

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

UNSTARRED QUESTION NO:112
ANSWERED ON:26.07.2010
SOFTWARE EXPORT
Venugopal Shri K. C.

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

- (a) the details of value of software export from the country during the last three years and current year;
- (b) the details regarding States majority contributing to software exports from the country;
- (c) whether the Government has made any comprehensive assessment regarding software export during the last five years; and
- (d) if so, the details thereof?

Answer

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

- (a) The details of value of software export from the country during the last three years and current year is given below:

Year	Value of software export in US\$ Bn
------	--

2006-07	31.2
---------	------

2007-08	40.4
---------	------

2008-09	47.1
---------	------

2009-10	49.7 (Prov.)
---------	--------------

(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 3
states not
listed above

(Source : NASSCOM)

(c) & (d) 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.