

Bhubaneswar

Proceedings of the 4th Open House of STP/EHTP units with the Members of the IMSC Sub Group held on 24th January, 2013 at Pune for Review of STP and EHTP Schemes

The 4th Open House for Review of STP and EHTP Schemes was held on 24th of January 2013 at Bhubaneswar where the members of IMSC Sub Group, Dr. Omkar Rai, DG, STPI, Shri Manoj Kumar Arora, Addl. DGEP were present. Dr. L.B. Singhal, Addl. DGFT could not be present in the Open House. Shri M.S. Padhi, Commissioner-cum-Secretary, Department of IT, Govt. of Odisha graced the Open House as Special Invitee. Representatives of around 66 STP/IT/ITES and ESDMunits from Bhubaneswar, Rourkela, Berhampur, Bhadrak and other parts of the State were participated in the interaction.

1. Initiating the proceedings, Dr. Sanjay Tyagi, Addl. Director, STPI-Bengaluru introduced the Sub Group Members
2. Shri Manas Panda, Addl. Director, STPI-Bhubaneswar made the welcome address.
3. Shri P.K. Das, Director, STPI-Bhubaneswar/Guwahati briefed about the consultative process adopted by the IMSC Sub Group.
4. In his opening remark, Shri Manoj Kumar Arora, Addl. DGEP acknowledged the important role played by the IT Industry in terms of earning Foreign Exchanges and generating employment. He requested for innovative and out of box suggestions which would be helpful for the Sub Group to recommend for formulation of suitable policy.
5. Dr. Omkar Rai, Director General, STPI in his opening remarks emphasized on innovative suggestions from IT Industry to enable revolutionary changes in the Policy in the present context. He also revealed about some of the recent initiatives of Department of Electronics & IT, Govt. of India and STPI, regarding proposed incentive scheme for dispersal of IT Industries to Tier II/Tire III cities, incentivizing the MSME units as well as strengthening the Incubation for development of products & IPR. He enlightened about the recently announced National Policy on Electronics & IT which is very ambitious and hopeful that these recent initiatives by DeitY & STPI would foster the growth of IT exports.

Then, the representatives of IT Industries were invited to place their suggestions one by one.

9. The representative from NASSCOM, Eastern Zone suggested that 3% of state IT budget (outside the NeGP) should be reserved for local IT companies on domicile basis.
10. The representative from AABSYS requested that STP scheme should continue further. He also suggested that a single window mechanism should be framed for all Customs related permissions at STPI and formulation of effective marketing development assistance.

11. The representative from Infosys suggested for defining life span of Custom bonded assets and automatic de-bonding after end of life. He requested for provision of single window clearance mechanism and raised the issue of e-waste which needs to be promoted in EHTP.
12. The representative from CITE congratulated STPI for taking the country towards global leadership in IT exports. He requested for re-introduction of IT exemption under 80-IA benefits for private infrastructure service provider. He suggested for automatic renewal of LOP of Pvt. infrastructure service provider/IT Park and all exemption which are applicable for STP units should also be passed to the STP IT Park. He also requested for passing all SEZ benefits for STP IT Parks for level playing field.
13. The representative from Enterprise Systems Solutions requested for simplification in Customs bonding procedure under a single window provision at STPI. He also requested for automatic approval of DTA Sales.
14. The representative from Cybertech Solution and Multimedia suggested that STPI should facilitate trade delegation to African and Latin American countries to tap the virgin market. He also suggested that STPI should open offices in these countries to work as liaison office for STP units to promote IT exports. He suggested since STPI has PAN India presence, it may form SPV for product development which would boost the production in domestic market.
15. The representative from Discoverture Solutions requested for extension of STP scheme with Income Tax exemption and suggested that the Service Tax should be exempted instead of reimbursement.
16. The representative from Silicon Techlab requested that STPI should create a marketing platform for SME unit and mechanism for certification of bench marking of product and services.
17. The representative from Mahindra Satyam emphasized on rural BPO and suggested that special incentives should be offered for SME/MSME units in rural areas. He suggested for organizing some IT events regularly to promote the IT visibility. He also raised the issue of problem in getting RBI approval for delayed submission of Softex and other labour related issues for operating 24 x 7 and women working in night shift.
18. The representative from Affixi Technology suggested that earning through royalty should be counted as NFE and requested for enabling provision for receipt of payment in foreign currency through credit card and making available of ESCROW services. He gave emphasis on skill development to make the passed out students employable in IT industry.
19. The representative from SPARC suggested that STPI should make provision of overseas incubation at subsidized rate for STP units for better market linkage for exports.
20. The representative from AuroIn India Ltd. raised the issue of double taxation on export revenue at their foreign office and also in India and payment gateway issue for remittance of foreign currency through credit card.
21. The representative from Semtech Corporation raised the issue of exorbitant price of real estate at Bhubaneswar and suggested that Govt. should come up with more facility to

balance between demand and supply. He requested for clear guidelines for transfer pricing norms.

22. The representative from Luminous Infoways requested for special incentive for women entrepreneurs and requested for longer incubation time.
23. The representative from TCS suggested for creating sales and marketing platform for SMEs to sell their product and services through a common portal. He also raised the issue of e waste and requested for policy guidelines on this.
24. The Sankalp Semi Conductor emphasized on co-existence of industry with academia in line with teaching hospital method and suggested for distinct set of incentives for tier II cities. The representative from ProcessMap raised the issue of problems from State Labour Department for operating 24 x 7 operation and night shift.
25. The representative from Seenet Consultancy, Rourkela suggested that special focus should be given on Tier III cities or else if both the Tier II and Tier III cities are treated at par then industry will tend to concentrate in tier II cities and Tier III cities will remain neglected as before.
26. The representative from Karma Strategy suggested for taking necessary steps to make global recognition for STP units.
27. The representative from JSS IT Solution suggested for making available of venture funding for SME and MSME unit, automatic renewal of STP license and extending marketing assistance.
28. Prof. Ashok Panda from CITE suggested for exploring possibility of utilization of extra resources available at Engineering Colleges and Technical Institutes by the IT units for optimum utilization of the facility and hence reducing the cost. He requested that Govt. should give emphasis on enhancing the employability among passing out students and starting internship programme on incubation and entrepreneurship.
29. The representative from Waterford, Berhampur requested for special emphasis on innovation and product development.

Concluding the proceedings Shri M.S. Padhi, Commissioner-cum-Secretary, Department of IT, Govt. of Odisha enlightened the gathering regarding the new initiatives being planned for promotion of IT sector in the State of Odisha. He revealed that the revised ICT Policy of the State to be announced very soon. He assured the Industries all possible support from the State Govt. and promised to look in to the labour and other issues faced by the IT/ITES and ESDM sector.

In their concluding address, DG, STPI and Addl. DGEP thanked for the suggestions from the Industry and requested for written and specific suggestions to take their views forward.

At last, Shri Devesh Tyagi, Director, STPI-HQ extended Vote of Thanks.