GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:292
ANSWERED ON:23.02.2011
IT BASED SERVICE
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) the current value of IT Based Service in the country;

(b) the projected growth of this service in next five years ;

(c) whether the Government proposes to withdraw the incentives given to this industry in phased manner;

(d) if so, the details thereof and the reasons therefor; and

(e) the steps taken/proposed to be taken by the Government to ensure that the phenomenal growth continues in this industry ?

Answer

MINISTER OF STATE FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY(SHRI GURUDAS KAMAT)

(a) and (b): The current value of the IT Based Service in the country, including both domestic and exports is estimated to be US $ 76.1 Billion. National Association of Software and Services Companies (NASSCOM) has undertaken a detailed study to estimate the growth potential for the IT / ITeS industry over the coming decade till 2020. As per NASSCOM exports and domestic revenue of Indian IT/ITES industry is likely to reach US$ 175 billion and US$ 50 billion respectively by 2020.

(c) to (e): 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. In addition, the tax benefits to units located in Software Technology Parks under the provision of Section 10A of the Income Tax Act, 1961 is available upto 31.03.2011 (assessment year 2011-12). Also, an IT SEZ unit, which would start operation by March 2014, would be eligible for tax benefits for a period of 15 years (SEZ Scheme provides 100% Income Tax exemption on export profits for 5 years, 50% for next 5 years and 50% of ploughed back profits for 5 years thereafter).