



The share of Indian players in global IT sourcing market stood at 67 per cent in 2017

Large Indian IT companies are expected to clinch a “higher share of the digital services space” in the coming three years, rating agency ICRA today said.

It further said that Indian IT services companies are expected to register compounded annual growth rate (CAGR) in “mid-to-high single digits” between FY2018-2021.

“The growth of Indian IT Services companies is impacted by lower demand led by uncertain macro-economic environment, lower deal sizes in digital technologies, cloud adoption and high competitive intensity from local as well as international players,” ICRA Vice President Gaurav Jain said.

He added that future growth will be supported by higher spend on digital technologies with larger deals spanning enterprise wide digital transformation, improving discretionary spends, continued cost benefit offered through outsourcing model and market share gains.

The share of Indian players in global IT sourcing market stood at 67 per cent in 2017 (60 per cent in 2012).

“Indian IT Services companies are in the midst of re-orienting their business models focusing more on higher end services such as IT consulting & emerging technologies (digital)... We expect large Indian IT companies to grab a higher share of the digital services space over the next three years,” he said.

The aggregate growth of Indian IT services companies (13 sample companies) was at 3.9 per cent during the fourth quarter of FY2018 (9.7 per cent in USD terms) compared to 4.2 per cent growth in last fiscal, FY2018.

Comparing this to higher growth rate of 17.1 per cent seen between FY2013-2017, ICRA said “the lower growth was due to the rupee appreciating by approximately 4 per cent versus USD during the quarter”.

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