

# Captives sector stands at \$11.1 billion: Nasscom

S RONENDRA SINGH

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NASSCOM on Thursday released a report on captives in India saying the size of the captives sector is pegged at \$11.1 billion, almost 22 per cent of total Indian IT-BPO industry export revenues. India has 750-plus captives at present that employ four lakh employees, with 100-plus captives employing more than 1,000 people. Captives are those companies that have their own set-up but don't outsource any services.

"Our projection is that

this profile should continue in the future. In the last three years, 200 engineering captives came up. In the overall captives, 48 per cent are driven by engineering, research and development (ER&D), 12.5 per cent are driven by IT services and 24 per cent by BPOs. The rest are from hybrids," said Som Mittal, president of Nasscom, on Thursday.

Captives account for 50 per cent of total knowledge-based revenues from India, which has significantly contributed to India emerging as a knowledge hub. According to the report, the coming

years will see many hybrid models that include programme management capabilities and collaboration with third party vendors.

Also, Mittal urged the Centre to continue sops to upcoming IT units for few more years. "Under the direct tax code, the government should define a period for making the SEZs operational and the units that would come up therein should be given the same benefits as promised in SEZ Act," he said.

ronendrasingh  
@mydigitalfc.com