

Losses to Indian IT industries

1097. DR. V. MAITREYAN : Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether it is a fact that the Indian IT industry is being severely affected due to the melt down of the US markets during the last few months;
- (b) if so, the level of losses to the Indian IT industries;
- (c) the steps being taken to prevent such huge losses in revenues due to the impact of US markets; and
- (d) the expected loss of revenue due to the US economic collapse?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) The financial meltdown in the US has had an impact on many sectors including IT and BPO. While it is unlikely that there may be an immediate impact on existing contracts, some additional and/or new contracts could get deferred for some time.

(b) to (d) As per National Association for Software and Services Companies (NASSCOM), financial performance is only available for publicly listed companies. The top 12 publicly listed companies have reported a year on year growth of around 20% for the quarter ended September 2008 compared to about 24% for a similar period last year.

These companies have reported an aggregate of about USD 1140 million in net profits for the quarter ended September 2008, in comparison to USD 1165 million for the same period last year - a reduction of about 2%.

Most companies are working to increase their levels of utilization of resources and assets and are looking to optimize utilization of personnel within the organization. By ensuring that asset and resource utilization is improved, the impact of the meltdown could be mitigated.

Mobile market

1098. SHRI V. HANUMANTHA RAO: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether India has become one of the second largest mobile markets in the world;
- (b) whether India stood at 260 million at the end of March as compared to 262 million in USA;
- (c) whether total number of subscribers as on date have gone past those in US and whether monthly additions have averaged about 2 million;
- (d) if so, whether inspite of this there are still demands in rural areas and whether we have not been able to provide mobiles to them; and