

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

UNSTARRED QUESTION NO:1508
ANSWERED ON:21.07.2014
CLOSURE OF IT COMPANIES
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

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- (a) whether the Government has taken note in regard to closure of a number of Information Technology companies in the country ;
- (b) if so, the details thereof during the last three years and the current year along with the number of companies that have been closed ; and
- (c) the total number of employees lost their jobs as a result of the closure; and
- (d) the remedial measure taken/proposed to be taken by the Government to create job opportunities for them?

Answer

MINISTER FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI RAVI SHANKAR PRASAD)

(a) and (b): As per Ministry of Corporate Affairs, the details of Information Technology (IT) companies that have been closed during the last three years and the current year are as under:

Number of IT Companies closed	
Calendar Year	Number
2011	4,194
2012	1,259
2013	1,125
2014 (upto 30th June, 2014)	1,569

(i) IT Companies are those having First three digits of Activity Code (NIC-2004) amongst (721,722,723,724,725 and 729) and

(ii) Closed Companies include Companies Liquidated/Dissolved, Companies Defunct/Struck-off, Companies Amalgamates/merged, and Companies Dissolved & Converted to LLP.

(c): The details of loss of employment due to the closure of IT companies are not being maintained.

(d): There is no specific scheme of the Department of Electronics and Information Technology (DeitY) to facilitate re-employment for professionals who have lost their job due to the closure of IT companies. However, the Indian IT-ITES industry has been a net hirer and currently employs about 3.1 million IT professionals directly. The Indian IT-ITES industry has been progressively growing and the export revenue in respect of Indian IT-ITES industry is estimated at USD 86.0 billion during FY 2013-14 as against USD 75.8 billion during FY 2012-13, registering an increase of 13.1 per cent during the said period. According to National Association of Software and Service Companies (NASSCOM), as the IT-ITES industry grows, greater job opportunities, both within India and outside India are expected to be available.