

GOVERNMENT OF INDIA  
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY  
**LOK SABHA**  
**STARRED QUESTION NO. \*132**  
TO BE ANSWERED ON: 28.07.2021

**IT HUBS IN SMALL CITIES**

**\*132. SHRIMATI RITI PATHAK:**

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

- (a) whether the Government proposes to develop Information Technology (IT) Hubs in small cities and if so, the details thereof;
- (b) the steps taken by the Government in this regard; and
- (c) whether the Government proposes to give an impetus to Foreign Direct Investment (FDI) in this regard and if so, the details thereof?

**ANSWER**

MINISTER OF ELECTRONICS AND INFORMATION TECHNOLOGY  
(SHRI ASHWINI VAISHNAW)

(a) to (c) : 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  
Q. NO. \*132 FOR 28.07.2021 REGARDING "IT HUBS IN SMALL CITIES**

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(a) and (b): Yes, Sir. Government of India has taken various initiatives for promoting Information Technology (IT)/ IT enables Services (ITeS) industry across the country including small cities. In order to provide conducive environment for growth of IT/ ITeS industry as well as promote software exports, facilitate balanced regional development, generate employment, encourage and support individuals/ entities having innovative ideas in IT/ ITeS sector, a total of 60 centres of Software Technology Parks of India (STPI), an autonomous society of Ministry of Electronics and Information Technology (MeitY) have been set up across the country of which 52 centers are in Tier II and Tier III cities. These centres have 4,445 registered STP units. Further, Government has approved 23 new STPI centres in Tier II/ III locations. Government has implemented two BPO promotion schemes, namely North East BPO Promotion Scheme (NEBPS) and India BPO Promotion Scheme (IBPS) to create employment opportunities for the local youth and dispersal of IT/ IT enables Services (ITeS) industry. These schemes incentivize setting up of BPO/ ITeS operations by providing financial support up to ₹ 1 lakh per seat. Under these schemes 252 units have started BPO/ ITeS operations across 27 States/ Union Territories (UTs) of the country, providing direct employment to over 43,000 professionals.

To support technology start-ups, the Government has initiated Technology Incubation and Development of Entrepreneurs (TIDE2.0) Scheme with a budgetary outlay of Rs. 264.14 Crore in 2019. Till date, 51 TIDE centres have been established incubating more than 300 technology start-ups.

National Policy on Software Products (NPSP) - 2019 has been notified by the Government to promote software product ecosystem in the country. In accordance with NPSP, Government has approved the Next Generation Incubation Scheme (NGIS) with a budgetary outlay of Rs. 95.03 Crore for establishing software product incubation facilities in 12 Tier II/ III STPI centres. Under NGIS first Open Challenge Programme (CHUNAUTI- Challenge Hunt Under NGIS by Advancing Uninhibited Technology Innovation) was launched through which about 40 start-ups were on-boarded.

As per National Association of Software and Service Companies (NASSCOM), the Indian IT Industry grew by 2.7 percent to reach USD194 billion with exports of USD150 billion providing direct employment to more than 44 lakhs professionals in the Financial Year 2020-21.

(c): Yes, Sir. It has been the endeavour of the Government to put in place an enabling and investor friendly policy environment in the country. As per extant Foreign Direct Investment (FDI) policy, 100% FDI is allowed in IT sector under automatic route (except from countries sharing land border with India) subject to applicable laws/ regulations; security and other conditions. A total of Rs. 2,93,838 Crore FDI has been received in Computer Software and Hardware sector during FY 2018-2021.

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