

Indian IT-BPO industry shows resilience; to grow by 4-7 percent in FY09-10

- Industry revenues gross USD 58.8 billion in FY 08-09; export revenues – US\$46.3 billion; Domestic: USD 12.5 billion
- Export revenues in FY 09-10 estimated at USD48-50 billion; domestic revenues to grow by 15-18%
- Industry rankings released for FY08-09
 - Genpact, WNS and TCS BPO lead the **NASSCOM Top 15 BPO rankings**
 - TCS, Infosys and Wipro are Top 3 players in the **NASSCOM Top 20 IT services export rankings** and **NASSCOM Top 20 IT-BPO employers**

FY 08-09 highlights

- FY 08-09 export revenues aggregate USD 46.3 billion recording a growth of 16.3%
- Domestic IT-BPO market clocks INR 570 billion; exhibits 21% growth
- Offshore component to increase
- Growth in emerging geographies, APAC, RoW 3X of US & UK
- Domestic market drives growth - Large transformation deals in telecom, e-governance

NASSCOM today announced the findings of its annual survey on the performance of the Indian IT-BPO services sector for FY08-09 and outlook for FY09-10. According to the findings, the sector reached USD 58.8 billion in FY08-09 up from USD 52 billion in FY07-08. Export revenues for the Indian IT-BPO industry recorded growth of 16.3 percent and clocked revenues of USD 46.3 billion in FY08-09 up from USD 40.4 billion in FY07-08. The domestic segment grew by 21% to register revenues of *INR 570 billion* in FY08-09 from INR 470 billion in FY07-08.

Within the export segment, IT services have grown by 14.7% to clock revenues of USD 26.5 billion; BPO exports are up by 16.5% registering revenues of USD 12.7 billion. Engineering services and product exports clocked revenues of USD 7.1 billion, growing at 11% in FY 08 -09.

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Mr. Pramod Bhasin, Chairman, NASSCOM said, "While growth was synonymous with industry performance in the past decade, resilience and efficiency was the thrust in the year 2008-09. In the face of a severe economic downturn in key markets, the industry was able to deliver a high growth of over 16 percent and retain its position as a strategic global sourcing destination. The industry also enhanced its thrust on building a globalised value chain, with a 35 percent increase in global delivery centers since 2007".

Mr. Som Mittal, President, NASSCOM said, "A significant highlight of the year was the industry thrust to re-engineer itself to partner with its clients in testing times. Increase in fixed price contract, shift from onsite to offshore and end-to-end transformational deals helped the industry to get over 90 percent repeat business from its clients. At the same time, the thrust on diversification saw emerging verticals and geographies grow almost three times than the core markets".

The domestic market witnessed enhanced focus in FY 08-09, with large transformational deals in telecom and e-governance and contract value of outsourcing deals growing by 32%. Domestic BPO got a special boost with over 40 percent growth in this period.

FY 09-10 trends/estimates

- FY09-10 Export revenue projected to grow at ~4-7% to reach ~USD 48-50 billion
- Domestic IT-BPO market to reach ~INR 650-670 billion growing at ~ 15 – 18 %
- Core markets, North America and BFSI started to stabilize
- Decision making starting to happen – but buyers remain cautious; large deals missing
- Analysts continue to downgrade IT spending for 2009
- Q1 result of FY 09-10 demonstrate sustained focus with growth in operating margins and high utilization

The last few weeks have witnessed some stabilization in the demand environment with improvements in GDP growth rates, stock indices upswing that could indicate early signs of recovery. However, worldwide IT spending growth is expected to decline in 2009 and 2010. The environment continues to be challenging with global demand ecosystem being weak; absence of large deals; vendor consolidation and pricing pressures.

"The industry in its first quarter results has demonstrated sustained focus with increased operating margins and enhanced utilization. The NASSCOM survey estimates that the **IT-BPO export** revenues will grow by ~ 4-7% to reach ~ USD 48-50 billion in FY09-10," said Mr. Bhasin. IT-BPO Domestic revenues are expected to grow by 15-18%, to reach INR 650-670 billion.

Global sourcing is today an essential component for organizational competitiveness. The industry in India will continue to invest in offering transformational solutions and enhance its value proposition in sync with client requirements.

As a part of the survey, NASSCOM also released the annual rankings for the following categories, for FY08-09

- Top 20 IT Software and Service exporters in India (excluding BPO revenues)
- Top 15 BPO rankings
- Top 20 IT-BPO employers in India

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NASSCOM Top 20 IT Services Exporters 2008-09

Rank	Company
1.	Tata Consultancy Services Ltd.
2.	Infosys Technologies Ltd.
3.	Wipro Ltd.
4.	HCL Technologies Ltd.
5.	Tech Mahindra Ltd
6.	Patni Computer Systems Ltd.
7.	Mphasis Ltd
8.	Oracle Financial Services Software Ltd
9.	Aricent Technologies (Holdings) Ltd
10.	CSC India Pvt Ltd
11.	Larsen & Toubro Infotech Limited
12.	Prithvi Information Solutions Ltd
13.	Polaris Software Lab Limited
14.	MindTree Ltd
15.	Mascon Global Ltd
16.	3i Infotech Ltd
17.	HSBC Software Development (India) Pvt. Ltd.
18.	Hexaware Technologies Limited
19.	Mastek Ltd.
20.	Sonata Software Limited

Source : NASSCOM

Note:

- Includes IT Services, Engg Services, Software Products and Offshore Product Development revenues
- Ranking is based on companies that have submitted the detailed form. It does not include Mahindra Satyam whose revised audited revenues are not available
- This list does not include some companies whose corporate headquarters are located outside India, but have significant India-centric delivery capabilities, and have not shared their India-centric revenue figures. Had they been ranked based on their India revenues, companies such as Accenture, Cognizant, HP and IBM and would have also appeared in this ranking.

NASSCOM Top 15 BPO Exporters 2008-09

Rank	Company
1.	Genpact India Pvt Ltd
2.	WNS Global Services (P) Ltd
3.	Tata Consultancy Services BPO
4.	IBM-Daksh Business Process Services Pvt. Ltd.
5.	Wipro BPO
6.	Firstsource Solutions Ltd
7.	Aditya Birla Minacs Worldwide Ltd
8.	Aegis Ltd
9.	Infosys BPO
10.	HCL BPO
11.	exl Service.com (India) Pvt Ltd
12.	Intelenet Global Services Ltd
13.	Hinduja Global Solutions Pvt Ltd
14.	24/7 Customer Pvt Ltd
15.	Mphasis BPO

Source : NASSCOM

Note:

- This list does not include some companies whose corporate headquarters are located outside India, but have significant India-based delivery capabilities, and have not shared their India-based revenue figures. Had they been ranked based on their India revenues, companies such as Convergys and Sutherland Global Services would have also appeared in this list.
- Since several companies are privately held, in order to maintain uniformity, revenue figures for the ranked companies are not being shared.

NASSCOM Top 20 IT-BPO Employers 2008-09

Rank	Company
1.	Tata Consultancy Services
2.	Infosys Technologies Limited
3.	Wipro Ltd
4.	Cognizant Technology Solutions India Pvt. Ltd.
5.	HCL Technologies Ltd.
6.	HP India
7.	Mphasis Ltd
8.	Intelenet Global Services Ltd*
9.	IBM-Daksh Business Process Services Pvt. Ltd.*
10.	Genpact India Pvt Ltd
11.	Tech Mahindra Ltd
12.	Aegis Ltd*
13.	WNS Global Services (P) Ltd*
14.	Firstsource Solutions Ltd*
15.	CSC India Pvt Ltd
16.	Patni Computer Systems Ltd.
17.	Larsen & Toubro Infotech Limited
18.	Hinduja Global Solutions Pvt Ltd*
19.	Oracle Financial Services Software Ltd
20.	Convergys India Services

Source : NASSCOM

Note:

- This list is based on the India-based headcount of firms with IT-BPO operations in India, as reported to NASSCOM in its annual survey. IBM would have also featured in this list. However, as they have not participated in the survey, we do not have all the required details and are unable to rank them. Most companies on this list are engaged in IT as well as BPO.
- Companies marked with an * indicate pure-play BPO firms.