

IT & BPM



March 2024

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Executive summary

1. Large contribution to the Indian economy

- The IT industry accounted for 7.5% of India's GDP, as of FY23.
- India's IT industry is likely to hit the US\$ 350 billion mark by 2026 and contribute 10% towards the country's GDP.
- The IT industry added 2.9 lakh new jobs taking the industry's workforce tally to 5.4 million people in FY23.

2. Strong growth opportunities

- India's IT industry is likely to hit the US\$ 350 billion mark by 2026 and contribute 10% towards the country's gross domestic product (GDP), Infomeric Ratings said in a report.
- According to National Association of Software and Service Companies (Nasscom), the Indian IT industry's revenue touched US\$ 227 billion in FY22, a 15.5% YoY growth and was estimated to have touched US\$ 245 billion in FY23.
- As per a survey by AWS (2021), India is expected to have nine times more digitally skilled workers by 2025. This indicates that a total of ~ 3.9 billion digital skill trainings are expected by 2025. India will need 30 million digitally skilled professionals by 2026.



3. Export and employment growth

- Direct employment in the IT services and BPO/ITeS segment was estimated to reach 5.4 million in FY23 with an addition of 290,000 people.
- Exports from the Indian services industry stood at US\$ 87.72 billion in Q3 FY24, reflecting a YoY growth 5%.

5. Accelerating demand for cloud and digital transformation

- This push towards cloud services has boosted hyper-scale data centre investments, with global investments estimated to exceed US\$ 200 billion annually by 2025. India is expected to gain a significant share in the global market, with the country's investment expected to hit US\$ 5 billion annually by 2025.

4. Most lucrative sector for investments

- The computer software and hardware sector in India attracted cumulative foreign direct investment (FDI) inflows worth US\$ 98.32 billion between April 2000-December 2023. The sector ranked 2nd in FDI inflows as per the data released by Department for Promotion of Industry and Internal Trade (DPIIT).
- Computer software and hardware make up ~15% of the cumulative FDI equity inflows.

*Note: BPM - Business Process Management, *- Includes data for TCS, Infosys, Wipro, HCL Tech*

Source: NASSCOM, DPIIT, News Articles, Statista



Advantage India

2. GROWING DEMAND

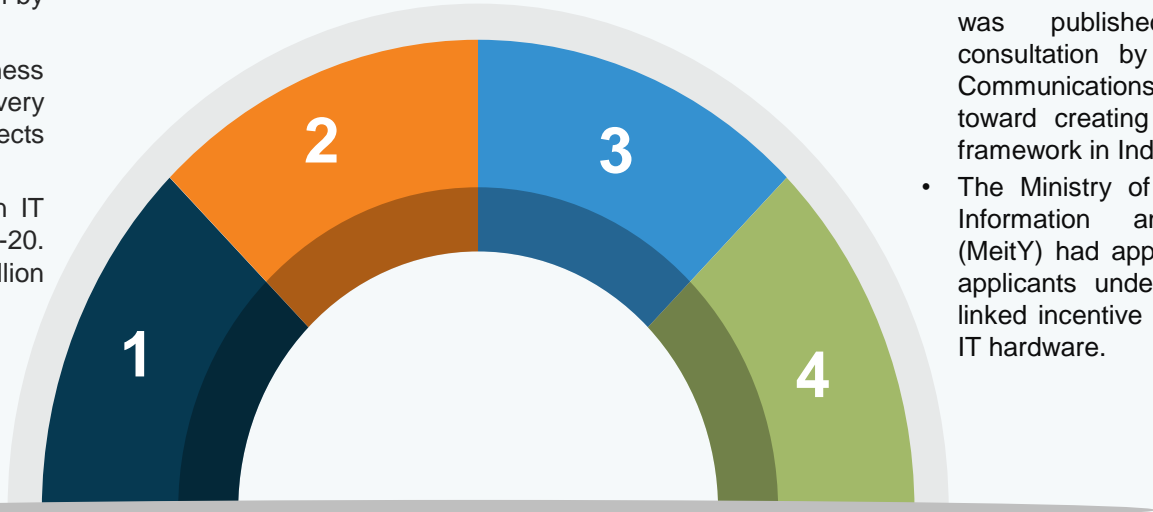
- Strong growth in demand for export from new verticals.
- In FY22, the top three Indian IT companies, TCS, Wipro and Infosys, were expected to offer ~1.05 lakh job opportunities due to the increasing demand for talent and skill.
- India's IT and business services market is projected to reach US\$ 19.93 billion by 2025.
- The IT spending in India is estimated to record a double-digit growth of 11.1% in 2024, totaling US\$ 138.6 billion up from US\$ 124.7 billion last year.

3. GLOBAL FOOTPRINTS

- Indian IT firms have delivery centers across the world.
- IT & BPM industry is well diversified across verticals such as BFSI, telecom and retail.
- Increasing strategic alliance between domestic and international players to deliver solutions across the globe.

1. COMPETITIVE ADVANTAGE

- India's technology industry is on track to double its revenue to US\$ 500 billion by 2030.
- India's overall Digital Competitiveness Score of 60 (on 100), Ahead of every BRICs nations besides China, reflects the rise of tech talent in the country,
- Japanese investments in the Indian IT sector grew 4X between 2016-20. Investments stood at US\$ 9.2 billion over the last two decades.



4. POLICY SUPPORT

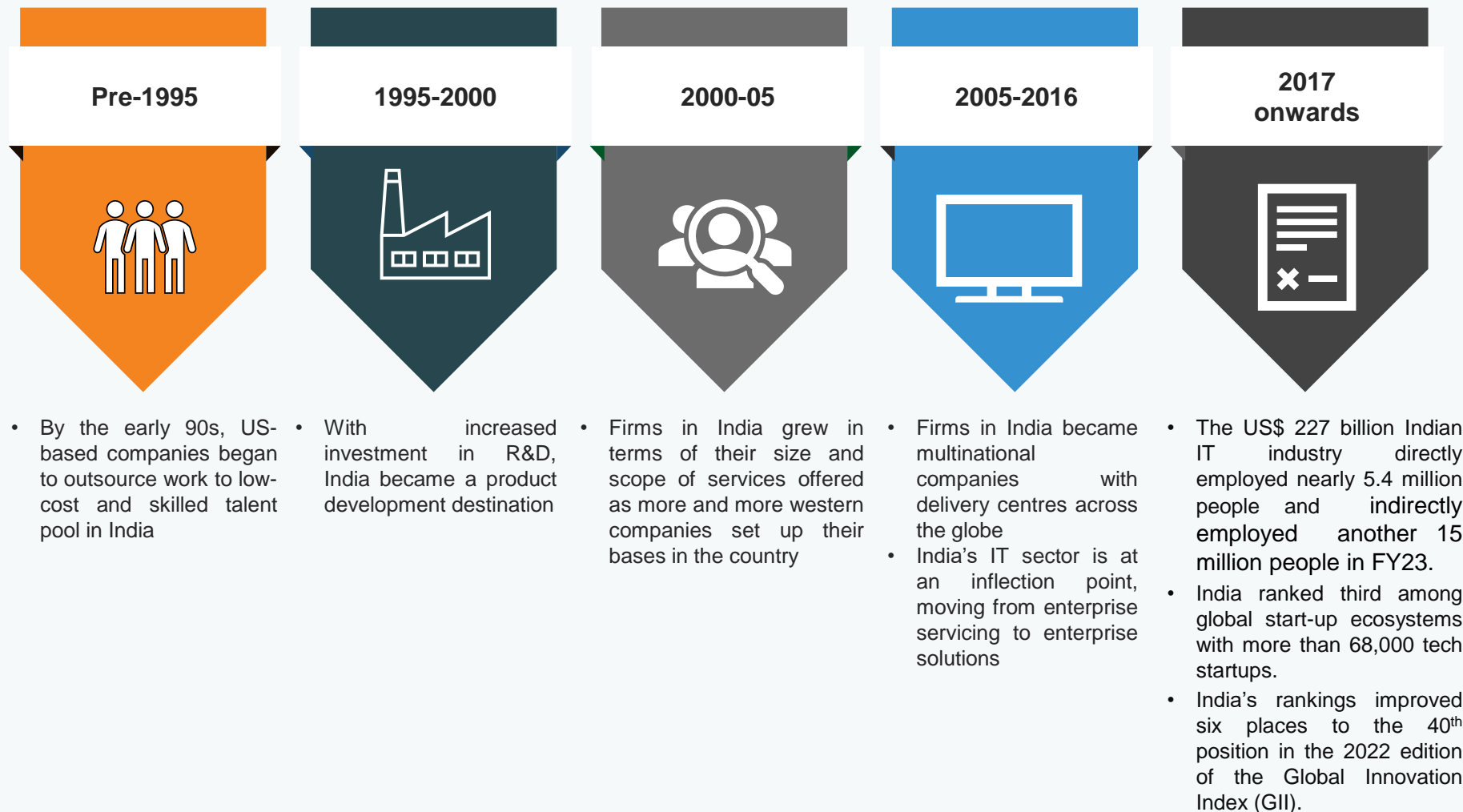
- In September 2022, the new Telecommunications Bill 2022 was published for public consultation by the Ministry of Communications as a move toward creating a new telecom framework in India.
- The Ministry of Electronics and Information and Technology (MeitY) had approved 14 eligible applicants under the production linked incentive scheme (PLI) for IT hardware.

Note: SEZ stands for Special Economic Zone, BFSI stands for Banking, Financial Services and Insurance, E stands for Estimate, F stands for Forecast, AI - Artificial Intelligence*
Source : Nasscom, News Sources

Market Overview



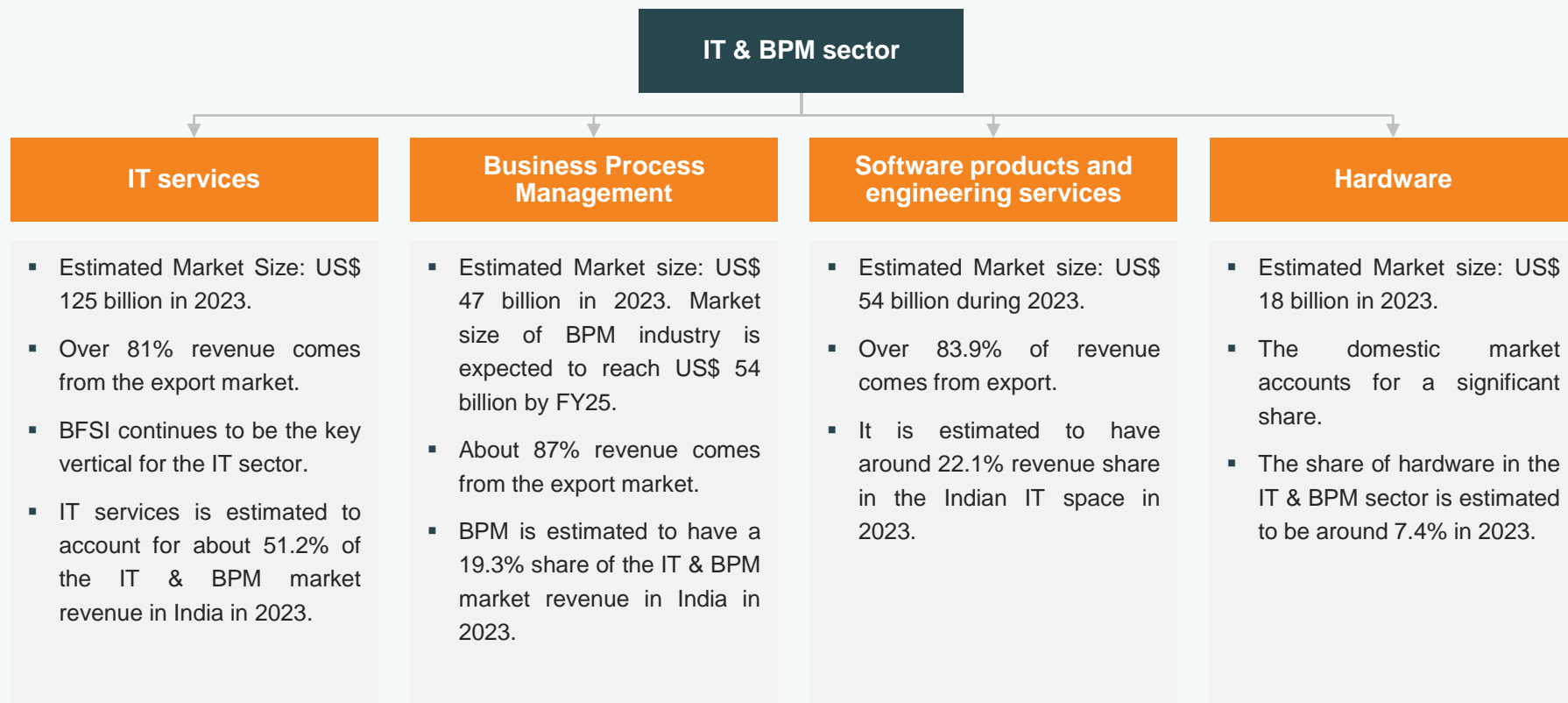
Evolution of the Indian IT sector



Note: SAFTA - South Asian Free Trade Area, ASEAN - Association of Southeast Asian Nations

Source: TechSci Research

Segments of India's IT sector



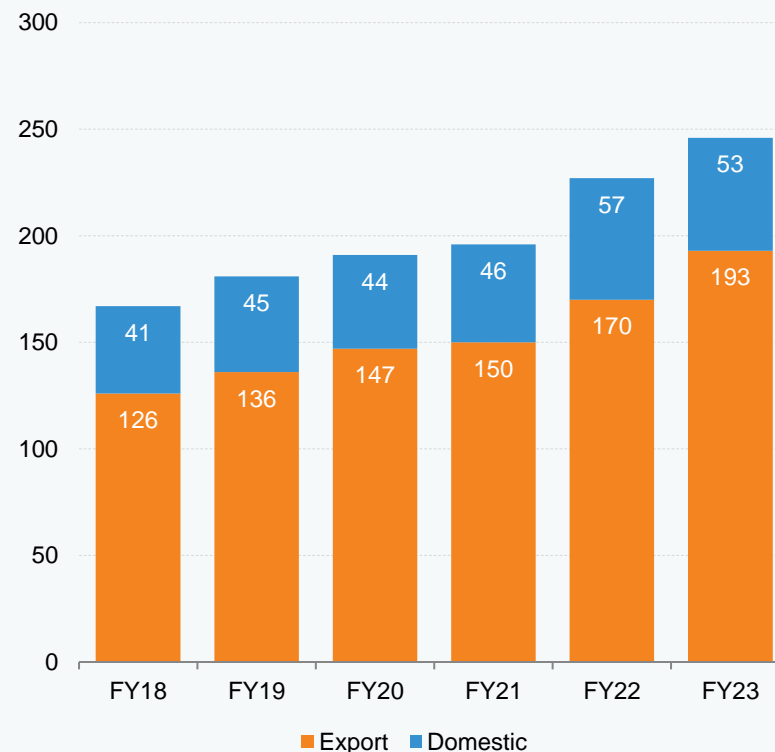
Notes: ^As per Electronics and Computer Software Export Promotion Council

Source: NASSCOM, News Sources

India's IT market size growing

- The IT industry added 2.90 lakh new employees in FY23, bringing the total employment in the sector to 54 lakh employees.
- India's technology industry is on track to increase the revenue to US\$ 500 billion by 2030.
- Direct employment in the IT services and BPO/ITeS segment is estimated to reach 5.4 million in FY23 with an addition of 290,000 people.
- The IT-BPM services revenue reached US\$ 128.4 billion in FY23.
- In FY23 the Indian domestic IT & Business Services market was valued at US\$ 53 billion.
- By 2025-26, India is expected to have 60–65 million jobs that require digital skills, according to a Ministry of Electronics & IT report titled "India's trillion-dollar digital opportunity."
- In November 2021, Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, lauded the Indian IT sector for excelling in its competitive strength with zero government interference. He further added that service exports from India had the potential to reach US\$ 1 trillion by 2030.
- India's IT spending is anticipated to reach US\$ 124.6 billion in 2024, reflecting a 10.7% increase from 2023, according to Gartner.
- India's public cloud services market grew to US\$ 3.8 billion in 1H2023, expected to reach US\$ 17.8 billion by 2027
- India's digital economy is estimated to reach US\$ 1 trillion by 2025.
- Artificial Intelligence (AI) is expected to boost India's annual growth rate by 1.3% by 2035, according to NITI Aayog.
- The Karnataka government signed three MoUs worth US\$ 13.4 million to help the state's emerging technology sector.

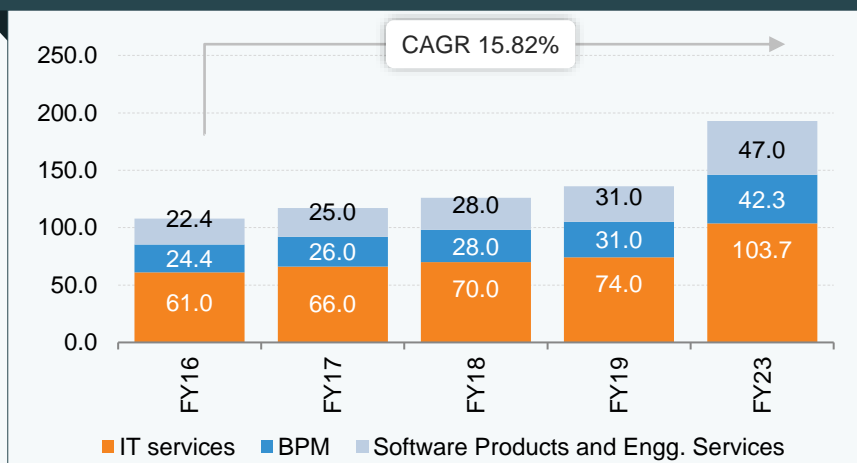
Revenue growth of IT-BPM sector (In US\$ billion)



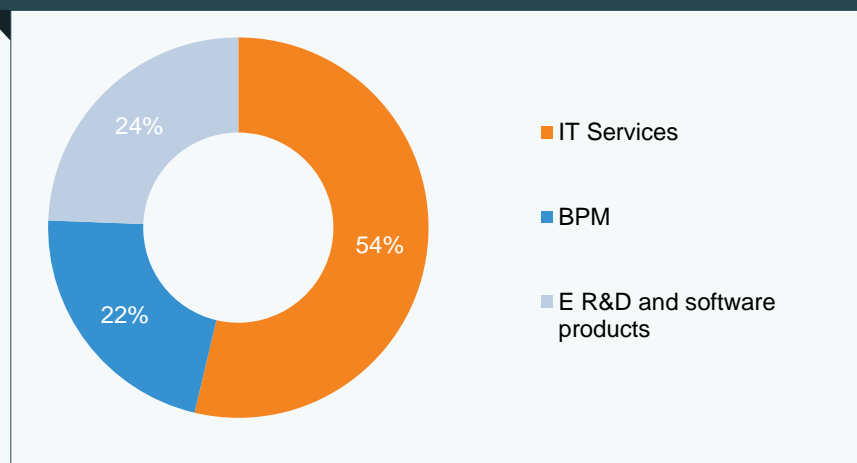
Source: NASSCOM, Gartner, News Articles

Strong growth in IT & BPM exports

Growth in export revenue (US\$ billion)



Sector-wise breakup of export revenue (FY23)



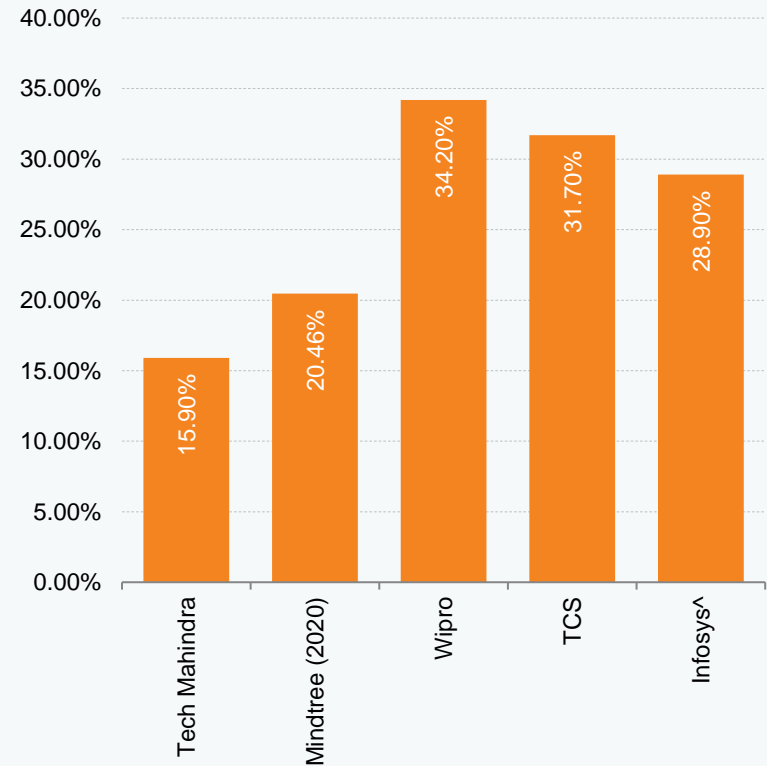
- As an estimate, India's IT export revenue rose by 9% in constant currency terms to US\$ 194 billion in FY23.
- Export of IT services was the major contributor, accounting for more than 53% of total IT exports (including hardware).
- BPM and engineering and R&D (ER&D) and software products exports accounted for 22% and 25%, respectively of total IT exports during FY23.
- According to STPI (Software Technology Park of India), software exports by the IT companies connected to it stood at Rs. 1.20 lakh crore (US\$ 16.29 billion) in the first quarter of FY22.
- In August 2021, the Minister of Electronics and Information Technology, Skill Development and Entrepreneurship, Mr. Rajeev Chandrasekhar, announced that the IT export target was set at US\$ 400 billion for March 2022. In addition, the central government was planning to focus on areas such as cybersecurity, hyper-scale computing, artificial intelligence and blockchain.

Source: Nasscom, Make in India, IDC

BFSI - a key business vertical for IT & BPM industry

- BFSI is a key business vertical for the IT & BPM industry. A major share of revenue of IT majors comes from the BFSI business vertical.
- Adoption of new technologies is expected to accelerate the growth of the BFSI vertical. The need to undertake investment in IT will also be required to gain a competitive advantage instead of solely reducing operational costs.
- HDFC Bank partnered with Flywire to enable their customers to make fee payments digitally to overseas colleges and universities.
- In November 2022, ICICI Bank introduced two new products for its NRI clients - Loan against Deposits (LAD) and Dollar Bonds, at its branch in GIFT City.
- In August 2022, Network People Services Technologies (NPST) announced that it was working on a banking super app. The high-end platform can be used by banks, fintech companies, and other BFSI players, and it will offer a seamless user experience with all banking, financial, and transactional services combined into a robust, smart app.
- In July 2022, the Union Bank of India (UBI) launched a Metaverse Virtual Lounge and Open Banking Sandbox environment in partnership with Tech Mahindra.
- In February 2022, Bangalore based edtech startup 'BygC' launched India's first upskilling focused community platform for young graduates and people seeking jobs in the BFSI sector.

Revenue share of IT majors from BFSI (FY23)



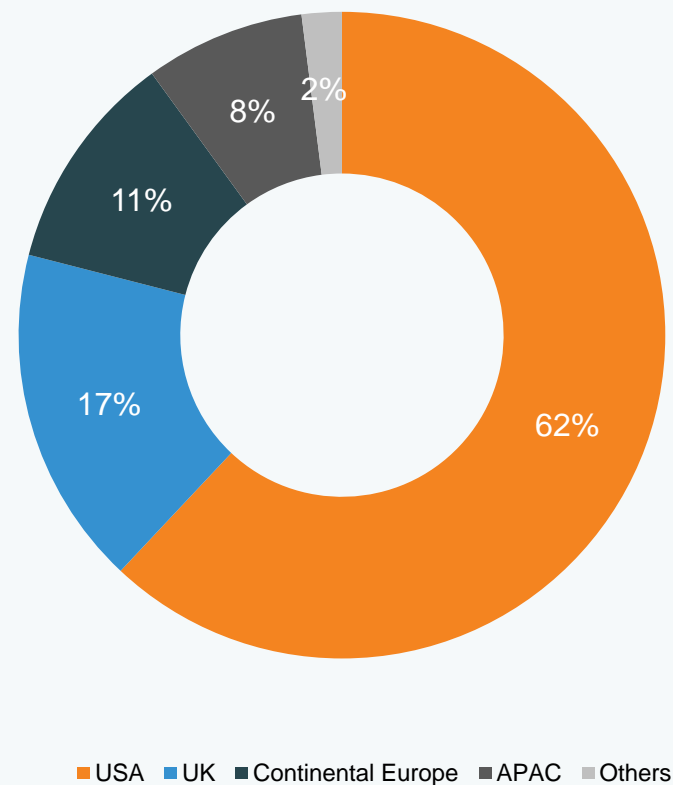
Note: BFSI - Banking, Financial Services and Insurance, mentioned figures are for IT and BPM only and do not include engineering services and hardware exports, ^For the 'Financial Services' vertical, *Sum of 'BFS' and 'Insurance' verticals

Source: NASSCOM Quarterly Review, Ministry of Electronics and IT Annual Report, Company Financial Results and Factsheets, News Articles

With over 62% share, the US is a major importer of Tech services

- US has traditionally been the biggest importer of Indian IT exports, as it absorbed over 62% of Indian IT & BPM exports during FY23.
- UK stood second to the US, with 17% of the services being exported to it.
- Even though, US and UK were the leading customer markets with a combined share of nearly 79%, there is a growing demand from APAC, Latin America and Middle East Asia regions.
- Being the low-cost exporter of IT services, India is going to attract more markets in other regions in the same way it tapped the US market.

Geographic breakup of export revenue in FY23 (%)



Note: ROW is Rest Of the World, APAC is Asia Pacific

Source: Nasscom, Department of Electronics and IT Annual Report

IT & BPM sector dominated by large players

2019				
Category	Number of players	Percentage of total export revenue	Percentage of total employees	Work Focus
Large	11	47-50%	~35-38%	<ul style="list-style-type: none"> Fully integrated players offering complete range of services Large scale operations and infrastructure Presence in over 60 countries
Medium	120-150	32-35%	~28-30%	<ul style="list-style-type: none"> Mid-tier Indian and MNC firms offering services in multiple verticals Dedicated captive centres Near shore and offshore presence in more than 30-35 countries
Emerging	~1,000-1,200	9-10%	~15-20%	<ul style="list-style-type: none"> Players offering niche IT & BPM services Dedicated captives offering niche services Expanding focus towards sub Fortune 500/1,000 firms
Small	~15,000	9-10%	~15-18%	<ul style="list-style-type: none"> Small players focussing on specific niches in either services or verticals Includes Indian providers and small niche captives

Source: Nasscom

Recent Trends and Strategies



Notable trends... (1/3)

1

Global delivery model

- Indian software product industry is expected to reach US\$ 100 billion by 2025. Indian companies are focusing on investing internationally to expand their global footprint and enhance their global delivery centres.
- In line with this, in February 2021, Tata Consultancy Services announced plans to recruit 1,500 technology employees across the UK over the next year. The development would build capabilities for TCS to deliver their services efficiently to the UK customers.

2

India to become the data annotation and labelling hub

- The data annotation market in India stood at US\$ 250 million in FY20, of which the US market contributed almost 60% to the overall value. The market is expected to reach US\$ 7 billion by 2030 due to accelerated domestic demand for AI.

3

New technologies

- Disruptive technologies such as cloud computing, social media and data analytics are offering new avenues of growth across verticals for IT companies.
- The SMAC (social, mobility, analytics, cloud) market stood at US\$ 225 billion in 2020.
- In June 2022, ZStack International, a worldwide market leader in cloud computing, IaaS and PaaS solutions, announced that they were entering India and the SAARC Region.
- American-Irish consumer credit reporting company Experian is planning a major expansion of its global innovation centre (GIC) in Hyderabad to about 4,000 employees over the next three to five years. According to sources, GIC will concentrate on employing emerging technologies in the BFSI (banking, financial services, and insurance) sector, including cloud computing, big data analytics, artificial intelligence, and machine learning.

Strategies adopted

1. Movement to SMAC and digital space

- SMAC (social, mobile, analytics and cloud) is taking significant leaps.
- Companies are getting into this field by offering big data services, which provides clients with better insights for future cases.
- In May 2022, it was announced that Indians can now avail their Digilocker services through Whatsapp to get easy access to their official documents.
- In April 2021, Wipro announced the implementation of a digital experience platform for Bristol Water to modernize critical infrastructure.

2. M&A

- In January 2024, Infosys announced to buy InSemi, a semiconductor and embedded services design company.
- In November 2022, LTI merged with Mindtree to become the 5th largest IT company.
- In March 2022, R1 RCM agreed to acquire CloudMed in stock deal worth about US\$ 4.1 billion, including debt of around US\$ 857 million.



3. Promotion of R&D

- Companies are investing a lot in R&D and training employees to create an efficient workforce, enhancing productivity and quality.
- R&D forms a significant portion of companies' expenses, which is critical when margins are under pressure, to promote innovations in the changing landscape.

5. Product and pricing differentiation

- Most of the IT companies have been offering similar products and services to their clients.
- The companies are working towards product differentiation through various other services by branding themselves, for example, Building Tomorrow's Enterprise by Infosys.
- Indian IT firms have started to adopt pricing strategies to compete with Global firms like IBM and Accenture.

4. Product launch

- In February 2024, Infosys introduced "Topaz" Responsible AI Suite, a set of 10+ offerings built around the Scan, Shield, and Steer framework. The framework aims to monitor and protect AI models and systems from risks and threats, while enabling businesses to apply AI responsibly.
- In August 2022, Meta announced a partnership with Reliance JioMart where WhatsApp users can order groceries on the messaging platform.
- In April 2021, Cyient launched INTELLICYIENT suite of Industry 4.0 solutions to enable digital transformation for various industries such as manufacturing, industrial, aerospace, automotive off-highway, infrastructure, and mining & natural resources.

Growth Drivers and Opportunities



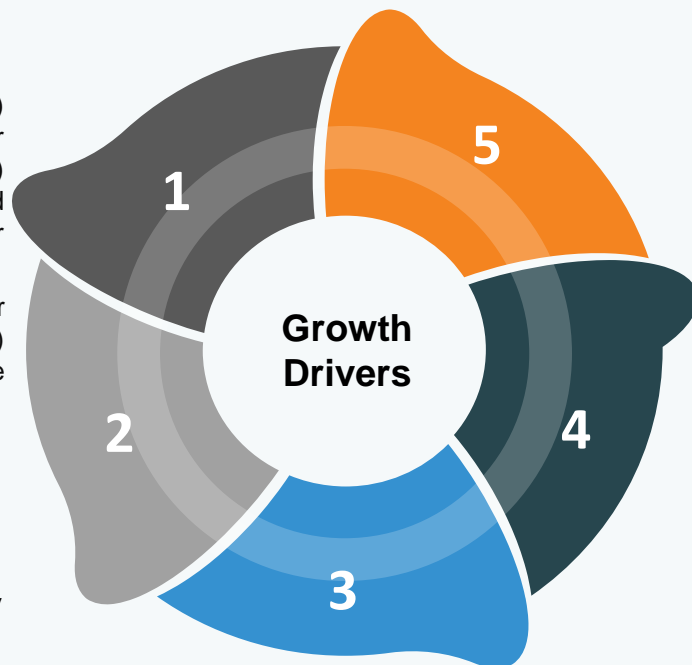
IT sector to be driven by strong demand and Indian expertise

1. Combat Cyber-security

- The Data Security Council of India (DSCI) - National Center of Excellence for Cyber Security Technology Development (NCoE) and Chitkara University have collaborated to undertake joint programmes on cyber security and privacy.
- In April 2022, the Indian Computer Emergency Response Team (CERT-In) issued directions to strengthen the cybersecurity in the country.

2. Talent pool

- India will need over 30 million digitally skilled professionals by 2026.
- According to a NASSCOM report, India ranks first in AI skill penetration and talent concentration and fifth in AI scientific publications.
- According to a report published by Microsoft, consultancy firm Bain & Co, and industry body Internet and Mobile Association of India (IAMAI), India produces 16% of the entire world's AI talent pool – the third highest in the world.



3. Public cloud market

- The revenue of India's public cloud services market totalled US\$ 6.2 billion in 2022, and it is expected to reach US\$ 17.8 billion by 2027 growing at a CAGR of 23.4%.
- Comparing to prepandemic level from FY2019, the cloud deals in FY2023 have grown by more than 4 times. Cloud's potential is boundless, and it forms a crucial foundation for successful digital transformation.

5. Policy support

- More liberal system for raising capital, seed money and ease of doing business.
- Government of India launched IndiaAI Mission in March 2024, with an initial outlay of US\$ 1.2 billion (Rs. 10,300 Cr) to bolster India's AI ecosystem.
- The government introduced the STP Scheme, which is a 100% export-oriented scheme for the development and export of computer software, including export of professional services using communication links or physical media.
- Tax holidays for STPI and SEZs.

4. Infrastructure

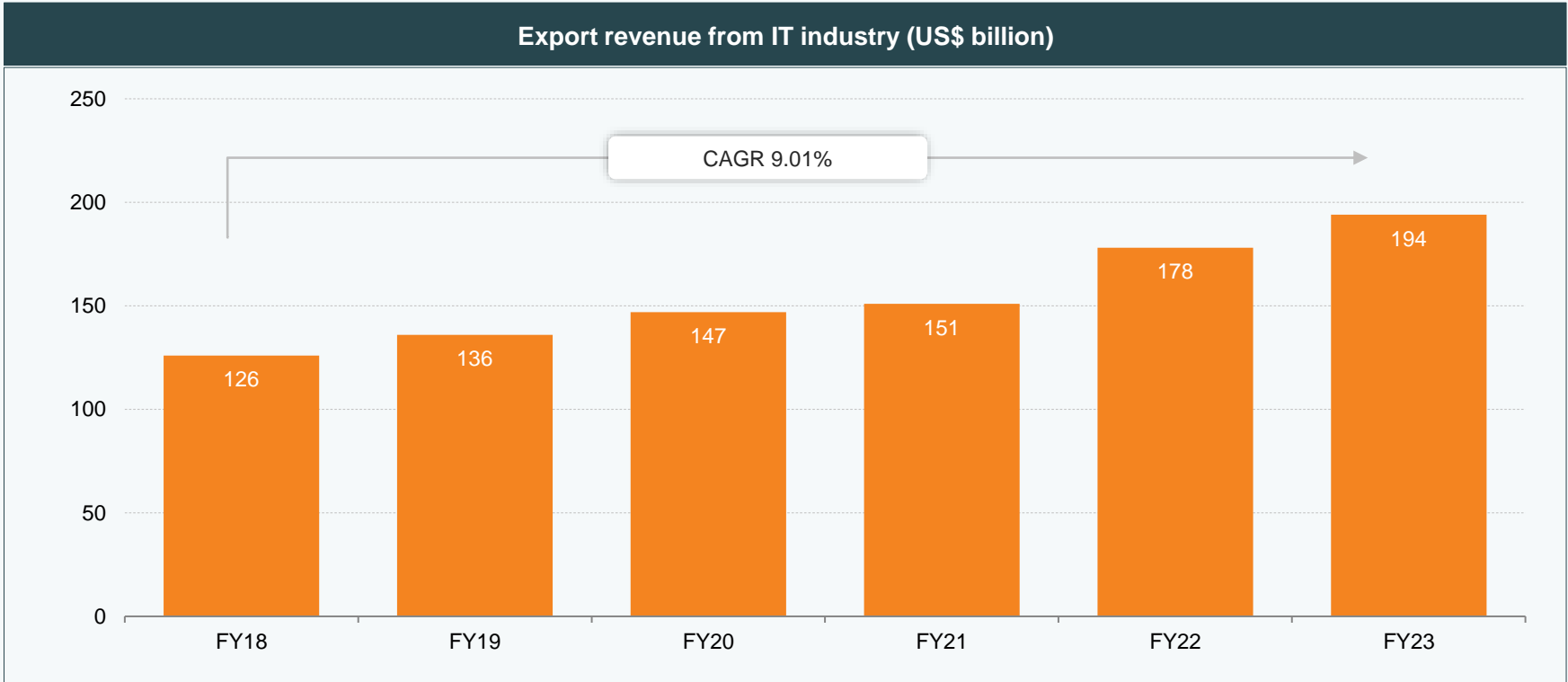
- Infrastructure software revenue in India was forecasted to reach US\$ 4.6 billion in 2021, an increase of 12% YoY, driven by rising demand for security-as-a-service offerings, and detection and response capabilities.

Note: STPI stands for Software Technology Park of India, SEZ stands for Special Economic Zone, ICT - Information and communications technology, IT & BPM - Information Technology Business Process Management

Source: Nasscom, News Articles

Exports to remain robust as global IT industry maintains growth

- As an estimate, India’s IT export revenue rose by 9% in constant currency terms to US\$ 194 billion in FY23.
- Export revenue from the industry grew at a CAGR of 9.01% to US\$ 194 billion in FY23 from US\$ 126 billion in FY18.

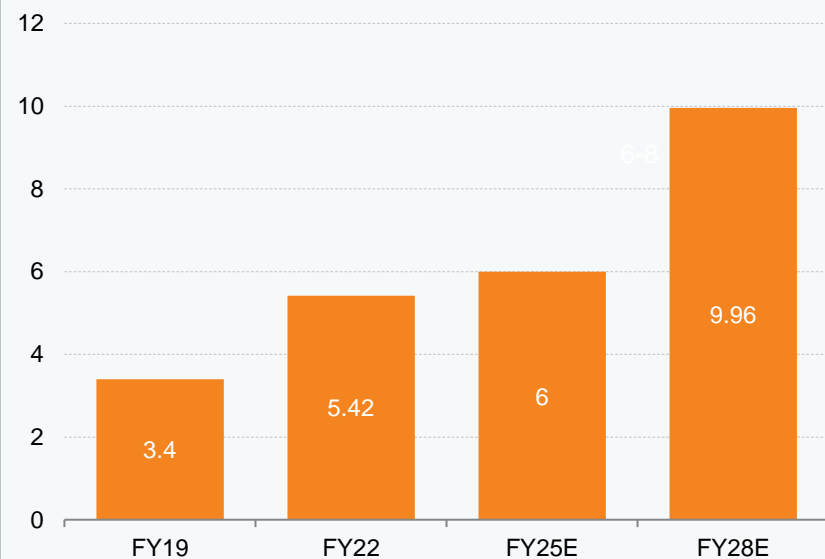


Source: Nasscom, Media Sources

Accelerating demand for cloud to be a major growth driver

- With digital transformation accelerating across sectors, the pandemic has driven demand for cloud services worldwide, and the Internet has become a lifeline for people both for work and entertainment. This move towards cloud services has accelerated hyper-scale data center investments, with global investments estimated to exceed US\$ 200 billion per year by 2025.
- India's data center market is expected to reach a value of US\$ 9.96 billion by 2028 from US\$ 5.42 billion in 2022, growing at a CAGR of 10.69%
- The demand for cloud technology professionals is expected to reach 2 million by 2025.
- The cumulative investments in data centers in India are estimated to reach US\$ 28 billion between 2019-25, at a CAGR of 5%, 2x faster than the global average.
- The COVID-19 pandemic has accelerated the demand for third-party data center services in India.
- The key data center locations are Mumbai, Chennai, Bangalore, Hyderabad and Delhi (NCR).
- In November 2022, Amazon Web Services announced the launch of its second AWS infrastructure region in India - the AWS Asia Pacific (Hyderabad) Region. By 2030, it is anticipated that the region will support more than 48,000 full-time jobs annually thanks to investments totaling more than US\$ 4.4 billion in India.

India data centre market investment (US\$ billion)



- In November 2022, Google established a partnership with local gaming startup Super Gaming through its Google Cloud division. As part of the collaboration, game developers who use Google Cloud to create, host, and distribute their games will have access to Super Gaming's Super Platform game engine.
- In July 2021, Ascends Property Fund Trustee Pte. Ltd, the trustee-manager of Ascends India Trust (a-iTrust), announced plans to build data centers in India and invest Rs. 1,200 crore (US\$ 160.67 million) to develop phase one of its first data center campus in the country.
- Amazon partnered with Airtel to sell Amazon Web Services (AWS) to its customers and intends to inject US\$ 1.6 billion in their two upcoming data centers in Hyderabad.

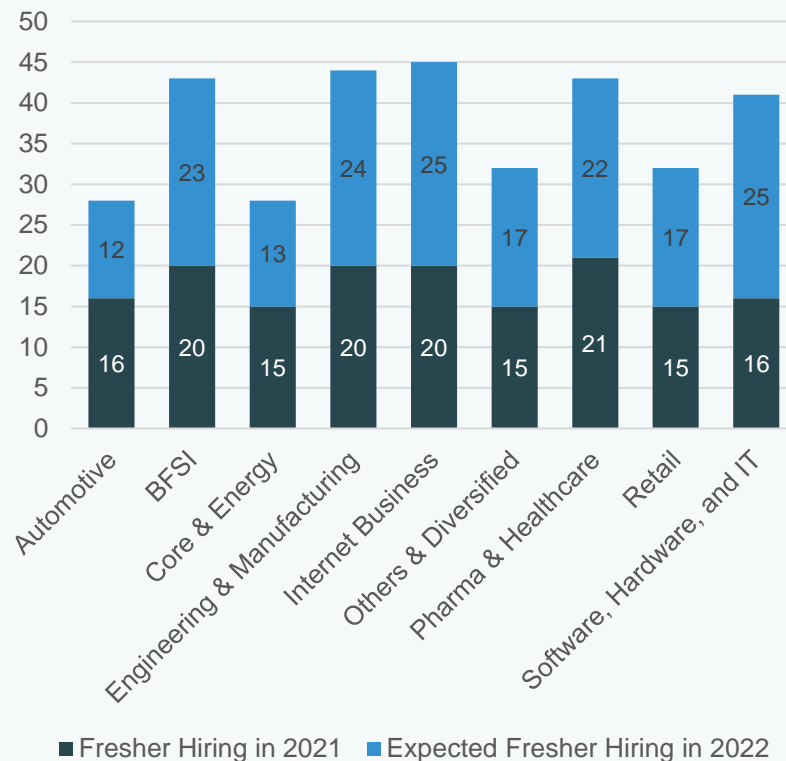
Note: ^According to Nasscom, E - Estimated

Source: Nasscom, IDC, Media Sources

Indian talent pool ready to take IT sector to the next level

- The BPM sector in India employed >1.4 million people, while IT and BPM together had 5.4 million workers, as of FY23.
- As per a recent report from NASSCOM, India had one of the world's largest annual supplies of STEM graduates, at 2.5 million, also achieving a globally leading female diversity ratio of 43-48% in 2022-23.
- The report further states that India has the lowest tech talent demand supply gap at 25%-27% among global tech leaders such as the USA, UK, Canada, and Australia.
- However, based on the cautionary demand environment, companies have been focusing on enhancing utilization and shifting to a more just-in-time hiring model. NASSCOM expects hiring in the tech sector to be 60,000 net employees in FY2024,
- Compared to the number of freshers demanded by industries in 2021, in 2022 the demand for talent rose to 21.13% from around 18% in 2021.
- India BPO promotion scheme was approved under the Digital India program. It aims to create employment opportunities for the youth and promote investments in the IT & BPM industry. Under the scheme, employment has already been created for more than 10,000 individuals.

Demand for freshers across industries (growth over the previous year, in %)



Source: Nasscom, Everest Group

SEZs to drive IT sector; tier II cities emerge as new centres

- IT-SEZs have been initiated with an aim to create zones that lead to infrastructural development, exports and employment.
- As of November 2021, there were 425 approved SEZs across the country, and of these, 276 were from IT & ITeS and 145 were exporting SEZs.
- Over 50 cities already have the basic infrastructure and human resources to support the global sourcing and business services industry. Some cities are expected to emerge as regional hubs supporting domestic companies.
- Software Technology Parks of India (STPI) has set up 65 centers across the country to provide single window clearance and infrastructure facilities. STPI units can avail excise duty exemptions on procurement of indigenously manufactured goods. Notably 57 centres are in Tier-II/III cities.
- In June 2022, STPI Director General Mr. Arvind Kumar stated that exports through STPI units have increased from Rs. 17 crore (US\$ 2.14 million) in FY92 to Rs. 5.69 lakh crore (US\$ 71.65 billion) in FY22.
- In October 2021, STPI FinBlue in Chennai selected 20 start-ups from the FinTech domain including trading, banking and lending to explore cross-border collaboration. It has signed an MoU with ASEAN Financial Innovation Network Ltd.
- In October 2021, the STPI and Society for Innovation & Entrepreneurship, IIT Bombay, signed an MoU to strengthen the start-up ecosystem by leveraging the latter's expertise and knowledge.

Note: SEZ - Special Economic Zone, STPI (Software Technology Parks of India)

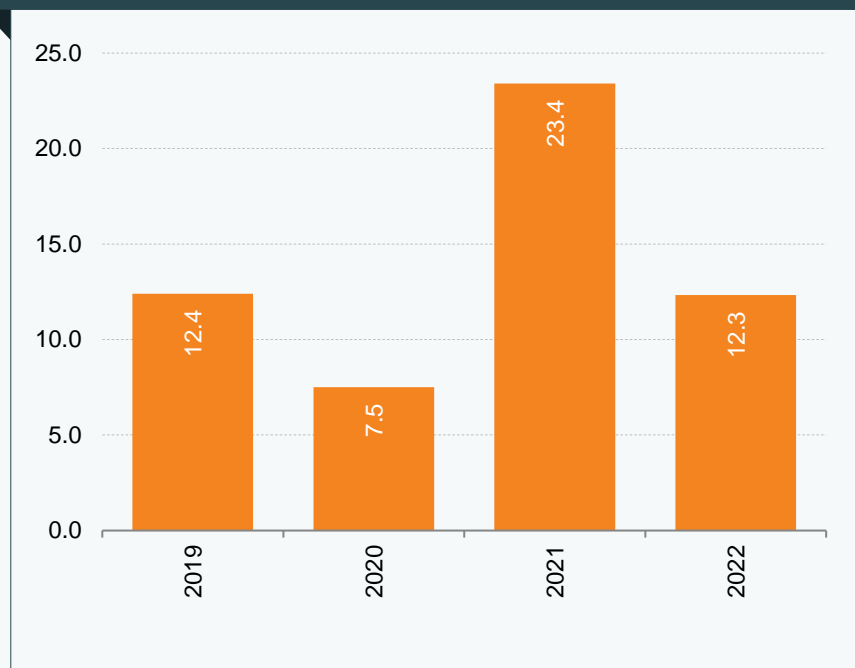
Source: EY, Nasscom

Parameters	STPI	SEZ
Term	<ul style="list-style-type: none"> 10 years 	<ul style="list-style-type: none"> 15 years
Fiscal benefits	<ul style="list-style-type: none"> 100% tax holiday on export profits Exemption from excise duties and customs 	<ul style="list-style-type: none"> 100% tax holiday on exports for first 5 years Exemption from excise duties and customs
Location and size restrictions	<ul style="list-style-type: none"> No location constraints 23% STPI units in tier II and III cities 	<ul style="list-style-type: none"> Restricted to prescribed zones with a minimum area of 25 acres

Impressive growth prospects sustain PE and VC interest

- India's BFSI and fintech sectors have seen a resurgence in interest, with deals worth over US\$ 5 billion and US\$ 4 billion, respectively, in 2022. Together, they account for 18% of the country's PE-VC investments, driven with growth in overall outstanding credit, which has doubled since 2014 to reach US\$ 2 trillion
- In 2022, PE Investments in IT and BPM industry almost halved to US\$ 12.3 billion as against US\$ 23.4 in 2021.
- India's IT startup ecosystem received record investments of nearly US\$ 36 billion in privately held companies in 2021, up from US\$ 11 billion in 2020.
- Baring Private Equity Asia (BPEA) planned to acquire a 30% stake in NIIT technologies Ltd. for Rs. 2,627 crore (US\$ 375.88 million).
- TCS made significant investments in building intellectual property in the digital assurance domain.
- In March 2022, Licious, India's largest tech-first, fresh animal protein brand, raised US\$ 150 million in a Series F2 funding round..
- In March 2022, debt marketplace CredAvenue raised US\$ 137 million in a funding round led by Insight Partners, B Capital Group and Dragoneer Investment Group, which propelled the startup's valuation to US\$ 1.3 billion.
- In February 2022, Hasura, a software company which helps developers with tools, raised US\$ 100 million in a fresh funding round led by Greenoaks Capital, which elevates the company into a unicorn.

PE investments in IT & BPM (US\$ billion)



Note: Data for first quarter of both years has been calculated by deducting Q2 investments from H1 investments, LHS - Left Hand Side axis, RHS - Right Hand Side axis

Source: The Indian Private Equity and Venture Capital Association

Newer geographies and verticals provide huge opportunities

1. New vertical

Non-linear growth due to platforms, products and automation. Emerging verticals (retail, healthcare, utilities) are driving growth.



2. New geographies

BRIC nations, continental Europe, Canada and Japan have IT spending of approximately US\$ 380-420 billion. Adoption of technology and outsourcing is expected to make Asia the second largest IT market by 2023.

3. Legacy modernization

As per TCS Survey Results (February 2021), more than 70% CXOs of global companies considered mainframe or legacy modernisation a strategic business priority for the next three years (FY21-23).

Note: SMB - Small and Medium Businesses

Source: International Data Corporation (IDC), Nasscom

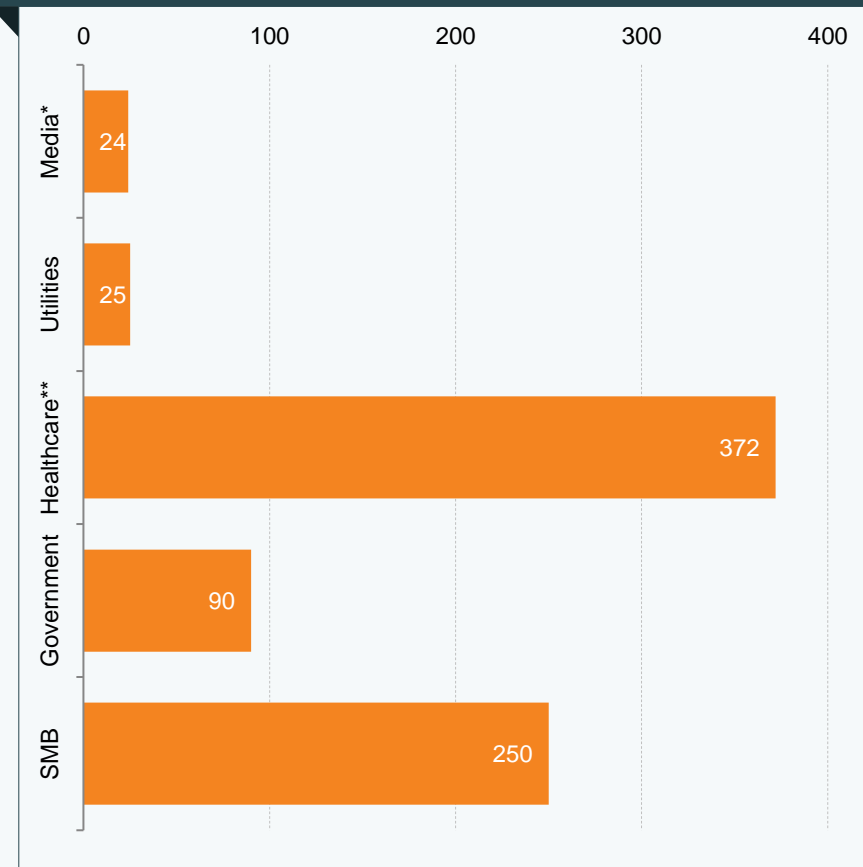
Expansion of focus areas to aid future growth... (1/2)

- The Cabinet approved an allocation of over US\$ 1.2 billion (Rs 10,300 crore) for the IndiaAI Mission, marking a significant step towards bolstering India's AI ecosystem. This substantial financial infusion, slated over the next five years, is poised to catalyse various components of the IndiaAI Mission, including pivotal initiatives like the IndiaAI Compute Capacity, IndiaAI Innovation Centre (IAIC), IndiaAI Datasets Platform, IndiaAI Application Development Initiative, IndiaAI FutureSkills, IndiaAI Startup Financing, and Safe & Trusted AI. A cornerstone of this effort is the IndiaAI Compute Capacity, envisioned to erect a cutting-edge, scalable AI computing infrastructure by deploying over 10,000 Graphics Processing Units (GPUs) through strategic public-private collaborations.
- Technologies, such as telemedicine, health, remote monitoring solutions and clinical information systems, would continue to boost demand for IT services across the globe.
- IT sophistication in the utilities segment and the need for standardisation of the process are expected to drive demand.
- Digitisation of content and increased connectivity is leading to a rise in IT adoption by the media.
- RBI is executing a plan to reduce online transaction costs to encourage digital banking in India.
- The rollout of fifth-generation (5G) wireless technology by telecommunication companies is expected to bring at least US\$ 10 billion global business to Indian IT firms by 2019-25.

*Note: SMB - Small and Medium Business, **as estimated in 2023, *as of 2022*

Source: Nasscom, Gartner

Market size of other progressing verticals by 2020 (US\$ billion)



Expansion of focus areas to aid future growth... (2/2)

- Emerging geographies would drive the next phase of growth for IT firms in India.
- BRIC was expected to provide US\$ 380-420 billion opportunity by 2020.
- Focus on building local credible presence, high degree of domain expertise at competitive costs and attaining operational excellence hold key to success in new geographies.
- Emphasis on export of IT services to current importers of other products and services.

Countries offering growth potential to IT firms





Country	IT spend	India's penetration	Key segments
Canada	US\$ 63 billion	~1.5%	Enterprise applications, cyber security, healthcare IT
Europe	US\$ 230 billion	<1.5%	IT sourcing, BPM, IS outsourcing, CAD
Japan	US\$ 235 billion	<1%	CRM, ERP, Salesforce automation, SI
Spain	US\$ 26 billion	<1.5%	IT sourcing, SI
Mexico	US\$ 29 billion	~4%	IT sourcing, BPM
Brazil	US\$ 47 billion	~2%	Low level application management, artificial intelligence, R D
China	US\$ 105 billion	<1%	Software outsourcing, R&D
Australia	US\$ 48 billion	~4%	Procurement outsourcing, infrastructure software and CAD

Source: Nasscom

Key Industry Contacts



Key Industry Contacts

	Agency	Contact Information
 <p>Ministry of Electronics and Information Technology Government of India</p>	<p>Ministry of Electronics and Information Technology (MeitY)</p>	<p>Electronics Niketan, 6, CGO Complex, Lodhi Road, New Delhi - 110 003 Phone: 91 11 2436 9191 Fax: 91 11 2436 2626 E-mail: mljoffice@gov.in Website: www.meity.gov.in/</p>
	<p>Electronics and Software Exports Promotion Council (ESC)</p>	<p>155, Okhla Phase III, Okhla Industrial Area, New Delhi, Delhi - 110 020 Phone: 91 11 4748 0000 E-mail: info@escindia.com Website: www.escindia.in/</p>
	<p>National Association of Software and Services Companies (NASSCOM)</p>	<p>International Youth Centre Teen Murti Marg, Chanakyapuri, New Delhi - 110 021 Phone: 91 11 2301 0199 Fax: 91 11 2301 5452 E-mail: info@nasscom.in Website: www.nasscom.in</p>
	<p>Software Technology Parks of India</p>	<p>Ninth Floor, NDCC-II, Jai Singh Road (Opposite Jantar Mantar), New Delhi - 110 001 Phone: 91 11 2343 8188 Fax: 91 11 2343 8173 Website: www.stpi.in</p>



Glossary

- APAC: Asia Pacific
- BFSI: Banking, Financial Services and Insurance
- BPM: Business Process Outsourcing
- CAGR: Compounded Annual Growth Rate
- C U: Construction and Utilities
- FDI: Foreign Direct Investment
- GOI: Government of India
- IT & ITeS: Information Technology-Information Technology Enabled Services
- NAC: Nasscom Assessment of Competence
- RoI: Return on Investment
- ROW: Rest of the World
- Rs.: Indian Rupee
- SEZ: Special Economic Zone
- SMB: Small and Medium Businesses
- STPI: Software Technology Parks of India
- T M: Telecom and Media
- T T: Travel and Transport
- US\$: US Dollar
- UT: Union Territory
- Wherever applicable, numbers have been rounded off to the nearest whole number

Exchange rates

Exchange Rates (Fiscal Year)

Year	Rs. Equivalent of one US\$
2004-05	44.95
2005-06	44.28
2006-07	45.29
2007-08	40.24
2008-09	45.91
2009-10	47.42
2010-11	45.58
2011-12	47.95
2012-13	54.45
2013-14	60.50
2014-15	61.15
2015-16	65.46
2016-17	67.09
2017-18	64.45
2018-19	69.89
2019-20	70.49
2020-21	73.20
2021-22	74.42
2022-23	78.60

Exchange Rates (Calendar Year)

Year	Rs. Equivalent of one US\$
2005	44.11
2006	45.33
2007	41.29
2008	43.42
2009	48.35
2010	45.74
2011	46.67
2012	53.49
2013	58.63
2014	61.03
2015	64.15
2016	67.21
2017	65.12
2018	68.36
2019	69.89
2020	74.18
2021	73.93
2022	79.82
2023	82.61
2024*	83.09

*Note: *- Until February 2024*

Source: Foreign Exchange Dealers' Association of India

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