

AN INCLUSIVE BUDGET WITH RIGHT VISION, BUT SEZ BENEFITS ARE A MISSED OPPORTUNITY: NASSCOM

The budget presented today sets the right vision for the envisioned roadmap to achieve the USD 5 trillion economy goal. However it needs to provide the next steps in details for the realization of the vision. One of the key asks from NASSCOM, was towards building skills for new age technologies, which we believe is critical for our success in the Digital era. The government's intent to enhance digital skills is a huge step in the positive direction. We applaud the government for recognising this as the need of the hour, and committing to train 10 million young professionals in emerging fields like AI, IoT, Big Data, Robotics and 3D printing. We will work with the government to understand the implementation process for the roll-out. One key exclusion in the budget was a conducive policy for Special Economic Zones, leaving it as a missed opportunity for India as other countries continue to provide benefits to enterprises. The SEZ benefits shall end in March 2020 but there is no clarity on the new SEZ policy or an indication of what is to come.

The Economic Survey had clearly called out the need to focus on large companies to achieve the USD 5 Trillion dream, and NASSCOM believes that on this count the budget falls short. A consistent ask from the industry has been a forward looking SEZ policy to strengthen India's position as a global hub for IT Services. This sector contributes 7.9 % to the GDP and is one of its largest contributors, and creates around 4 Million jobs, hence a lack of incentives will impact India's image as a destination.

The budget also focused on the growth of our Startup Ecosystem, announcing that funds raised by start-ups will not require scrutiny from any tax body thus ensuring there aren't any hindrances in their overall development. This has also been a constant ask by NASSCOM and the industry, and the clarity on Angel Tax is a welcome step to further evangelize the start-up community. A new television channel to allow start-ups to promote themselves as well as make critical connects with VC networks to raise funding, will further build the community.

It is also commendable to see that ease of doing business has been a focus for the Government over the past few years, this is echoed in this year also with proposals in the budget aimed at reducing taxation, as well as creating opportunities on MSME's. The Digital infrastructure too will witness several upgrades with cashless payments, income tax automation as well as R&D in agriculture. It was also good to see the adoption of Electric Vehicles being encouraged with GST being reduced and IT exemption on loans for them also being mandated.

About NASSCOM

The National Association of Software and Services Companies (NASSCOM®) is the premier trade body and chamber of commerce of the IT-BPM industries in India and comprises of over 2800-member companies including both Indian and multinational organisations that have a presence in India. Guided by the vision of the country to adopt and integrate digital technologies, NASSCOM believes in enabling a digital transformation in the country through technology. NASSCOM aims to position the country as a global hub for innovation and co-creation by imbibing the ideology of 'Think Digital, Think India', to drive focus towards emerging technologies,

digitally skilling talent and ensuring the pace of transformation in the country meets the global standard. NASSCOM's membership base constitutes over 95% of the industry revenues in India and employs over 4 million professionals.