

Digital Deals to Help IT Cos Log 15% Growth in FY22, Says Report

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Among the top tier IT firms, growth was led by TCS & Wipro

Infosys reported improved margins

Key growth drivers going forward are banking and financial services sector

FRANCISCO PISTOLESI, *The Staircase*

Banking, fin sector key drivers: HDFC Securities

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Pune: Indian IT services companies are expected to grow at a faster pace this fiscal year as companies across the world continue to up their investments in digital transformation projects, HDFC Securities said in a report.

“The pandemic has not just accelerated digitisation but has quite evidently sharpened the operational engine... key lead indicators remain strong with a recovery in consulting and slight improvement in deal market share,” Apurva Prasad, Amit Chandra and Vinesh Va of HDFC Securities said.

Most services companies grew at about 10% on average in the previous fiscal. They are predicted to grow at a compounded annual

growth rate (CAGR) of 15% in FY2022 as revenue growth accelerates at a similar pace, the report said.

Even though most companies have implemented salary hikes and will be rolling them out again in a few months, this isn't expected to have an impact on margins as it will

be offset by gains through higher offshoring and better utilisation rates.

The report said Indian tier-I companies had won more orders than global majors in the fourth quarter. For the sector at large, the key growth drivers going forward are a strong banking and financial services sector.

Report says tier-I firms had won more orders than global majors in Q4

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