

Orissa IT SMEs in trouble over land use

NIRMALYA MUKHERJEE
Bhubaneswar

The Orissa government has issued showcause notices to 35 small and medium category companies in the information technology (IT) sector for not utilising land allotted to them between 2001 and 2004. It has also issued instructions for cancellation of the allotment in the event of non-satisfactory answers from the enterprises.

The government has asked its land acquisition wing, Industrial Infrastructure Development Corporation of Orissa (IDCO), to get control over

the land from the IT SMEs. The retrieved land will be distributed among companies, genuinely interested in setting up these facilities

The government has fixed 2 months as the cooling off period for the IT facilities to start construction work at the sites. Allotment would be cancelled for those failing to start construction work within this period. Each company will be asked to submit an action plan on the possible utilisation of land within two months from the allotment.

It has been found that some companies have not conformed to the action plans they sub-

mitted earlier. The government is apprehensive whether they plan to utilise the lands for other purposes.

Almost 60 per cent of IT SMEs in the state have not utilised the land allotted to them. For now, 35 companies have been singled out, but the remaining would subsequently be brought to task over the next few months.

Recently, the state IT department and IDCO officials took a performance review of all IT companies in the state, especially on issues pertaining to land use. The state is currently confronted with land shortage for genuine IT ven-

dors, who plan to set up facilities in Bhubaneswar.

State IT secretary, PK Mohapatra says: "We have found that there are genuine and non-genuine parties within the IT companies who are evincing interest in coming to the state. It is on the assessments made by us that we decided to cancel the land allotted to parties to whom distribution was made almost seven years ago."

According to an executive member of the state's IT SME forum Confederation of Information Technology Enterprises: "We are happy that the government has finally decided on cracking down on vio-

lators of land rules. When there is a genuine shortage of land, some IT SME companies are behaving like land grabbers sitting over their allotted possessions with scant regards for others who are in problem."

After the recent review, the Orissa government has allotted land to a number of IT SME companies genuinely interested in setting up facilities. The state currently has 139 IT companies registered with the Software Technology Park of India (STPI), with SMEs taking up almost 99 per cent of the total number. The big names include, TCS, Infosys and Satyam.