Nasscom: India's IT industry to grow 11% in fiscal year

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Sales by India's flagship outsourcing industry are likely to grow by 11 percent this fiscal year to at least $75 billion in the face of a challenging business environment, an industry lobby group said Monday.

The forecast is at the lower end of an 11-to-14 percent projection given by the National Association of Software and Services Companies, or Nasscom, earlier in the year.

Nasscom president Som Mittal told reporters in the financial hub Mumbai that the industry has been able to grow despite the "challenging environment".

Companies such as TCS, Infosys and Wipro lead India's IT outsourcing industry that performs a wide range of tasks for Western firms—from answering calls from bank customers and processing insurance claims to software development.

Most Indian IT outsourcing firms say the outlook remains challenging as clients in key US and European markets contend with sluggish growth and slow decision-making, along with political opposition to outsourcing jobs in the face of high domestic unemployment.

India, with its large English-speaking workforce, accounts for at least 50 percent of the global outsourcing market and the industry is a vital exporter for the country.

Nasscom chairman N. Chandrasekaran said business prospects were brightening in the United States despite anti-outsourcing rhetoric during the recent US election campaign.

"The US economy is recovering and will (have to) depend on technology," he said. "So there is going to be (outsourcing business) growth."

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