

Jun 01, 2011

## Big IT players still swear by Bangalore

Bangalore still rules, at least that's what reactions to industry body Assocham's survey on Bangalore losing its 'IT capital' tag to Gurgaon and Noida seem to suggest. While most of these reactions come from Garden City firms, IT industry players that Financial Chronicle spoke to said that for tech companies, Bangalore still remains as preferred destination for various reasons, even though Gurgaon has evolved as a hub for BPO companies.

The Assocham survey results, made public earlier this week, has got attention even from Karnataka chief minister BS Yeddyurappa who said the state government would not allow Bangalore to lose its IT status and will address all the concerns of the industry.

The survey was prepared after interaction with around 800 directors, CEOs, CFOs, chairmen and managing directors of Indian and multinational companies in various verticals with a choice of five cities to relocate their businesses to garner more revenues.

According to Kris Gopalakrishnan, executive co-chairman of Infosys, Bangalore is still the leading IT city and it is common for a fast growth city to face some problems.

"Based on data, Bangalore continues to be number one. Number of employees working in the industry, total output and exports from the city, and number of multinational companies present in Bangalore show that this is true. Every city or region has some problem or other due to the fast growth of our urban centres. We must proactively address them so that the quality of life of the citizen improves over time in all our urban centers," he said.

Assocham report said that Bangalore is losing its sheen due to crumbling infrastructure, compelling many companies to head towards more convenient and industrial-friendly centres.

But Ashok Soota, MindTree co-founder who started his own company Happiest Minds recently, said Bangalore has succeeded despite poor infrastructure and will stay ahead of Gurgaon.

Many agree that in terms of BPO friendliness, Gurgaon scores over Bangalore. Suresh Rao, group CFO, Mindteck, said, "This could be true with the BPO enterprises, as availability of right skills is not a limitation in the NCR region, plus, pressure on their profits due to lesser billing rates; but technology companies would still prefer to operate from Bangalore for reasons of skill availability."

Many outside Bangalore feel that if Bangalore-based IT and ITES firms were to expand in Gurgaon, that would be a smart move.

"There is no difference in any case here also (in Gurgaon — about traffic chaos, power and water supply) because of the centre of gravity in Gurgaon. But, having said that if companies from Bangalore want to expand their presence here, it is a good call," Pramod Bhasin, founder, Genpact, a global leader in business process and technology management.

Others believe that in terms of the so-called 'poor' infrastructure in Bangalore, the end is near even though Gurgaon is better when it comes to integration.

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