

## Tax Hotline

September 28, 2000

### IT SECTORS NOTIFIED FOR TAX HOLIDAYS

Under the Finance Act 2000, vide Sections 10A and 10B, the Ministry of Finance introduced new provisions in the Indian Income Tax Act, 1961 (ITA) to provide for deduction in respect of profits and gains derived by an undertaking - set up in a free trade zone, software technology park, export-oriented unit or any special economic zone - from export of articles or things or computer software.

The deduction is available upto the assessment year ending with 2009 - 2010. The meaning of "computer software" was under debate and therefore the Finance Ministry notified sectors, which would fall within the ambit of the term "computer software". The Indian Tax Authorities notified sectors which would be eligible to avail of the provisions of section 10A and 10B of the ITA which include back office operations, call centres, content development/animation, data processing, engineering and design, geographic information systems services, human resources services, insurance claim processing, legal databases, medical transcription, payroll, remote maintenance, revenue accounting, support centres and web site services.

The Indian Tax Authorities specifically stated that it would not be possible for them to provide a comprehensive list since this sector is still evolving. Thus the notified sectors would be eligible to gain the benefit under sections 10A and section 10B of the ITA.

Source: *The Economic Times, September 28, 2000*

### DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

## Research Papers

### Clinical Trials and Biomedical Research in India

April 22, 2025

### Structuring Platform Investments in India For Foreign Investors

March 31, 2025

### India's Oil & Gas Sector – at a Glance

March 27, 2025

## Research Articles

### 2025 Watchlist: Life Sciences Sector India

April 04, 2025

### Re-Evaluating Press Note 3 Of 2020: Should India's Land Borders Still Define Foreign Investment Boundaries?

February 04, 2025

### INDIA 2025: The Emerging Powerhouse for Private Equity and M&A Deals

January 15, 2025

## Audio

### CCI's Deal Value Test

February 22, 2025

### Securities Market Regulator's Continued Quest Against "Unfiltered" Financial Advice

December 18, 2024

### Digital Lending - Part 1 - What's New with NBFC P2Ps

November 19, 2024

## NDA Connect

Connect with us at events, conferences and seminars.

## NDA Hotline

Click here to view Hotline archives.

## Video

Vyapak Desai speaking on the danger of deepfakes | Legally Speaking with Tarun Nangia |

**NewsX**

April 01, 2025

**Vaibhav Parikh, Partner, Nishith  
Desai Associate on Tech, M&A, and  
Ease of Doing Business**

March 19, 2025

**SIAC 2025 Rules: Key changes &  
Implications**

February 18, 2025

---