

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

STARRED QUESTION NO:220
ANSWERED ON:09.08.2010
EXPORTS IN I.T. SECTOR
Gangaram Shri Awale Jaywant

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) the amount of exports in the Information Technology (IT) Sector during the last three years and the current year;
- (b) whether the Government has any proposal to boost export in IT Sector;
- (c) if so, the details thereof; and
- (d) the steps taken / being taken by the Government in this regard?

Answer

MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI A. RAJA)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO.220 FOR 09-08-2010 REGARDING 'EXPORTS IN I.T. SECTOR'

(a) to (d): The amount of exports of the IT-ITES sector in the last three years and projections for the current year are as under:

(in US ` \$ billion)

Financial Year	Exports
2007-08	40.4
2008-09	47.1
2009-10 (Estimated)	49.7
2010-11 (Projected)	56-57

Source; NASSCOM

The phenomenal success of the IT-ITES industry has been facilitated by the pivotal role played by the Software Technology Park (STP) Scheme and providing fiscal benefits under Section 10A/10B of the Income Tax Act. Government extends several incentives for Information Technology Sector in the country. Under Software Technology Parks (STP) scheme, approved units are allowed to import goods required by them for carrying on software export activities as per the Foreign Trade Policy. Such goods may be imported either on outright purchase basis or free of cost or on loan basis from the client without payment of custom duty. Apart from this, the approved STP units can avail excise duty exemption on procurement of indigenously available capital goods, components & other specified goods. In addition, facility of Income Tax exemption is available under Sections 10A and 10B of the Income-tax Act for STP Units and 100% Export Oriented Units (EOUs) in IT sector. This is available up to 31-03-2011.

In 2005, the Ministry of Commerce, Government of India has enacted the Special Economic Zone (SEZ) Act, with an objective of providing an internationally competitive and hassle free environment for exports. A total of 216 IT/ITES specific SEZs have been notified, out of which about 62 IT /ITES SEZs are already operational and contributing to the development of software exports. The SEZ Scheme provides 100% Income Tax exemption on export profits available to SEZ units for 5 years, 50% for next 5 years and 50% of ploughed back profits for 5 years thereafter.