

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

UNSTARRED QUESTION NO:2984

ANSWERED ON:10.12.2014

IT SECTOR

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

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(a) the total number of software companies in the country including Bangalore, State-wise;

(b) the contribution of those companies in country's Information Technology (IT) exports and GDP growth during the last three years and the current year, year-wise and State-wise;

(c) whether the IT industry is facing difficulty due to poor infrastructure facilities across the country and particularly in Bangalore; and

(d) if so, the details thereof and the measures taken/proposed to be taken by the Government regarding improvement of infrastructure and export promotion in this sector?

Answer

MINISTER FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI RAVI SHANKAR PRASAD)

(a) and (b): According to IT, BT and S&T Department, Government of Karnataka, over 2500 IT companies are located in Bangalore. According to Ministry of Corporate Affairs, the State/UT wise number of Companies registered under the category "Computer and Computer Related" including Karnataka is at Annexure. The company-wise details relating to contribution towards GDP and exports is not maintained. Further, according to National Association of Software and Services Companies (NASSCOM), the exports of the Indian Information Technology-Information Technology Enabled Services (IT-ITES) industry have been growing over the past years. The exports of IT-ITES sector during the past three years viz., 2010-11, 2011-12 and 2012-13 and the estimates for the year 2013-14 are as under: -

Year	Export		Growth	
	Rate YoY			
	In INR Terms	In US \$ Terms	In INR Terms	In US \$ Terms
2010-11	268609	59.0	14.29 %	18.8 %
2011-12	332769	68.8	23.89 %	16.5 %
2012-13	412191	75.8	23.87 %	10.6 %
2013-14 (E)	519319	86.0	25.99 %	13.1 %

E = Estimate Source: NASSCOM

The relative contribution of IT-ITES industry to India's GDP for FY2011-12, FY2012-13 and FY2013-14 is 7.5%, 8%, and 8.1% respectively.

(c) and (d): The National Policy on Information Technology (NPIT) in September 2012. The aforesaid policy also recognized that the major IT hubs like Bangalore, Chennai, Hyderabad, Mumbai, Pune and Delhi/NCR account for nearly 90% of the total revenue from IT-ITES industry in India, which are near saturated and face infra-structural challenges. The above Policy lays down a vision to strengthen and enhance India's position as the Global IT hub. One of the key objectives of the NPIT 2012 is to increase revenues of IT and ITES Industry from 100 Billion USD at present to 300 Billion USD by 2020, including export revenue of 200 billion USD. One of the strategies of NPIT 2012 includes creating ecosystem for a globally competitive IT/ITES Industry and to formulate Fiscal and other Policies to attract investment in IT Industry in Tier II & Tier III cities and rural areas for expanding the base of IT and for creating employment opportunities across the country.

The Government extends several incentives to promote exports of the IT-ITES sector. 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) Schemes assists the exporters especially Small & Medium Enterprises (SMEs) for export promotion activities abroad. The DOC has notified 238 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. Further, the SEZ rules were also modified to meet some of the specific sectoral characteristic of the IT sector. The

Government has removed the minimum land requirement for setting up SEZ for IT/ITeS, and the minimum processing area requirement is applicable as per category of the cities