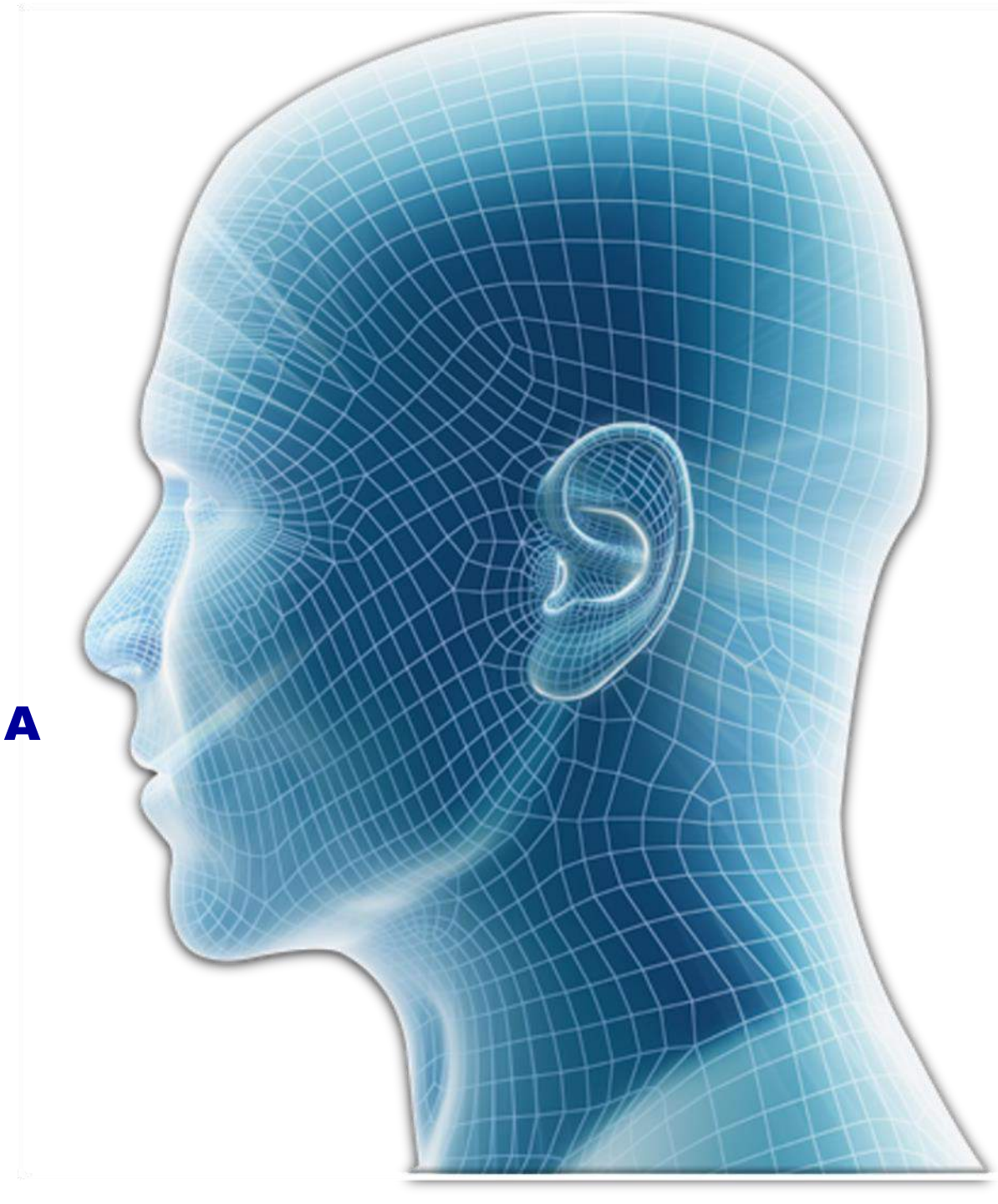
एसटीपीआई
STPI

SOFTWARE TECHNOLOGY PARKS OF INDIA



About Software Technology Parks of India

- India now is Information Technology superpower.
- STPI has played a seminal role in accomplishing this status with excellent Infrastructure and Statutory support
- STPI, is an Autonomous Organization set up by Set up by the Ministry of Electronics and Information Technology(MeitY).
- Established on 5th June 1991
- Mandate to promote export of IT Software & IT Services from the nation by providing conducive environment, policy support and Infrastructure facilities and adhere to ISO 9001 certification
- Acting as a ONE STOP SHOP for needs of software exporters.

Objectives of the Software Technology Parks of India

(a) To promote the development and export of software and software services including Information Technology (I.T.) Enabled Services/ Bio-IT.

(b) To provide statutory and other promotional services to the exporters by implementing Software Technology Park/ Electronics and Hardware Technology Park Schemes and other such schemes which may be formulated and entrusted by the Government from time to time.

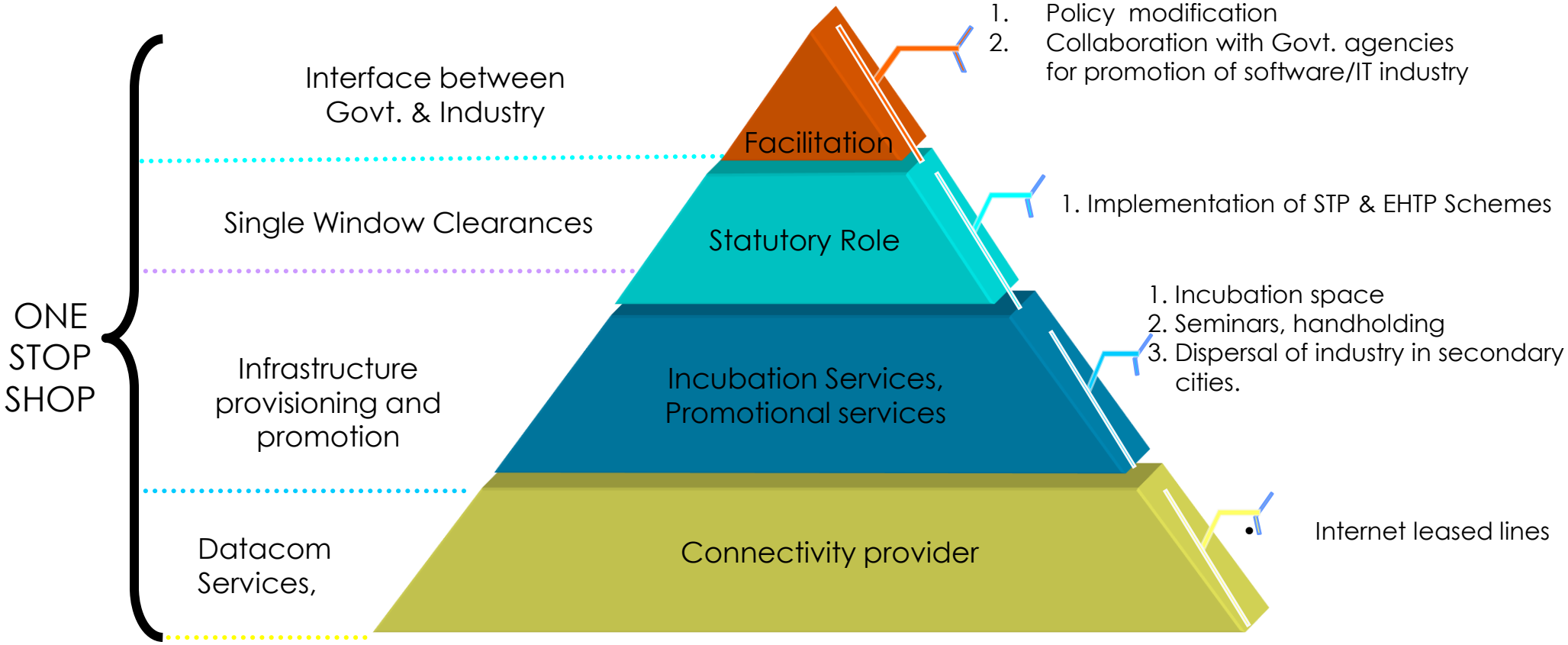
(c) To provide data communication services including value added services to IT / IT Enabled Services related industries.

(d) To promote micro, small and medium entrepreneurs by creating conducive environment for entrepreneurship in the field of IT / IT Enabled Services.

Quality Objective STPI

1. Strive for the upgradation of the technology to meet customer requirements in ever changing market
2. Upgradation of the technical knowledge of Software Technology Parks of India personnel through seminars/conferences/trainings
3. State-of-Art data communication services as per acceptable international standards
4. Comprehensive service including project approvals, import attestation, software export certification etc., in a time bound manner
5. Achieving customer satisfaction through the combined efforts of planning and execution of the projects through dedicated workforce

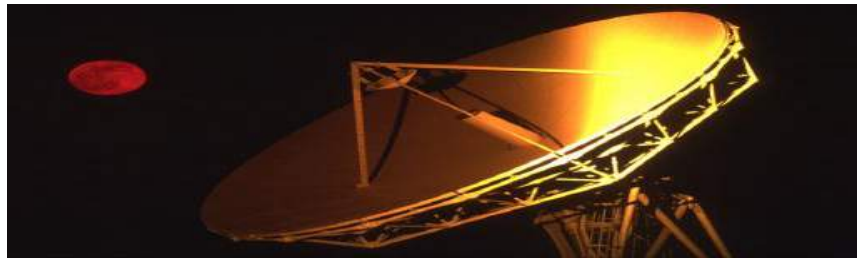
Roles of STPI



Functions of Software Technology Parks of India

* Statutory Services: Implementation of STP & EHTP Scheme

*Data-communication services



*Interface between Industry and Government

*Incubation Facilities for Start-up companies

*Technology trainings

Functions of Software Technology Parks of India

(1) To establish Software Technology Parks / centers at various locations in the country;

- Establish and manage the infrastructural resources such as integrated infrastructure including International communication / Data center / Incubating facilities etc. for 100% export oriented units and to render similar services to the users other than exporters.

- Undertake other export promotional activities such as technology assessments, market analysis, market segmentation as also to organize workshops/exhibitions/seminars/conferences / facilitate specialized training/ promote entrepreneurship through incubation programmes / seed funds / IP development and other awareness programmes/promote quality and security standards in the I.T industries.

- Work jointly with venture capitalists for providing financial assistance to the IT industries and provide Project Management and Consultancy services both at national and international level in the areas of expertise of Software Technology Parks of India

Functions of Software Technology Parks of India

(2) To perform financial management functions which comprise of the following activities;

- Obtain or accept grants, subscription, donations, gifts, bequests from Government, Corporations, Trusts, Organizations or any person for fulfilling the objectives of the Software Technology Parks of India and to deposit all money credited to the Fund in Scheduled Banks / Nationalized Banks or to invest
- Handling all expenses incidental to the formation and reorganization of the STPI and management and administration of any of the foregoing activities including all rents, rates, taxes, outgoings and the salaries of the employees.
- Acquire, hold and dispose of the property

(3) Do all such acts and things as may be required in order to fulfill the objectives of the Software Technology Parks of India.

Governing Council

Chairperson, Governing Council
Shri Ravi Shankar Prasad
Honourable Minister for Electronics & Information Technology and Law & Justice, Govt. of India

Deputy Chairperson, Governing Council
Shri S.S. Ahluwalia
Honourable Minister of State for Electronics & Information Technology, Govt. of India

Executive Vice Chairperson, Governing Council
Shri Ajay Prakash Sawhney
Secretary, Ministry of Electronics & Information Technology, Govt. of India

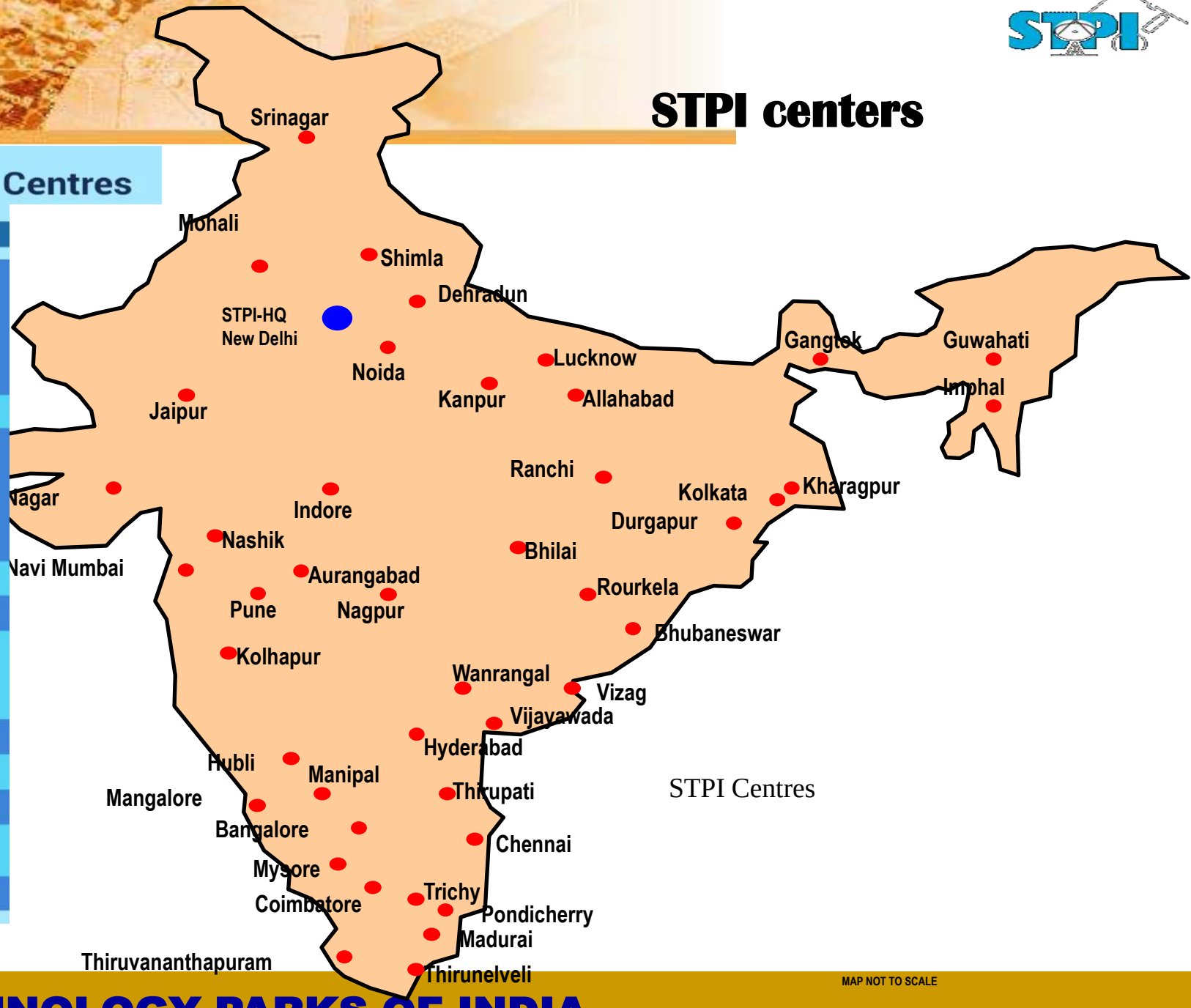
Director General
Dr. Omkar Rai

STPI centers

Year Wise List of Establishment of STPI Centres

Year	Centres
1990	Bhubaneswar Bengaluru Pune
1991	Hyderabad Gandhinagar Noida Thiruvananthapuram
1995	Chennai
1998	Mohali Jaipur Navi Mumbai
1999	Manipal Mysuru Coimbatore
2000	Visakhapatnam Guwahati
2001	Vijayawada Warangal Kolkata Rourkela Shimla Srinagar Lucknow Dehradun Indore Hubballi Mangaluru Aurangabad Nagpur Madurai Tirunelveli Puducherry

Year	Centres
2002	Tirupati Bhilai Kanpur Nashik Kolhapur Trichy
2003	Allahabad
2004	Gangtok Durgapur Kharagpur Imphal Ranchi Jammu
2005	Jodhpur
2006	Siliguri
2007	Kakinada Haldia Patna Shillong
2010	Berhampur
2012	Gwalior
2014	Aizawl
2016	Gurugram Surat
2017	Agartala



Services

» Data Center

» Incubation Services

» PMC Services

» Statutory Services

» Internet Services

Data Center

Some common Data protection services identified are:

 # Remote backup services
 # Remote Tape Backup
 # Remote Disk Backup
 # Enhanced Backup
 # Managed Vaulting Services
 # Remote Network Access Storage services
 # Remote Server services
 # Customized Services

Incubation Services

- Software Technology Parks of India has an incubation facility to cater to the needs of Small & Medium scale entrepreneurs. Many industries have operated and are operating from the Software Technology Parks of India facility since 1992.
- Key Features are :

Software Units can kick-start their operations immediately. The space is ideally suited for a team size starting from 15-20 Employees to 100 Employees

Cost Effective

Project Management Consultancy Services

- The following are the list of prime importance projects executed by Software Technology Parks of India in the field DataCom and I.T. Consultancy Services.
- **1.0 Khajane N.E.T. (The Treasury Department, Govt. of Karnataka)**
- **2.0 Commercial Tax Department, Government of Karnataka**
- **3.0 N.I.C.N.E.T.**
- **4.0 Business Parks of Mauritius Ltd (B.P.M.L.) International Project**

Statutory Services

- Software Technology Park (STP) Scheme
- Electronic Hardware Technology Park (EHTP) Scheme

IT schemes of GOI

Software Technology Parks of India (STPI):

- Services Provided: Statutory services,
- Special Focus: SMEs and start up units.
- STP scheme - a 100% export oriented scheme, allows software companies to set up operations in convenient and inexpensive locations and plan their investment and growth driven by business needs. Over 2500 units are registered under STP Scheme.

Benefits under STP Scheme:

- Customs Duty Exemption in full on imports.
- Central Excise Duty Exemption in full on indigenous procurement.
- Central Sales Tax Reimbursement on indigenous purchase against from C.
- All relevant equipment / goods including second hand equipment can be imported (except prohibited items).
- Equipment can also be imported on loan basis/lease.
- 100% FDI is permitted through automatic route.
- Sales in the Domestic Tariff Area up to 50% of the FOB value of exports permissible.
- Use of computer imported for training permissible subject to certain conditions.
- Depreciation on computers at accelerated rates up to 100% over 5 years is permissible.
- For more info. Visit STPI website - **http://www.stpi.in**

ELECTRONICS

- Indian Electronics System Design and Manufacturing (ESDM) industry is one of the fastest growing sectors in the country.

- Changing global landscapes in electronics design and manufacturing capabilities, and cost structures have turned the attention of global companies towards India.

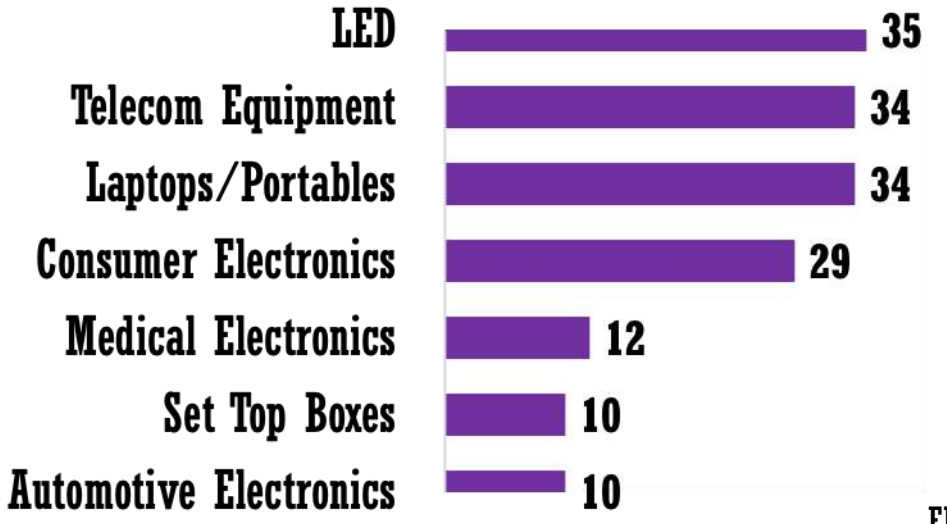
- **State of Play:**
  - 65% of the electronics is currently imported;
  - 25-30% of the systems simply assembled;
  - less than 10% of the electronic systems are completely designed and manufactured in India.
  - Almost 100% of semiconductors are imported.
- Domestic production can cater to a demand of only $100 Bn by 2020… **demand-supply gap of $300 Bn**.

Electronics imports, are currently the 3rd highest, next to crude and gold.

Top 10 electronic products contributing about 70% by total revenue include:

- Mobile Phones
- Flat Panel TVs
- Notebooks
- Desktops
- Digital Camera
- Inverters & UPS
- Memory Cards & USB Drivers
- 4W EMS
- LCD Monitors
- Servers

Segment: 2020 Mkt. Size



ED 2017

ELECTRONICS…2

- **Policies to promote ESDM industry include:**
  - ✓ National Policy on Electronics
  - ✓ Preferential Market Access
  - ✓ Modified Special Incentive Package (MSIP) Scheme
  - ✓ Fab policy
  - ✓ Electronic Manufacturing Clusters (EMCs) and Information Technology Investment Regions (ITIRs)
  - ✓ Export Incentives

National Policy on Electronics

- To achieve a turnover of $400Bn by 2020 by investing $100Bn.
- To build a supply chain…raise local production from 20~25% to over 60%.

Preferential Market Access

- Preference for locally manufactured electronic goods in Govt. procurement…not less than 30 % of the total procurement.

Modified Special Incentive Package Scheme (MSIPS)

- Subsidy of 25% on Capex if the ESDM unit is in non-SEZ and 20% on capex if within SEZ…available for investments made within 5 years from date of approval.
- 200% deduction on R&D for electronic chip manufacturing units.
- Reimbursement of central taxes and duties (like custom duties, excise duties and service tax) for 10 years in select high- tech units like Fabs, Semiconductor Logic and Memory chips, LCD fabrication…applications accepted till Dec 2018.
- **Budget 2017-18:** US$111 million) worth incentives under MSIPS scheme.

Electronic Manufacturing Clusters Scheme

- Grant assistance for setting up Greenfield & Brownfield EMCs.

Export Incentives

- 0% Basic Customs Duty on products covered under the Information Technology Agreement (ITA) of WTO & Specified raw materials used for manufacture of electronic components and optical fibers and cables.
- Focus Product Scheme (FPS) – Duty Credit 2% of FOB and Special Focus Product Scheme (SFPS) – Duty Credit 5% of FOB.

Internet Services

Features and Benefits
Last Mile Connectivity (Local Loop)
Service Destination
Soft Link
Soft Point

The salient features of the SoftPoint services

High security and reliability - the point-to-point and dedicated link via telecommunication network provides maximum security and reliable transmission.
Cost-effective - saves substantial cost on international Communications
Latest Network Management tools are used to manage the services end to end.
Bandwidths from 64Kbps onwards
End interfaces available are V.35, G.703 etc.
Single point contact for all support activities.
Fault logs available on the intranet

Last Mile Connectivity (Local Loop)

- S.T.P.I. has its own Microwave network catering to the immediate needs of the customers. This network was further strengthened by the addition of Point to Point radio networks enabling the delivery of a 2 Mbps or more bandwidth over the last mile.
- S.T.P.I. uses the latest software tools to design the microwave link and the same is tested in-house before implementation. Over a period of time, S.T.P.I. microwave network has evolved to be one of the biggest microwave network in use for data communication and has now become a true multi vendor network.
- S.T.P.I. has established an understanding with all major service providers such as B.S.N.L., Bharti etc. The Fiber switches of all the service providers mentioned above are located at S.T.P.I. - N.O.C., this reduces the provisioning time and increases the efficiency in case of troubleshooting.

Service Destination

- There is no limit to the service destination. Presently the services are offered to destinations such as North America covering United States, Canada etc. Europe covering United Kingdom, Germany, Netherlands, Ireland etc. APAC covering Hong Kong, Thailand, Singapore, Japan etc.

Soft Link

- The Internet represents one of the most successful examples of the benefits of sustained investment and commitment to research and development of information infrastructure.
- Beginning with the early research in packet switching, the Government, industry and the academia have been partners in evolving and deploying this exciting new technology which has since become the primary hub of communication, electronic commerce, information acquisition and community operations.
- SoftLink is a service offering Internet access on a shared and premium basis. This service was launched to cater to the rising needs of the industry for quality and committed service. SoftLink services have found a large customer base.

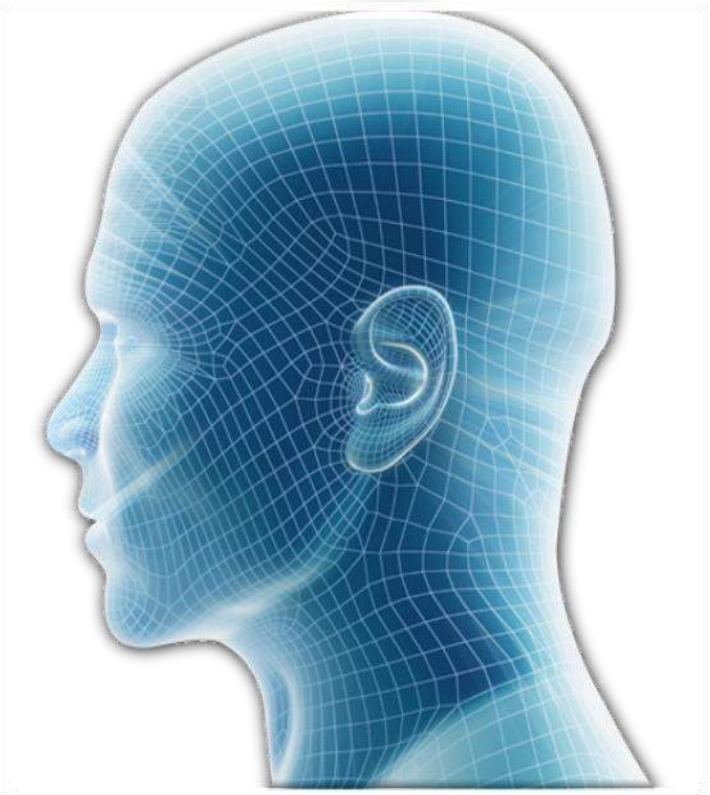
Soft Point

- Soft Point is STPI"International Private Leased Circuit" known as I.P.L.C. An I.P.L.C. is a point-to-point private line used by an organization to communicate between offices that are spread across the world.
- The I.P.L.C. are digital circuits available for international telecommunications to be used for data transmission, communication etc. I.P.L.C. are secure and exclusive to the user, and are ideal for companies that have high volume of International data transmission. I.P.L.C. provide efficient, reliable and secure point-to-point connection to your business partners 24 hours a day, anywhere in the world. Wide range of data transmission speeds allows you to grow your services as required. The interfaces offered are V.35, G.703 etc.
- The many typical applications that can run over an I.P.L.C. are:

  # Medium to bulk data transfer
  # Medical Transcription
  # Call Centre

STATE OF PLAY

- India is fast emerging as a digital economy…Digital India, Make in India, Skilling India are creating a renewed thrust on the domestic market.
- Indian IT companies can offer solutions in the following segments:
  - ✓ Social Mobile Analytics & Cloud (SMAC),
  - ✓ ERP, CRM, mobility and user experience technologies.
  - ✓ Business Process Management sector, which is being driven by greater automation, expanding omni-channel presence, application of analytics across entire value chain.



India2016: Indian IT Industry clocked revenues of USD 146 billion…Exports segment USD 98.5 Billion…Domestic market grew by 14%- fuelled by ecommerce

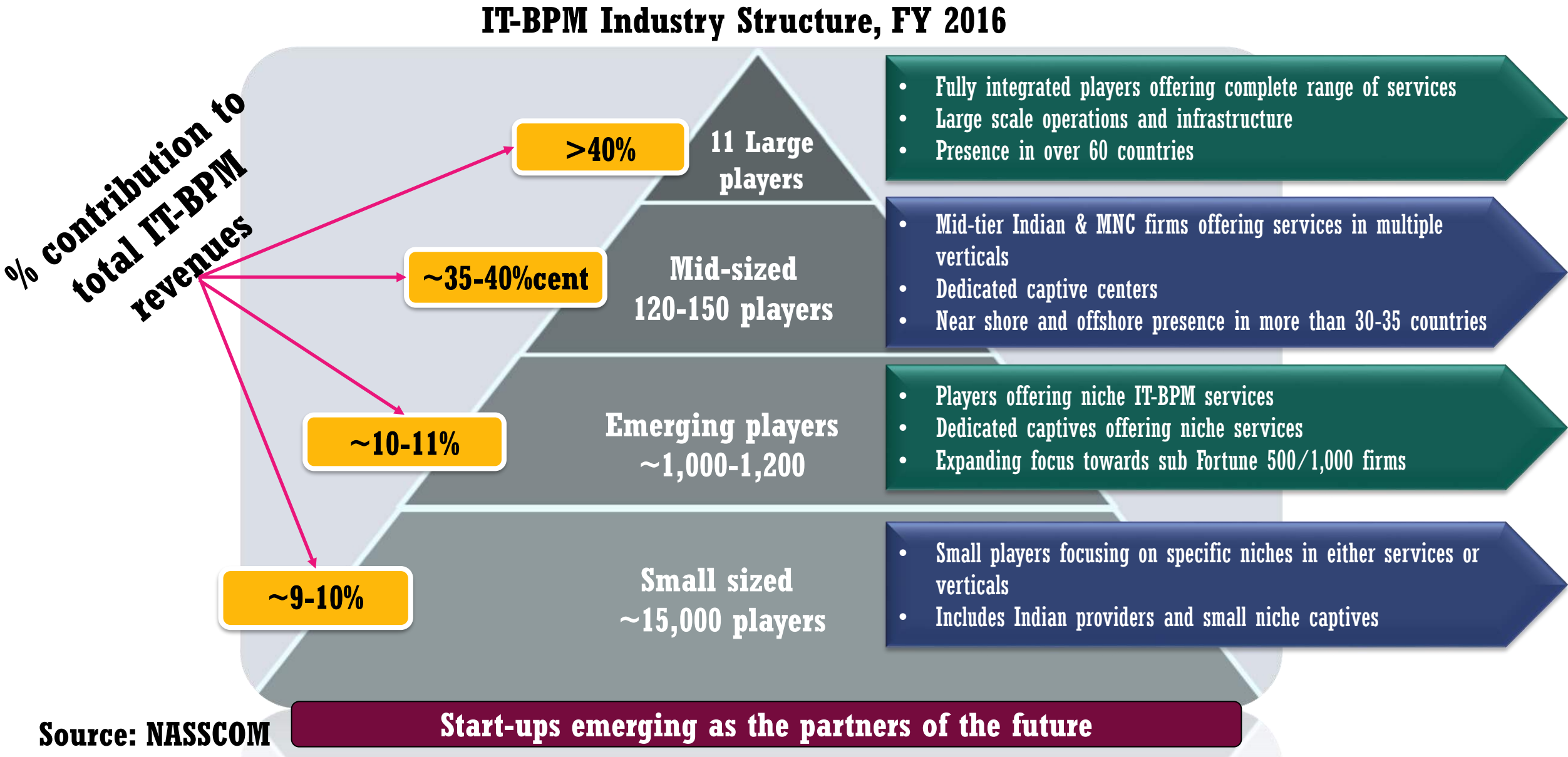
- The Indian **IT and ITeS** industry is divided into 4 major segments – IT services, Business Process Management (BPM), software products & engineering services, and hardware.
- **IT Services:**
  - Market Size: USD75 Bn
  - >81% of revenue comes from Exports
  - Banking, Financial Services & Insurance (BFSI) is the major vertical.
- **BPM:**
  - Market size: USD28 Bn
  - 87% of revenue comes from Exports
  - Market size - USD54 billion by 2025
- **Software Products & Engineering Services:**
  - Market size: USD27 billion
  - >84% of revenue comes from Exports
- **Hardware:**
  - Market size: USD13.3 billion
  - Domestic market accounts for a significant share.

IT Contribution to India

	1980-1990	1990-2000	2000-2010	2010 onwards
Revenue (US$ Bn)	1	>8	~78	1
Employees (Million)	0.06	0.34	2.3	3.7
No. of Firms	<1,000	~ 2,000	10,000 – 12,000	>16,000
GDP Share	~1%	1.8%	6.1%	9.3%
Share in Service Exports	<5%	10.5%	26%	>45%
Share in Global Sourcing	-	-	47%	67%
Value Addition	-	Low-end support & development, Time & Material pricing	End-to-end services; Strategic partner; (non-linear growth); Pay-as-you-use	Bimodal IT, Digital Bus, Automation platforms, IoT, smart tech, innovation
India IT associated with	Cost Arbitrage	Collaboration	Value Addition	Enabling Smart Enterprises

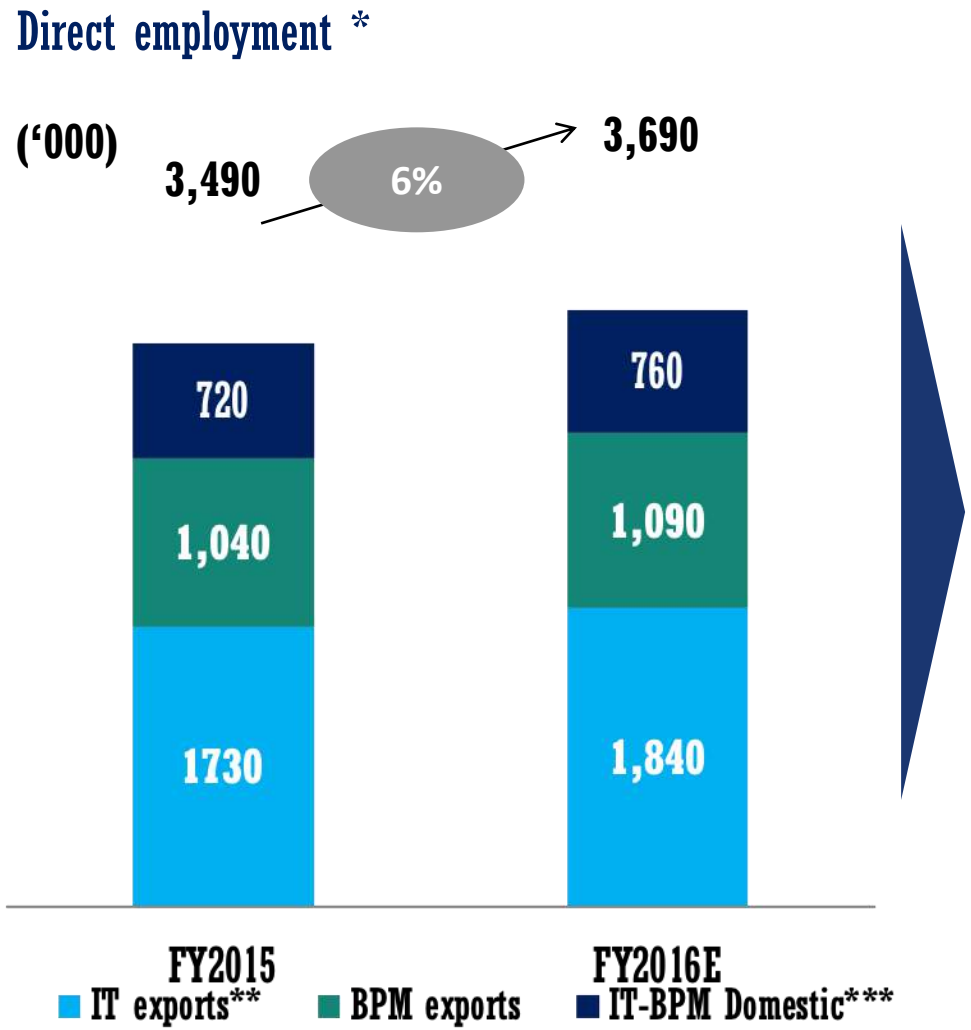
Data given for FY1991, FY2000, FY2010, FY2016

Indian IT-BPM: Mix of players



Source: NASSCOM

Industry hiring levels steady; specialized skill sets in demand



- Industry employee base reaches 3.7 million, addition of 2 lakh in FY2016
- eCommerce industry - 40,000 employees
- 1.1 million jobs added in last 5 years
- Annual talent output: 6.2 million
  - >1 million technical graduate pool
  - ~36-38 per cent share of global employable talent pool for IT
- Indian IT industry a Global talent powerhouse – representative of millennials, showcasing diversity, and leadership in digital skills
- Talent hunt shifting from 'Qualification' to 'skill based'; hiring 'knowledge and expertise'

* Excluding Hardware ** includes IT services, Software products, ER&D and product development *** excludes eCommerce


INFOSYS CAMPUS, PUNE

Indian IT Trends:

- Indian tech players are helping create smart enterprises through confluence of Digital technologies- Cloud, Mobility, IOT, Social, Big Data
- Industry players adopting multiple business models (partnerships/collaboration/ M&A) to address the digital opportunity
- Indian service providers going bimodal- growth in both traditional and digital markets
- Rapidly growing start-up ecosystem redefining innovation
- India's consumer economy, Government' initiatives for digitization of India - driving activity in the domestic market

Source: NASSCOM

India: A digitally mature economy

Telecom subscribers (Jan 2017)

1,102.94 million	World's fastest growing telecom network

Wireless subscribers (Oct 2016)

1078.42 million	3rd country globally to have >5 internet firms value at >$ 1 Bn

Internet user base (2016)

462 million	2nd largest user base overtaking the US

Mobile internet users (June 2016)

371 million	To grow to 500 million by Dec 2017

Broadband (>512 kbps download) subscribers (Oct 2016)

218.42 million	To grow to 500 million by 2020

Mobile data consumption

82Pb (2015)	Avg data usage/month: 29% growth in 3G data

Source: Deloitte, IAMAI, IBEF, Nokia, TRAI, Zinnov, Secondary sources

India - 2020

2.3 Mn Petabytes digital data

600 Mn Internet Users

520 Mn Smartphone Users

90% Tech Influenced SMBs

$ 19+ Bn Digital investments By Govt.

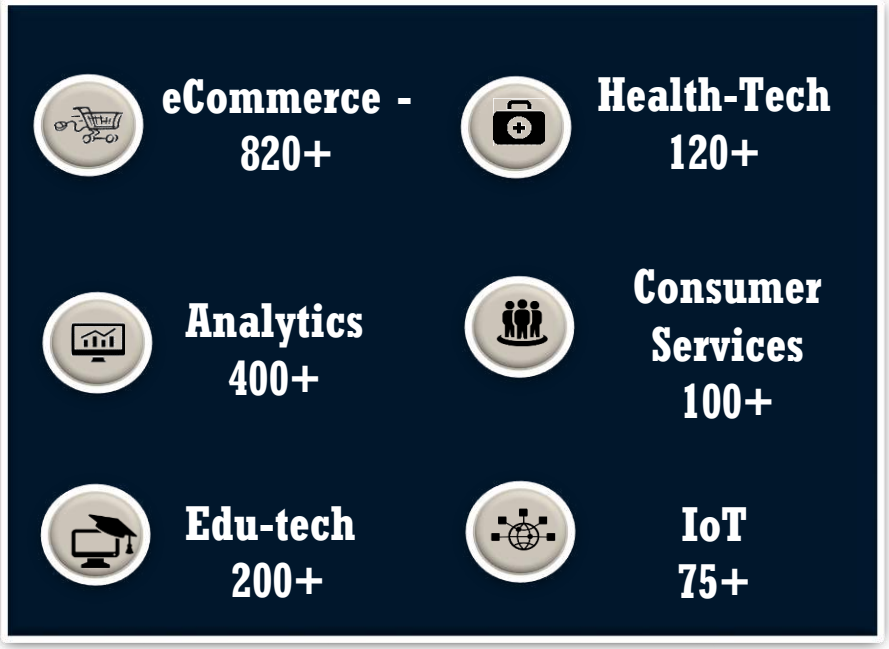
100 Smart Cities

Startups: India's next wave of tech growth

Start-ups in India

- 4,200+ India 3rd largest technology start up base
- 1200+ Start-ups created every year
- $4.9 Bn Funding; 125 per cent Y-o-Y growth
- 156+ Active VC/PEs in 2015
- 110+ Incubators & Accelerators

Emerging in high impact areas



Industry pursuing multifaceted startup collaboration strategy

- **INFOSYS: $500M** for investing in technology start-ups
- **WIPRO: $100M** initial corpus for venture fund
- **TCS: 31** academic alliances and **21** R&D partners
- **IBM Innovation Centers: 100** Big Data & IoT startups tie-ups
- **MINDTREE: '5/50 initiative'** to promote in-house disruptive ideas
- **HCL: 'Value-portal'** and **'MAD Jam'** to foster employee-led ideas

START-UP INDIA

Envisions building a strong eco-system for nurturing innovation and Startups in the country and empowering Startups to grow through innovation and design.

Features of the Scheme:

- Simple Compliance Regime based on Self-certification
- Legal support & fast-tracking patent examination at reduced costs.
- Relaxed norms of public procurement for start-ups
- Faster Exit.
- Fund support through a corpus of US$ 1.5Bn.
- Credit guarantee support ~ US$ 75Mn per year for 4 years (ending in 2020)
- Tax exemption for 3 years.
- Start-Up Fests & Annual Incubator Challenge

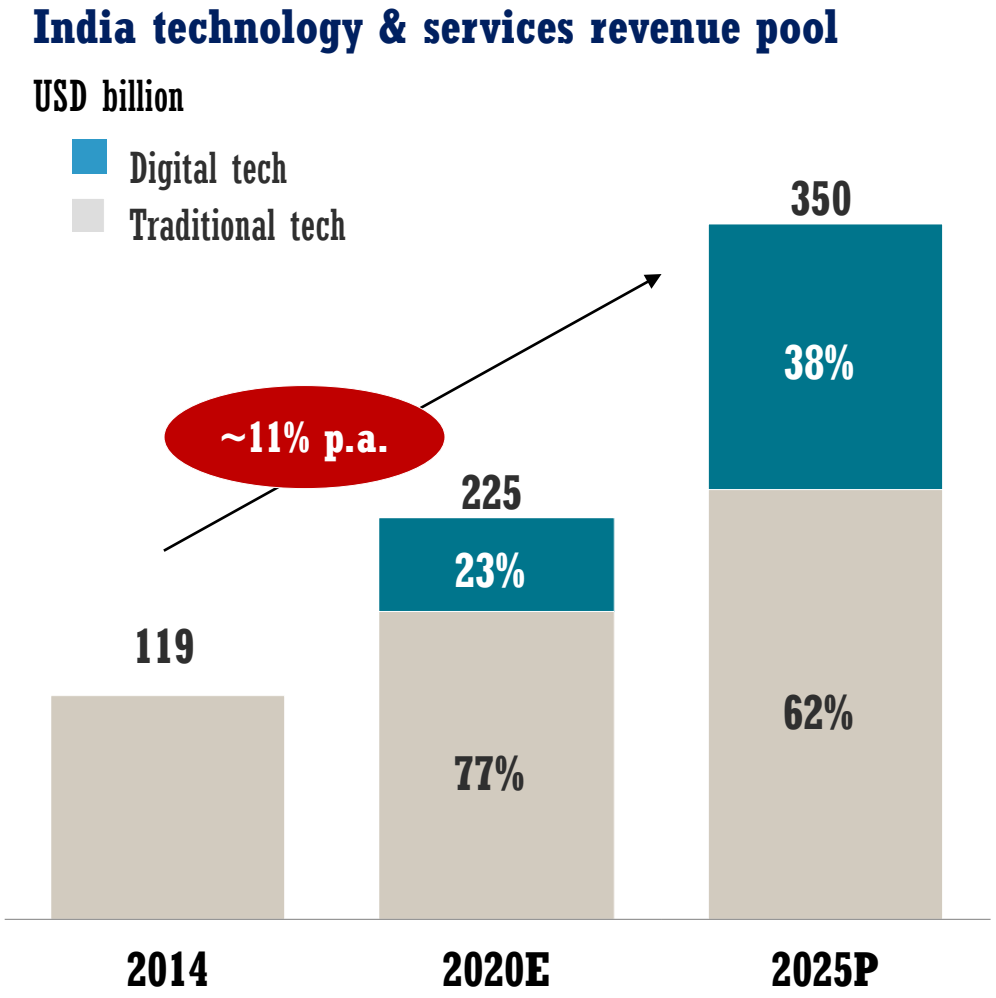
#startupindia

- India ranks 3rd globally in terms of the number of start-ups.
- 19,000 technology-enabled start-ups. Dominated by Internet and financial services start-ups.
- World's youngest start-up nation ~ 72% founders less than 35 years in age.
- Bengaluru ranks 15th globally in Start-up Ecosystem Ranking for 2015.
- Number of start-ups with Series A round funding in 2014 was 46 while it increased to 114 in 2015.
- Total Start Up investment: $4.7 billion in 2014 to $ 7.2 billion in 2015.

Venture Capitalists (VC) operating in India:

- Early VCs: Seedfund, Accel, Kae Capital, and Venture East.
- Late VCs: Helion, Sequoia, Matrix.

IT Revenues to reach US$ 350 billion by 2025



Digital revenues to spearhead growth

- Global enterprise tech spend will rise to USD 4 trillion by 2025, 80 per cent of incremental tech spending will be digital
- Indian technology services revenues projected to reach USD 350 billion by 2020, CAGR of 11 per cent
- Successful Indian companies will have to fundamentally transform their business models, solution offerings, organization and capabilities to establish leadership
- Revenue growth not the only indicator of India's tech leadership; factors such as investment, valuations etc., may need to be considered

Source: NASSCOM McKinsey Perspective 2025

IoT, Big Data & AI

- The **Internet of Things (IoT)** market in India is **expected to reach $15 Bn by 2020…roughly 5% of the global market**.
- Nearly 120 companies offer IoT solutions, 70% of these IoT startups have emerged in the last five years itself.
- **Cumulative amount of $60 Mn** has been invested in the last two years alone.
- Healthcare and manufacturing are the leading verticals demanding IoT solutions. Next-gen commerce along with transport and logistics are gaining adoption with connected vehicles and systems.
- **New segments:** Smart lifestyle, connected homes & buildings and connected homes.
- **India's first centre for excellence in Internet of Things (IoT)** has been set up in Bengaluru in July 2016.

- **Big data analytics** market in India has been **valued currently at $1.2 Bn…**Market is growing at 26% CAGR…expected to reach $16 Bn by 2025.
- There are about 600 companies in this space out of which 400 are startups and approx. India's market share is expected to be 32% looking at a multipronged approach of skill development, thought leadership, products, and platform to realize the vision.
- The analytics industry in India **employs 90,000 people currently** in sectors such as BFSI, retail, telecom and healthcare and the growth is propelled by demand for cloud-based solutions and predictive analytics capabilities.

- In India, more than 200 **Artificial Intelligence** (AI)-focused global companies have collectively raised more than $1.5 billion so far in the past year.
- Driven by evolving technology and a flourishing domestic market, Indian entrepreneurs are increasingly exploring new opportunities in AI and machine learning across a variety of applications and use cases.


A dream doesn't become reality through magic; it takes sweat, determination and hard work.
Colin Powell
BrainyQuote


THANK YOU