

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:3769  
ANSWERED ON:19.04.2010  
SOFTWARE EXPORT  
Baal Thiru Thalikkottai Rajuthevar

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) the details regarding value of software exports during the last three years;
- (b) the details regarding States contributing substantially to software exports during the last three years; and
- (c) the strategy for improving software exports from the country?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a): The value of software and services exports during the last three years is given below:

Year	Value of exports in US\$ Bn
2007-08	40.4
2008-09	47.1
2009-10	49.7

(Source : NASSCOM)

(b): A study was conducted in 2008 by NASSCOM regarding the levels of concentration of the IT / ITeS industry across the country. The study observed that the top 7 locations accounted for over 90% of the exports in this sector as under:

City	State	Approx. %age Share of Revenue
Bangalore	Karnataka	36
NCR	New Delhi, Haryana, Uttar Pradesh	17
Mumbai-Pune	Maharashtra	15
Chennai	Tamil Nadu	15
Hyderabad	Andhra Pradesh	14
Others	All other states not listed above	3

(Source : NASSCOM)

(c): The Department of Information Technology, Ministry of Communications & IT, and Government of India constituted a Task Force in August 2009 to suggest measures to stimulate the growth and development of IT, ITeS and Electronics Systems Design Manufacturing Industry in the country. The Report of Taskforce suggested measures to stimulate the growth of IT, ITeS and Electronics Hardware manufacturing industry in India and outlines the strategy for improving software exports from the country.

For improving software exports from the country Government of India has announced stimulus packages which include following incentives:

1. Government back-up guarantee to Export Credit Guarantee Corporation of India Limited(ECGC) to the extent of Rs. 350 crore to enable it to provide guarantees for exports to difficult markets / products.

2. An Additional allocation of Rs. 350 crore for export incentive schemes.
3. To restore Duty Entitlement Passbook Scheme (DEPB) rates to those prevailing prior to November, 2008 and extension of the DEPB Scheme till 31-12-2010.
4. Additional funds of Rs. 1100 crore to be provided for full refund of Terminal Excise Duty / Central Sales Tax.
5. Refund of service tax on foreign agent commissions of up to 10 percent of FOB value of exports and refund of service tax on output services while availing of benefits under Duty Drawback Scheme. The notification vide which the DEPB rates were slashed down was withdrawn in January, 2009
6. Sun-set clauses for deduction in respect of export profits under sections 10A and 10B of the Income-Tax Act being extended by one more year i.e. for the financial year 2010-11.
7. Fringe Benefit Tax on the value of certain fringe benefits provided by employers to their employees to be abolished.