A CASE STUDY ON THE EXIM MARKET OF SELECTED IT COMPANIES IN INDIA

Dr Girish C

Head of the Department, CMR Institute of Technology, Bangalore

Venkata Lakshmi Suneetha.M

Research Scholar, Rayalaseema University, Kurnool

Abstract

This paper focuses on the exports and imports of selected IT industries.. The study covers a period of three years of Infosys, Wipro and TCS exports and imports. Infosys exports increased over the years from 2014 - 2016 where as TCS and Wipro have decrease in their exports from 2014 - 2016. Imports of Infosys increased but for Wipro and TCS imports decreased.

Key Words: exports, imports

1. INTRODUCTION

Information technology has an important role in India today and transformed India's portrait from a sluggish practical economy to a land of pioneering

The IT division in India generates approximately 3 million employments. India is one of the biggest IT capitals and all the major companies in the world of IT sector are present in the country.

The Indian economy had economic reforms in 1991, which led to a new age of globalization and international economic integration. Annual Economic growth of over 6% was seen during 1993-2002. The economic reforms were driven in by considerable internet usage in the country. The new administration led by Atal Bihari Vajpayee, Prime minister of India in 1999, formed a Task Force on IT and Software Development.

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As per Wolcott & Goodman (2003) report on the role of the Indian National Task Force on Information Technology and Software Development:

Within 3 months of establishment, the Task Force came out with an extensive background report on the state of technology in India and an Action Plan with some recommendations. The Task Force acted upon it quickly because it was formed on the experience and frustrations of central government agencies, state governments, software industry and the universities

2. MAJOR IT HUBS IN INDIA

- Bangalore – Silicon Valley of India.

- Hyderabad – HITEC city/ Cyberabad

- Chennai

- Mumbai – Financial capital of India.

- Delhi – National Capital Region.

- Pune

  Top companies like Infosys, Wipro, TCS, Tech Mahindra, Accenture, Microsoft, SAP, Oracle etc have their operations here

3. OBJECTIVES OF THE STUDY

1. To study exports details of the selected IT Companies.
2. To study imports details of the selected IT Companies.
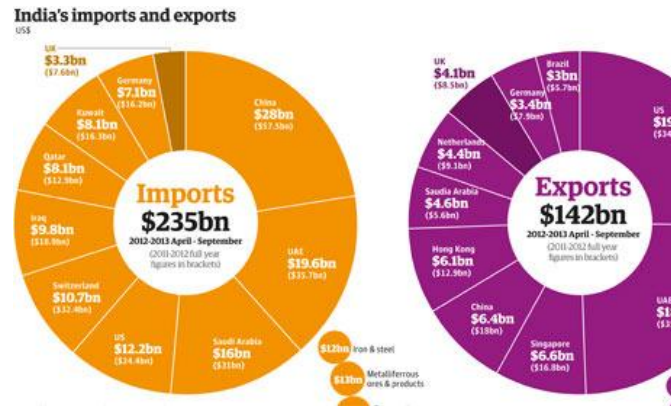
4. LIMITATIONS OF THE STUDY

1. The study is limited to Infosys, Wipro and TCS.
2. 2014, 2015 and 2016 data is considered.

5. RESEARCH METHODOLOGY

The present study is mainly based on the secondary data which has been collected from books, journals, websites, research papers, and other documents of the organization.

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6. EXPORTS AND IMPORTS OF INDIA

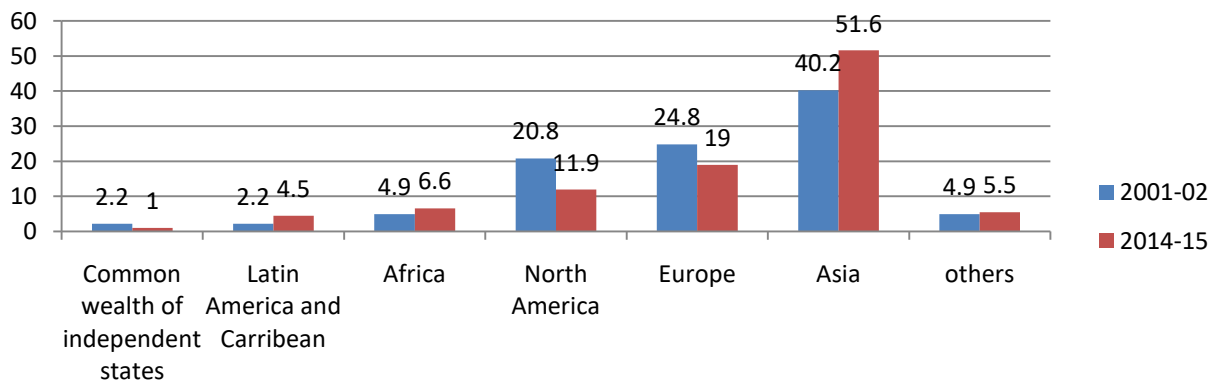The overall exports and imports of India is shown in the pie chart .

Source:https://static.guim.co.uk/sys-images/Guardian/Pix/pictures/2013/2/22/1361530916270/India-exports-imports-002.jpg

7. INDIA'S EXPORT DESTINATIONS IN %

COUNTRIES	2001-02	2014-15
Common wealth of independent states	2.2	1
Latin America and Carribean	2.2	4.5
Africa	4.9	6.6
North America	20.8	11.9
Europe	24.8	19
Asia	40.2	51.6
others	4.9	5.5

SOURCE: EXIM BANK OF INDIA

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8. ANALYSIS AND DATA INTERPRETATION

i. INFOSYS

s/w export revenue in crores

Revenues	2014		2015	2016
standalone	43,063		45,993	52,709
consolidated	48,839		52,035	60,818
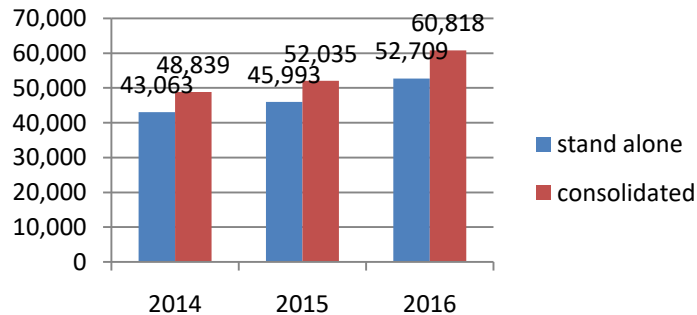
INFOSYS

Total revenues in %

Revenues	2014		2015		2016	
	export	domestic	export	domestic	export	domestic
standalone	97.1%	2.9%	97.2%	2.8%	97.6%	2.4%
consolidated	97.4%	2.6%	97.6%	2.4%	97.4%	2.6%
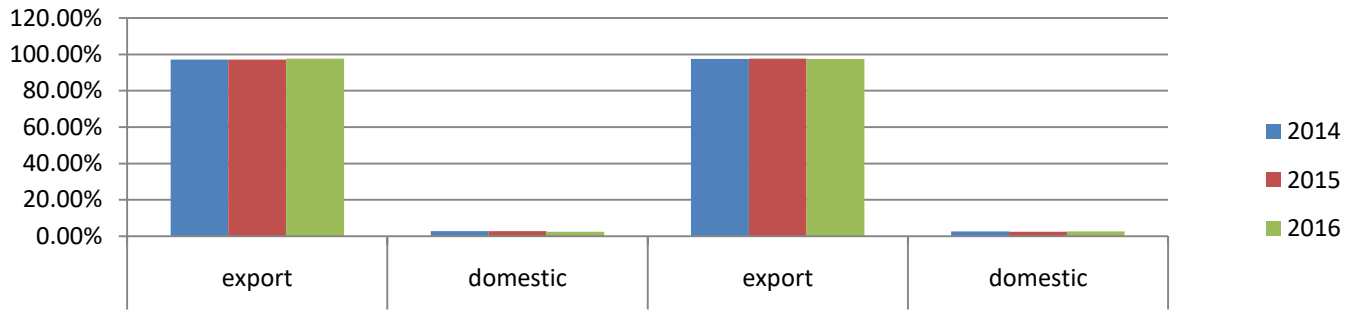
INFOSYS IMPORTS

In crores

PARTICULARS	2014	2015	2016
Capital goods	374	415	391
Software packages	3	3	3
Total	373	418	394
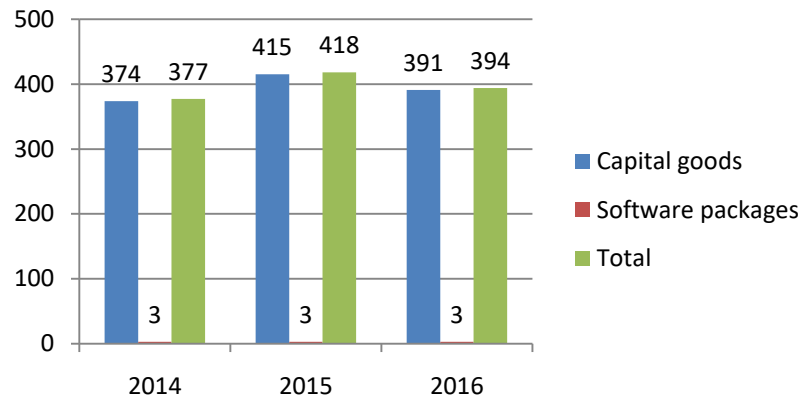
ii. **WIPRO**

Total revenue of exports

Year	Total revenue
2014	**152**
2015	**146**
2016	**108**

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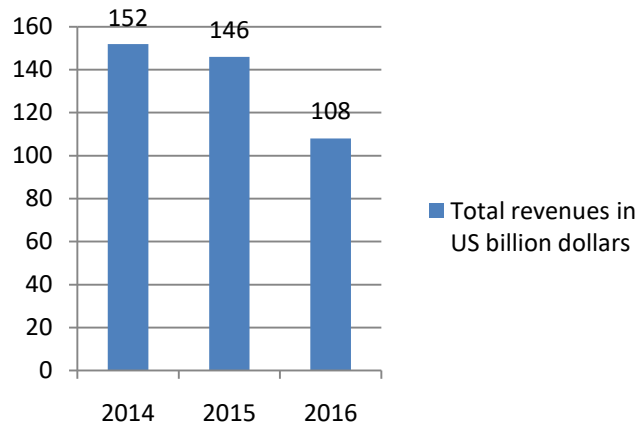
WIPRO IMPORTS

PARTICULARS	2014	2015	2016
Raw materials, components and peripheral	15,242	8513	6272
Stores and spares	147	160	50
Capital goods	1	200	152
Total	15,390	8873	6474

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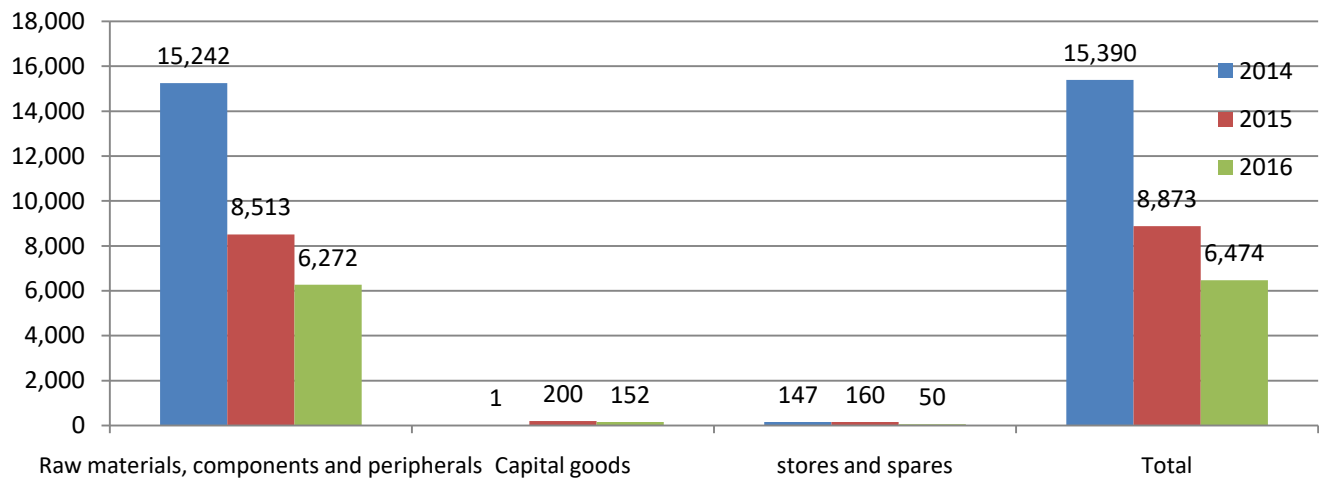
iii. TCS

Export revenue in %

Year	Total export revenue
2014	93.16%
2015	93.37%
2016	92.80%

export revenue of TCS

	2014	2015	2016
%	93.16%	93.37%	92.80%
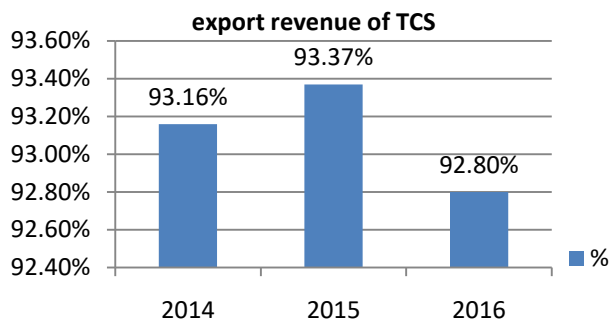
TCS IMPORTS

In crores

Year	Raw materials, sub- assemblies and components		Total	Stores and spare parts		Total
	Imported	Indigenous		Imported	indigenous	
2014	31.4	8.37	39.77	0	0.02	0.02
2015	46.08	18.54	64.62	0.03	0.03	0.06
2016	28.31	10.78	39.09	0.31	0.43	0.74

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Chart legend:
- Raw materials, sub- assemblies and components imported
- Raw materials, sub- assemblies and components indigenous
- Total
- stores and spare parts imported
- stores and spare parts indigenous
- Total

Data labels:
- 2014: 31.4, 8.37, 39.77, 0.02, 0.02
- 2015: 46.08, 18.54, 64.62, 0.03, 0.06
- 2016: 28.31, 10.78, 39.09, 0.43, 0.74

9. FINDINGS

i. INFOSYS

a) Stand alone export revenues increased from 43,063 crores in 2014 to 52,709 crores in 2016.

b) Consolidated export revenues increased from 48,839 crores in 2014 to 60,818 crores in 2016

c) Total standalone export revenue% increased from 97.1% in 2014 to 97.6%

d) Total consolidated export revenue % increased from 97.4% in 2014 to 97.4%

e) Imports on capital goods increased from 374 crores in 2014 to 391 crores in 2016.

f) Imports on software packages remained the same.(3 crores)

g) Total imports increased from 373 crores in 2014 to 394 crores in 2016.

ii. WIPRO

a) Imports on Raw materials, components and peripherals decreased from 15242 crores in 2014 to 6272 crores in 2016.

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b) Imports on stores and spares decreased from 147 crores in 2014 to 50 crores in 2016.

c) Imports on capital goods increased from 1 crore in 2014 to 152 crores in 2016.

d) Total imports decreased from 15390 crores in 2014 to 6474 crores in 2016.

e) Total revenue on exports decreased from $152 billion in 2014 to $108 billion in 2016.

iii. **TCS**

a) Exports revenue decreased from 93.16% in 2014 to 92.80% in 2016.

b) Imports on Raw materials, sub-assemblies and components decreased from 31.4 crores in 2014 to 28.31 crores in 2016.

c) There were no imports of spare parts in 2014. In 2016, there are 0.31 crores.

10. SUGGESTIONS

For any company to be financially strong imports should be less and exports should be more. To make imports less they should use the raw materials, spares, capital goods available in their own country and finished goods should be exported to different countries in the world.

11. REFERENCES

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