

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

UNSTARRED QUESTION NO:1830
ANSWERED ON:10.08.2011
EXPORT OF SOFTWARE
Singh Shri Bholra

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

- (a) whether India is a major Information Technology software exporter in the world;
- (b) if so, the details thereof along with the amount generated as a result of export during the last three years and the current year;
- (c) whether the Government has set any target for export of software for the current financial year; and
- (d) if so, the details thereof and the action taken by the Government to achieve the target?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SACHIN PILOT)

(a): Yes Sir.

(b): India is regarded as the premier destination for the global off-shoring market of IT-ITeS, accounting for almost 55% share in 2010. The amount generated as a result of export during the last three years is given in the table below. During the FY (Financial Year) 2010-11, the software export is estimated at US \$ 59 billion.

Indian software and Services Exports

(USD Bn)

Year	FY 2007-08	LJY 2008-09	FY 2009-10	FY2010-11 (E)
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IT-ITES Exports	40.4	47.1	49.7	59.0
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(c) and (d): The export of software in the current financial year i.e., F.Y. 2011-12 is projected at US\$ 68-69 billion. Government extends several incentives for Information Technology Sector in the country under the Software Technology Parks (STP) scheme.

Besides, software is also exempted from basic customs duty. Furthermore, several items for the IT sector are covered under the ITA Agreement, and hence exempted from customs duty.

Section 10AA of the Income Tax Act provides for a deduction from the total income of hundred percent of profits and gains derived by a unit located in a Special Economic Zone (SEZ) from the export of articles or things or from services for the first 5 consecutive assessment years, of fifty percent for further 5 assessment years and thereafter, of fifty percent of the ploughed back export profit for next 5 years.