 include creation of an ecosystem for a globally competitive IT/ITES Industry.