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Informationtechnology (IT) industry is one of the most significant growth contributors forthe Indian economy.

The industry has played a significant role in transformingIndia’s from a slow moving bureaucratic economy to a land of innovativeentrepreneurs and a global player in providing world class technology solutionsand business services it has also played a role in transforming India from arural and agriculture-based economy to a knowledge based economy. InformationTechnology has made possible information access at gigabit speeds. It has madetremendous impact on the lives of millions of people who are poor, marginalizedand living in rural areas.

Internet has made revolutionary changes with possibilities of e-government measureslike e-health, e-education, e-agriculture, etc. But now, whether it’s filingIncome Tax returns or applying for passports online or railway e-ticketing, itjust need a click of the mouse. India’s IT potential is on a steady marchtowards global competitiveness, improving defense capabilities and meeting upenergy and environmental challenges amongst others.

IT-ITeS sector in India, whichmainly focuses on increasing technology adoption, and developing new deliveryplatforms, has added loads of revenues. After the economic reforms of 1991-92, major fiscal incentives provided bythe Government of India and the State Governments, like : liberalization ofexternal trade, elimination of duties on imports of information technologyproducts, relaxation of controls on both inward and outward investments andforeign exchange, setting up of Export Oriented Units (EOU), SoftwareTechnology Parks (STP), and Special Economic Zones (SEZ), has enabled India toflourish and acquire a predominant position in world’s IT scenario. To mitigateand promote Indian IT industry, the Government of India had set up a NationalTask Force on IT and Software Development to examine the workability ofstrengthening the industry. Venture capital has been the main source of financefor software industry around the world. The Government of India is alsoactively providing fiscal incentives and liberalizing norms for FDI and raising capital abroad. In2011, India’s growth has reflected new demand for IT goods and services, with amajor surge in the use of private and public cloud and mobile computing on avariety of devices and through a range of new software applications. Foreigntechnology induction is also encouraged both through FDI and through foreigntechnology collaboration agreements. India welcomes investors in InformationTechnology sector.

Greater transparency in policies and procedures has madeIndia an investor friendly platform. A foreign company can hold equity in Indian company’s up to 100%. Challenges Cyber security andquality management are few key areas of concern in today’s information age. Toovercome such concerns in today’s global IT scenario, an increasing number ofIT-BPO companies in India have gradually started to emphasize on quality toadopt global standards such as ISO 9001 (for Quality Management) and ISO 27000(for Information Security). India aims to transform itself into a trulydeveloped and empowered society by 2020. However, to achieve this growth, thesector has to continue to re-invent itself and strive for that extra mile, through new business models, global delivery, partnerships and transformation. A collaborative effort from all the shareholders will be needed to make futuregrowth of India’s IT-ITeS sector. India is now one of the biggest IT capitalsin the modern world and has presence of all the major players in the world ITsector.

HCL, Wipro, Infosys and TCS are few of the well-known names of ITcompanies in India. Future prospects Globalization has had a profound impact inshaping the Indian Information Technology industry. As the years passed by, verticalssuch as manufacturing, telecom, insurance, banking, finance and lately the retail, have been the growth contributors for this sector. But it is very fast gettingclear that the future growth of IT and IT enabled services will be fueled bythe verticals of climate change, mobile applications, healthcare, energyefficiency and sustainable energy. The future for Indian IT industry sees asignificant rise in share of technology spent, with more service providers in bothIndian and global target and to bring about new segments and to provide lowcost, flexible solutions to customers. The IT sector has also led to massive employmentgeneration in India. The industry continues to bring in employment, thus directly employing about 2. 8 million people andindirectly employing 8.

9 million, making it a dominant player in the globaloutsourcing sector. However, it continues to face challenges of competitiveness in the globalized and modern world, particularly from countries like China and Philippines. The IT sector in Indiahas paved employment for many people. The Indian IT market currently focuses onproviding low-cost solutions in the services business of global IT. Thepresence of Indian companies in the product development business of global ITis very meager, however, this number is slowly on the rise.

The prominent trendis that IT jobs, once were centralized to Bangalore, and are slowly starting toexperience a geographical spread into other cities like Chennai, Hyderabad andPune. According to Google estimates, the Indian community of developers will be the largest in the world by 2018India’s growing stature in the Information Age enabled itto form close ties with both the United States and the European Union. However, the recent global financial crises have deeply impacted Indian IT companies aswell as global companies. The fundamental structural changes in the IT servicessuch as-         Cloudcomputing-         Proliferationof Social media-         Bigdata-         AnalyticsAll leading to digitalservices and digital economy, many of the leading companies in India’s IT sector reported lower headcounts intheir financial results.