

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

UNSTARRED QUESTION NO:2145
ANSWERED ON:27.08.2007
IT SECTOR COMPANIES
Gaikwad Shri Eknath Mahadeo

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

- (a) whether the companies in I.T. Sector have been affected by recent rupee appreciation;
- (b) if so, the details thereof alongwith the number of companies which have been affected and also in verge of closure;
- (c) whether the Government proposes to formulate any scheme for the benefit of these companies; and
- (d) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) and (b): The profit margins of exporting companies in the IT sector have been affected as a result of the appreciation of the rupee. No companies have approached the Software Technology Parks of India (STPI) for closure of their operations due to rupee appreciation.

(c) and (d): The Government has announced a relief package to exporters comprising enhanced Duty Entitlement Passbook (DEPB) rates, reduction in Export Credit Guarantee Corporation (ECGC) premium, release of Rs. 600 crore for clearing all arrears of terminal excise duty and Central Sales tax reimbursement, enhancement of duty drawback rates and reduction in interest rates on pre and post shipment credit.