

NASSCOM STATEMENT IN RESPONSE TO THE UNION BUDGET 2018-19

The Budget presented today reflects the Government's commitment to digitalization as a key force for India's development strategy. The focus on "ease of living", will inevitably entail and spur greater use and deployment of technology across all verticals.

NASSCOM welcomes the Finance Minister's statement on increased investment for AI, comprehensive initiative on Cyberphysical systems and focus towards creating a 5G test bed. This will enable India to leapfrog in areas of emerging technologies globally. The proposal to review the outward direct investment will be of great relevance to the IT sector as it charts its global growth trajectory.

In the context of the growing Digital economy, the budget proposals include additional criteria for taxation, that would be applicable to companies who may not have physical presence in India. This could be particularly relevant to the technology sector, as internet driven businesses and cloud based platforms blur geographical boundaries.

The announcement of the Aysuhman Bharat program, envisaged as the world's biggest healthcare scheme will be a key differentiator for the healthcare sector as it will benefit more than 10 crore families across the country. This will also create immense opportunities for the technology Industry and startups to build solutions that will enable the transformation.

Significant announcements related to Start-Ups

- Harmonization of the definition of 'eligible business' for a start-up with the modified definition by DIPP.
- Extending the Startup India scheme to March 2021 and rationalizing the condition of turnover, will enable tens of thousands of start-ups to avail benefits under the Act.
- Evolving a distinct policy for hybrid instruments, which are suitable to attract foreign investments in several niche areas, will advantage start-ups and venture capital firms.
- Right environment for Fintech companies to grow in India, as well as a commitment to adopt blockchain technology.

Towards a Digital India

The government's financial allocation to the Bharatnet project along with the establishment Wifi hotspots in rural areas a big boost to the rural digital economy further helping the country to bridge the digital divide.

- Focus on raising farm and rural incomes will accelerate proliferation of the digital economy in rural India with consequential benefits and multipliers accruing from it.
- Electronic tax assessment, thereby making human interactions redundant
- A Central Public Procurement Portal