

The IT Industries in India

The **Information Technology & Information Technology Enabled Services (IT-ITeS)** sector is a field which is undergoing rapid evolution and is changing the shape of Indian business standards. This sector includes software development, consultancies, software management, online services and business process outsourcing (BPO).

India's IT industry is expected to grow at a rate of 12 - 14% during 2016 - 2017 as per a report by India's software industry body National Association of Software and Services Companies (NASSCOM.) This clearly shows that information technology is a sector which will likely be one of the emerging markets in the days to come as India's economy requires more hardware, software and other IT services. In a NASSCOM-McKinsey report, India's position in the global offshore IT industry is based on five factors - abundant talent, creation of urban infrastructure, operational excellence, conducive business environment and finally, continued growth in the domestic IT sector.

Indian IT's core competencies and strengths have attracted significant investment from major countries. The computer software and hardware sector in India attracted cumulative Foreign Direct Investment (FDI) inflow worth US\$ 44.91 billion between April 2000 and March 2020. The sector ranked second in FDI inflow as per the data released by Department for Promotion of Industry and Internal Trade (DPIIT).

Leading Indian IT firms like Infosys, Wipro, TCS and Tech Mahindra are diversifying their offerings and showcasing leading ideas in blockchain and artificial intelligence to clients using innovation hubs and research and development centres to create differentiated offerings. Some of the major developments in the Indian IT and ITeS sector are as follows:

- In May 2020, SirionLabs, a software-as-a-service (SaaS) provider, raised US\$ 44 million as part of its Series C round led by Tiger Global and Avatar Growth Capital.
- PE (private equity) investment in the sector stood at US\$ 11.8 billion across 493 deals in 2019.
- In January 2020, Nippon Telegraph and Telephone, a Japanese tech announced its plans to invest a significant part of its US\$ 7 billion global commitment for data centres business in India over the next four years.
- In February 2020, Tata Consultancy Services bagged a contract worth Rs 10,650 crore (US\$ 1.5 billion) from pharma company Walgreens Boots Alliance.
- UK-based tech consultancy firm, Contino, was acquired by Cognizant.
- In May 2019, Infosys acquired 75 per cent stake in ABN AMRO Bank's subsidiary Stater for US\$ 143.08 million
- In June 2019, Mindtree was acquired by L&T.
- Nasscom has launched an online platform which is aimed at up-skilling over 2 million technology professionals and skilling another 2 million potential employees and students.
- As of February 2020, there were 417 approved SEZs across the country with 274 from IT & ITeS and 143 as exporting SEZs.