

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

STARRED QUESTION NO:163  
ANSWERED ON:22.08.2012  
EXPORTS IN IT SECTOR  
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**Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:**

- (a) the quantum of export turn over in information technology sector during the last three years and the current year;
- (b) whether the Government has prepared any action plan for the export promotion of Information Technology sector;
- (c) if so, the details thereof; and
- (d) the steps taken or being taken by the Government in this regard ?

**Answer**

MINISTER FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI KAPIL SIBAL)

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

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 163 FOR 22.08.2012 REGARDING EXPORTS IN IT SECTOR

(a): As per the National Association of Software and Services Companies (NASSCOM), the quantum of export turnover in Information Technology sector (excluding hardware) during the last three years is as under:-

(USD Bn)

Year FY 2009-10 FY2010-11 FY2011-12

IT-ITES Exports 49.7 59.0 68.7

The projected target set for IT exports during the current financial year (2012-2013) is US \$ 78 billion. The export data for the first quarter in the current financial year is not yet available.

(b) to (d): Government extends several incentives for Information Technology Sector in the country : (i) 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 CST reimbursement, excise duty exemption on procurement of indigenously available capital goods, components & other specified goods. (ii) Besides, software is also exempted from basic customs duty. (iii) 235 IT-ITES specific Special Economic Zones (SEZs) have been notified across the country, which are contributing to IT-ITES exports. 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 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. (iv) A high level Committee has been constituted to review taxation of Development Centres and the IT Sector so as to have a fair tax system in line with best international practice which will promote India's software industry and promote India as a destination for investment and for establishment of Development Centres. (v) The Department of Commerce, Ministry of Commerce & Industry through Marketing Development Assistance (MDA) and Market Access Initiatives (MAI) Scheme assists exporters for export promotion activities abroad.