

[25 August, 2000]

RAJYA SABHA

(6) The Centre will reduce customs and excise regime for optical fiber, IT hardware, set top boxes, other Internet access devices, and TV sets for distance education and extension programs.

(7) There shall be no Sales tax and other State Taxes on the IT sector for the next three to five years.

(8) The accreditation mechanism for IT education shall be strengthened, by among other things, decentralizing the power of the AICTE to the States.

(9) The decision on setting up of private Universities should be speeded up. Private Universities should be set up in consultation with the State Governments.

(10) Availability of bandwidth must precede the demand. This is essential as there is a gap between demand and supply of the bandwidth namely international, national long distance, last mile and satellite. All the four elements of telecom infrastructure need to be enhanced and improved in terms of reliability and quality also.

(11) A special rate for Internet access to educational institutions may be considered. All ISPs may be urged to extend special rates. ISPs may also be urged to levy a flat rate for internet usage for all other Internet dial-up subscribers.

(12) Internet international gateways already sanctioned must become operational by August 15, 2000.

(13) Permission may be given for utilization of Ku band for educational, health and other Government broadcasts.

Software Parks

3347. SHRI NANA DESHMUKH:

SHRI B. J. PANDA:

SHRI MAN MOHAN SAMAL:

Will the Minister of INFORMATION TECHNOLOGY be pleased to state:

(a) the States where new software parks have been set up;

(b) whether Government have proposal to set up software parks in every district;

(c) if so, the fund proposed to be borne by Government for the establishment of new technology parks in different districts in 2000-2001;

(d) whether Government are proposing to sponsor any scheme for the purpose;

(e) if so, the details thereof;

(f) whether it is also a fact that India cannot be self-reliant in software technology unless it enters into product & practice development like U.S.; and

(g) if so, what steps have been/proposed to be taken in this regard?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF INFORMATION TECHNOLOGY (SHRI PRAMOD MAHAJAN): (a) Software Technology Park (STP) at Guwahati in Assam became operational with effect from 13.08.2000. Work is in progress to set up similar STPs at Indore (MP) and Srinagar (J&K). Hub centres of STP-Guwahati are being set up at Sikkim and Tripura. STPI is installing Earth Stations at Chennai (Tamil Nadu), Hubli (Karnataka) and Vizag (Andhra Pradesh). Proposals are also under consideration for setting up STPs at Gurgaon (Haryana), Shimla (Himachal Pradesh), Mangalore (Karnataka), Nasik (Maharashtra), Nagpur (Maharashtra), Aurangabad (Maharashtra), Kolhapur (Maharashtra), Mumbai (Maharashtra), Rourkela (Orissa), Pondicherry, Trichy (Tamil Nadu), Madurai (Tamil Nadu) and Calcutta (West Bengal).

(b) There is no such proposal at present.

(c) to (e) Do not arise.

(f) It is desirable that Indian Companies also enter into Information Technology product and practice development if they are to excel in this field.

(g) Software Companies are increasingly adopting international procedures and standards for software development. World-wide only 21 companies have achieved SEI-CMM Level 5 software standard and out of which 15 companies are from India.

Thirteen Resource Centres for Indian Language Technology Solutions have been set up at various educational institutions and R&D organisations to develop tools for multilingual internet based computing, content creation and learning systems.

Government has formed a Rs. 100 crores National Venture Capital Fund in association with Small Industries Development Bank of India (SIDBI) and Industrial Development Bank of India (IDBI) for IT Industry particularly for

small and medium enterprises. Further, to encourage flow of venture capital in the country legal and fiscal framework has been created through amendment of Companies Act (Sweat equity & buy back of shares) and Income Tax Laws. Corporate and Income Tax exemptions are being allowed on dividends and long-term capital gains for venture capital investments. Special stock option schemes for Indian software companies linked with American Depository Receipt/Global Depository Receipt are being allowed.

Software Technology Parks cater for incubation centres which will facilitate and enable up and coming software professionals and units to develop products for export.

To encourage R&D in the area of Information Technology, Government has allowed a weighted deduction of 125% on the sums paid to any university, college or an institution or a Scientific Research Association for the purposes of scientific, social or statistical research.

Computer Software Export Promotion Council

3348. SHRI B. J. PANDA:

SHRI MAN MOHAN SAMAL:

Will the Minister of INFORMATION TECHNOLOGY be pleased to state:

(a) whether Government had a proposal to set up Computer Software Export Promotion Council in all the major cities of the country;

(b) if so, the steps taken in this regard;

(c) the performance of these Export Promotion Councils in terms of quantity and value of export of computer software peripheral as well other electronics items during the last three years; and

(d) the details thereof?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF INFORMATION TECHNOLOGY (SHRI PRAMOD MAHAJAN): (a) and (b) The Government has set up Electronics and Computer Software Export Promotion Council (ESC), to promote export in the area of Electronics and Information Technology. It has its headquarter at New Delhi with a branch office at Bangalore. Another branch is being set up at Chennai. There is no plan at present to establish its branch offices at any of the other major cities in the country.

(c) and (d) A statement in this regard is enclosed (*see below*).