

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1433
ANSWERED ON:04.03.2011
TAX EXEMPTIONS
Kumar Shri P.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has received representation for extension of tax benefits to software and merchandise exports under the special schemes by another year; and

(b) if so, the details thereof and reaction of the Government thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) Yes, Sir.

(b) Under the provisions of sections 10A and 10B of the Income Tax Act, 1961, deduction from the total income of hundred percent of profits and gains derived by undertakings in free trade zones, EHTPIs, STPIs, etc. as well as by hundred percent-export-oriented undertakings from the export of articles or things or computer software is available for a period of 10 consecutive assessment years till 31st March, 2011. The sunset clauses under sections 10A and 10B have been extended twice, first from 31.3.2009 to 31.3.2010 and then, to 31.3.2011 [vide Finance Act, 2008 and Finance (No. 2) Act, 2009, respectively].

Representations have been received for further extension of these tax benefits. It has not been found feasible to further extend these benefits beyond the existing time limit.