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Ques-S 'There is a significant impact of IT and ITES on the Economy.' Elucidate this statement. Also, discuss about the present policies of Indian Government.

Ans-S Information technology (IT) sector in India has played a very important role in putting India on global map. The IT sector has played a significant role in transforming India's image from a slow moving economy to a land of innovative entrepreneurs and a global player in providing world class technology solutions and business services. The IT sector has helped India transform from a rural and agriculture-based economy to a knowledge based economy.

Information Technology has made possible information access at gigabit speeds. It has made tremendous impact on the lives of millions of people who are poor and living in rural area. IT industry is one of the best sources for the people who are with good communication and skill of knowledge. IT industries has risen to become biggest employment generator with number of employments.

Internet has ~~changed~~ made revolutionary

changes with possibilities of e-government measures like e-commerce, e-education, e-agriculture, etc. Today, whether its filing Income Tax returns or applying for passports online or airways e-ticketing, it just need few clicks of the mouse. India's IT Potential is on a steady walk towards global competitiveness, improving defense capabilities and Neville Wadia Institute of management studies.

IT-ITES Sector in India, with the main focus on increasing technology adoption and developing new delivery platforms. The major sector is for services like IT trade, Education, Financial Services, media, Hospitality, entertainment etc.

Different Policies of Indian Government:-

① Fiscal Policy:-

(a) Given India's federal structure, a number of state/provincial governments offers IT Companies additional incentives linked to research and development

(b) The Indian Copyright Act 1957 was

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amended in 1994 to include Computer programs under the definition of "literary work" and any infringement of such copyrights was made a penal offence.

② Innovation Policy:-

(a) Free Space, software tools and patent cost reimbursement for high end R&D Companies at state level.

(b) 100% IT deduction on capital expenditure with respect to scientific research.

③ Human Capital Policy:-

(a) Private Sector participation.

(b) Compulsory English from primary level in many states

(c) IT focused training centers supported by various state government.

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④ Investment climate policy

- (a) Department of IT for making and administering benefits.
- (b) Central Government Schemes like STPI for single window services.
- (c) IT considered essential services in many States.
- (d) 100% FDI in IT and BPO Companies, IT Parks.