

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

UNSTARRED QUESTION NO:3881

ANSWERED ON:20.03.2013

NATIONAL IT POLICY

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

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- (a) whether the Government has prepared a National Policy on Information Technology ;
 - (b) if so. the details and the salient features thereof along with its present status,
 - (c) whether the profitability level of Indian IT sector, both Software and Hardware, has been declining,
 - (d) if so, the details thereof during the last three years and the current year along with the reasons therefor,
 - (e) the foreign exchange earned by India separately for Software and Hardware export in Information Technology Sector during the said period, country-wise, year-wise along with the target set in this regard for the current fiscal; and
 - (f) the steps taken by the Government for promotion of IT and augmentation of software export?

Answer

MINISTER OF STATE FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI MILIND DEORA)

(a) and (b): Yes. Sir. The Government has prepared a National Policy on Information Technology (NPIT), which was notified on 14.09.2012. The vision of the policy is to strengthen and enhance India's position as the Global IT hub and to use IT and Cyberspace as an engine for rapid, inclusive and substantial growth in the national economy. The policy envisages to increase revenues of IT and ITES Industry from USD 100 Billion at present to USD 300 Billion by 2020 and to expand exports from USD 69 Billion at present to USD 200 Billion by 2020.

(c) and (d): The Department has no such data.

(e): The details are in Annexure. The export of IT-BPO during the current fiscal i.e. 2012-13 was projected at US\$ 76-78 billions. However, the IT-BPO export from the country, in the current fiscal i.e. FY 2012-13 is estimated at US\$ 75.8 billions.

(f): Government extends several incentives to increase the IT and ITES export revenue, (i) Under the Software Technology Parks (STP) scheme, which is administered by the Software Technology Parks of India (STPI), an autonomous society under Department of Electronics & Information Technology (DeitY), Ministry of Communications & IT, the IT-ITES units are eligible for various benefits such as Customs Duty exemption on imported goods, reimbursement of Central Sales Tax (CST) and Excise Duty exemptions on procurement of indigenously manufactured goods. Further, the Department of Commerce (DOC), Ministry of Commerce & Industry through Marketing Development Assistance (MDA) and Market Access Initiatives (MAI) Scheme assists exporters especially Small & Medium Enterprises (SMEs) for export promotion activities abroad. DOC has notified 235 IT-ITES specific Special Economic Zones (SEZs). Currently, the SEZs units are eligible for tax benefits as per Section 10AA of the Income Tax Act for a period of 15 years in a phased manner. The IT-ITES SEZ units are contributing significantly to the growth of export revenues of the sector.

(ii) The Government has taken various steps to promote Electronic Hardware Manufacturing in the Country, which include National Policy on Electronics 2012 notified with a vision to create a globally competitive Electronics Systems Design and Manufacturing (ESDM) industry to meet the country's needs and serve the international market. It contains about 50 strategies to promote electronics hardware.