

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:3201
ANSWERED ON:23.08.2006
CLOSURE OF SOFTWARE COMPANIES IN BANGALORE
Shivanna Shri M

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

:-

- (a) whether some software companies have closed their units in Bangalore recently;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps taken by the Government for revival of these industries?

Answer

MINISTER OF STATE FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR.SHAKEEL AHMAD)

(a),(b) and (c): Indian ITES-BPO operation is a de-licensed activity. Their operations are governed by contracts between the parties. The opening and closure of the companies is dependant on the market forces. However, as per Software Technology Parks of India (STPI), out of about 1500 companies in Bangalore, 9 STP Units have been closed due to change in business strategy and 8 STP Units have been closed due to shortage of export orders.