

New incentive scheme likely for STPI-registered units



Our Bureau

Mr Omkar Rai
Kolkata, Aug. 3:

The Union Ministry of Information Technology is planning to introduce a new incentive scheme for units registered under the Software Technology Parks of India (STPI) project. The new scheme is aimed to compensate the withdrawal of income tax benefits available to such units till March 2011.

The existing STPI-registered units as well as new ones will benefit from the incentive scheme. Currently, over 6,000 units are registered in software parks.

STPI is a statutory body formed by the Centre in 1991 to provide single window clearances and boost software exports. Among other benefits, the initiative provided with an income tax holiday for units registered in such software parks.

“The incentive scheme will look at possible options to reimburse tax payments made by the registered units,” Mr Omkar Rai, Director-General, Software Technology Parks of India (STPI), said here on Wednesday.

He was speaking at the seminar – ICT East 2011 — organised by the Confederation of Indian Industry (CII).

The scheme will also ensure “dispersal” of STPI in Tier-II and III towns in the country, Mr Rai added. According to him, the new incentive system will look to compensate the withdrawal of income tax benefits available to STPI-registered units under Sections 10 (A) and 10 (B) of the Income Tax Act.

Following the withdrawal of tax benefits, these units have come under the Minimum Alternative Tax (MAT) purview.

Deloitte Touche has currently been appointed as consultants. A report on the possible incentive scheme is expected to come up within three months.

“There are no plans to withdraw the scheme. Benefits, other than the I-T exemptions are currently available to these registered units,” Mr Rai added.

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