

- B. In case of Anant, the Life Time Validity means the License Period of the Operator. The License Period for Cellular Services of BSNL is 20 years *w.e.f.* 29.02.2000. However, the License is understood to be renewable further on its expiry. In case of Saral Ananth option III and IV, after the initial tariff validity of 365 days, the customer will be migrated to the existing base Saral Anant tariff plan
- C. During both the grace periods, no O/G calls shall be allowed except emergency (toll free) and IVR Calls, however I/C will be allowed.
- D. The unutilized balance amount of the previous card can be carried forward in case of renewal within the grace period, other wise it shall lapse.
- E. The SIM number can be re-activated with additional period of 165 days even beyond the grace period of 15 days for all Card values. However, in such case, the credit balance will lapse but the subscriber will not have to pay activation charges.

Unverified mobile connections

1714. SHRI VIJAY JAWAHARLAL DARDA: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether it is a fact that a penalty of Rs. 275 crores has been imposed on major telecom operators for activating mobile phones of unverified customers;
- (b) if so, whether any such operator has actually paid the penal amount so far; and
- (c) whether the Ministry of Home Affairs has been informed about this sensitive nature of problems arising out of granting unverified mobile connections as it is an emerging security hazard both within the country and abroad?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SACHIN PILOT): (a) and (b) Department of Telecommunications (DoT) has been imposing penalty on Telecom Service Providers for activating mobile phones of unverified customers from time to time and penalty of approximately Rs.110 crores has been collected from Telecom Service Providers so far.

- (c) Ministry of Home Affair is aware of sensitive nature of problems arising out of unverified mobile connections.

Shifting of jobs of Indian IT companies to China

1715. DR. K.V.P. RAMACHANDRA RAO: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether Government is aware of the fact that some of the Indian IT companies are shifting more work and jobs to China;

(b) if so, whether any study has been conducted on the likely impact of this on the job opportunities in India; and

(c) the steps that are proposed to be taken to provide conducive conditions for IT companies in India?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SACHIN PILOT): (a) and (b) As per National Association of Software and Services Companies (NASSCOM), Indian IT companies are expanding globally into other countries including China as a business strategy. The IT/ITeS industry is globally mobile and would logically locate its delivery centres in countries where profits can be maximized while ensuring superior service delivery to address the target markets. However, NASSCOM has not reported any shifting of the work and jobs to China. The Department of Information Technology, Government of India has not conducted any such study.

(c) Government extends several incentives for Information Technology Sector in the country. 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 excise duty exemption on procurement of indigenously available capital goods, components and other specified goods.

In addition, facility of Income Tax exemption is available under Sections 10A and 10B of the Income-tax Act for STP Units and EOUs in IT sector. This is available up to 31-03-2011.

Apart from this, other IT equipment, which are in the nature of capital goods, attract concessional customs duty rate of 7.5%. Software is exempted from basic customs duty. Also, software downloaded from Internet is exempt from customs duty. Telecom software is exempted from customs duty and Excise duty/Countervailing duty. Furthermore, several items for the IT sector are covered under the ITA Agreement, and hence exempted from customs duty.

As regards Central Excise duty, IT equipment attracts 10% excise duty, which is the mean CENVAT rate attracted on most manufactured items. Since credit of input taxes is available, the actual incidence on such equipment is lesser. Moreover, inter-sectoral credit is available for excise duties and service tax, and thus, users can avail credit of taxes paid on equipment.

As regards service tax, exemption to small service providers is available across all taxable services, including information technology software service, for annual turnover upto Rupees Ten lakhs; this apart service tax exemption has been extended to packaged or canned software sold across the shelf and intended for single use.