

Indian software services sector to grow 7-9% in FY19: Nasscom

Still some turbulence, but the current outlook is one of cautious optimism, says software lobby group

BY SANKALP PHARTIYAL
feedback@livemint.com

HYDERABAD

India's software services exports will see revenue growth of 7-9% in constant currency terms in the fiscal year to March 2019, a leading lobby group forecast on Tuesday, as the industry continues to recover from what has been a tough year.

The forecast, which was put out at the annual summit of the Nasscom, is in line with the 7.8% revenue growth it expects in the six months to the end of March 2018.

The country's \$154-billion information technology sector has been buffeted by a broader slowdown in technology spending, while uncertainty looms over work visa rules in the US, the biggest market for Indian software services firms.



The IT sector is likely to add more than 100,000 jobs in the coming fiscal year as the industry pivots to new offerings. ABHIJIT BHATLEKAR/MINT

US President Donald Trump has, however, so far not made any drastic changes to the H-1B visa programme, widely used by Indian companies to bring engi-

neers and developers to the US.

Executives at the summit in Hyderabad, fast rising as a competitor to traditional information technology hub Bengaluru, were

optimistic the sector could weather the current uncertainty by moving from low-margin businesses such as server maintenance to more sophisticated work such as artificial intelligence (AI).

"The current outlook is one of cautious optimism," said Nasscom president R. Chandrashekar in a statement.

"There is still some turbulence and it is not clear how some of the known uncertainties will play out. However, FY 2019 is likely to be a better year, based on our current assessment."

Major companies such as Infosys and Wipro have posted improved earnings in the January-March quarter and information technology executives in Hyderabad also expressed optimism about a continued recovery as the sector diversifies into more lucrative digital segments such as cloud computing and big data.

"This is an opportunity for peo-

ple like us who service enterprises to step up and say: I can help you in the front, I can help you with the business model, I can help you with your operational profile," said Ananth Krishnan, chief technology officer at top-ranked Tata Consultancy Services.

Company officials were particularly excited about artificial intelligence. Krishnan said TCS was already embedding AI in its offerings.

The IT sector is likely to add more than 100,000 jobs in the coming fiscal year, Chandrashekar said, as the industry pivots to new offerings.

However, finding fresh talent to work on AI-driven solutions could be a key constraint.

"There is limited talent available in this space and to me that's the No.1 challenge today, across the industry," said Vivek Agarwal, global head of enterprise verticals at Tech Mahindra. **REUTERS**