

STPI

The software Technology
Park

STP scheme and its Journey in Indian Scenario

- The Software Technology Park (STP) Scheme is a 100 percent Export Oriented Scheme for the development and export of computer software, including export of professional services using communication links or physical media.
- Businesses registered as a STP Unit are exempted from payment of corporate income tax up to FY 2010.
- STP Units are eligible for duty free procurements including imports & indigenous goods under the pre-GST regime.



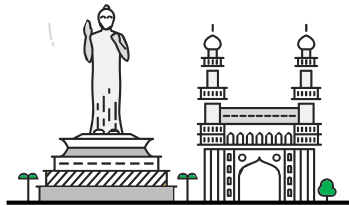
STP scheme and its Journey in Indian Scenario



- Lately, Indian Govt has not encouraged Units being set-up as STPs or Units continuing as STPs. In the latest Foreign Trade Policy, Govt. has specifically excluded STPs from extending any export incentives which are otherwise made available to DTAs/ SEZs.
- Further even under GST, STPs are denied for any GST exemptions (except for import of eligible goods upto 30 September 2021) which were otherwise extended under the pre-GST regime in India.
- Owing to the change in policy implementation the STP scheme has lost its relevance and makes it unattractive for setting-up/ continuing as a STP Unit.

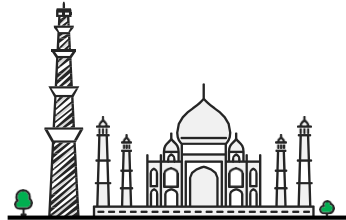
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- Units intending to exit from the STP scheme would be required to file a request letter with the STPI authorities communicating their intention to exit the scheme
 - Units would be required to determine the customs de-bonding charges against the goods sourced under STP scheme after factoring the depreciation for the period of usage (as per the provisions laid down under Customs).
 - We understand that majority of the capital goods are sourced at the time of Unit set-up and would have zero depreciated value and there shall be a minimal de-bonding charges liable.
 - Further in an instance if the de-bonding charges are determined to be sizeable, the Company may consider discharging the de-bonding charges under a EPCG scheme without any cash outflow.
 - A detailed analysis may be carried out to determine the feasibility of opting for simultaneous EPCG scheme.

Contact us



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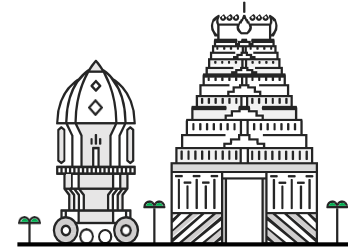
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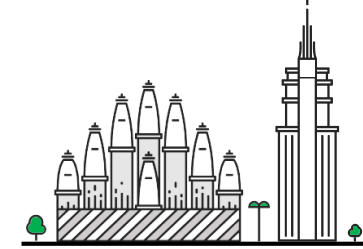
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Thank You



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