



Industry voices are generally upbeat about new Digital India initiatives

February 2 2019: As always, we bring you the most comprehensive collection of tech and finance industry reactions the Interim Budget 2019. We try and feature all opinions received till today – and will complete our service by adding a second selection at close of day, based on inputs received after this has been posted.

Industry associations:

NASSCOM

The budget presented today by the Mr. Piyush Goyal was on expected lines and an attempt to drive much needed growth in the economy by providing special provisions for the less served communities including farmers, SMEs, women and senior citizens.

In line with the vision for a digital India, budget 2019 focused on giving an impetus to technology integration and penetration. With the plan to convert 1 lakh villages into Digital Villages over next five years, introduce electronic tax return assessment in the next 2 years, comprehensive digitization for customs transactions and support for 3 lakh CSCs to render digital services. The highlight of the budget was the announcement of the a National Center for Artificial Intelligence and the AI portal. This will play a key role for India to accelerate AI development and adoption to the last mile. We look forward to partner with the government for this key initiative.

While, the finance minister focused on education, jobs, and start-ups, the industry's key ask towards abolition of Angel tax, and various GST clarifications did not a find mention. We hope that these will be resolved through a due consultative process. Additionally, in line with the 10 dimensions of the Govt's 2030 vision, we also believe that there must be a national initiative on reskilling to create future ready talent.

Subho Ray, President, IAMAI

The announcement of National Artificial Intelligence portal is expected to propel India on the path of leveraging advanced and disruptive technologies for growth and economic prosperity and growth. According to IAMAI, the Government's vision to make 1 lakh villages into Digital Villages over next five years with the help of Common Service Centres (CSCs) is ambitious and will usher in the much needed digital revolution under the Digital India initiative, and will help in the last mile connectivity. This will also bridge the Rural-Urban digital divide, and will open avenues to jobs and employment creation. IAMAI has also welcomed the focus on clean energy and electric vehicles.

Shekhar Sanyal, Director and Country Head of the IET

The interim budget 2019 with its focus on the futuristic technology-- Artificial Intelligence is a heartening news. We are at the cusp of technological disruption, a national program with the portal on Artificial Intelligence will bring India on the global map and help build an ecosystem to fuel its ambition to become a world leader in AI in the coming years. We at The IET are particularly happy as we are aligned with government's focus on new technologies and will extend our full support through continuous efforts from The IET IoT Panel.

Industry voices

Raja Lahiri, Partner, Grant Thornton India LLP

The Budget is balanced and focuses on people and social infrastructure. It will provide an impetus to the Digital India and Start-up India initiatives, and chart out the strategy and platform to develop a Vibrant Bharat and a \$10 trillion economy, with a focus on ease of doing business and ease of living. The Budget also brings in the 3 Cs (certainty, continuity and consistency) in thinking and execution for India's growth agenda, and creates a 'josh factor' for the people of India.

J K Gupta, CFO, Tata Technologies

This is a forward-thinking, growth-oriented budget with a special focus for all, bridging the rural urban divide, while embracing modern digital technologies for the holistic development of the nation. The initiative to create one lakh digital villages in the next five years shows its commitment to bridging the digital divide. The government's recognition of the importance of clean energy to build a pollution-free India is evident through its Vision 2030 roadmap. The initiative envisions India driving on Electric Vehicles with renewables becoming a major source of energy]

Varun Rathi, COO and Co-Founder, Happay.

This is certainly a budget with full of long term vision and the government is undoubtedly poised towards building India into a stronger economy which is modern and technology-driven. Digitization and automation has clearly become the new mantra of the government: the 10 dimensions for Vision 2030 reinforces the importance of technology in transforming India. Additionally, the step to create a portal on artificial intelligence will help the common man to understand the importance of AI. Data is the backbone of AI. Currently, there is a lack of structured data availability in India. Having said that, this doesn't look infeasible at all and timing couldn't be better than this to launch a nationwide AI center. UIDAI, NPCI and GST council has laid the foundation of the most important piece of the puzzle - getting the identity, demographic, financial and skills data recorded in a structured manner. An AI council can now start laying some ground rules and create a regulated and open platform for anyone to innovate and create value for India

Nikhil Arora, MD and VP, GoDaddy India

We welcome the Union Interim budget 2019-20 and the government's focus towards helping small businesses, startups and women-owned MSMEs. With impetus on strengthening the digital infrastructure, e-marketplace, initiatives supporting rural India and emerging technologies like artificial intelligence, government has reiterated its commitment to bring a holistic and sustainable technology-led development for the country. In this year's budget, we were hoping for a solutionfor the current credit issue troubling MSMEs. But at the same time, we are positive about the India government's push towards digitally transforming the nation, and will continue working with our partners to ensure we play our part in realizing this vision, providing right tools and solutions to enable small and independent businesses to get their ventures online and grow successfully.

Satyam Kumar, co-founder and CEO, LoanTap.

Interest subsidy extended to GST Registered MSMEs will help smooth some of the pain faced by small promoters in the last 3 years. This will also reduce resistance towards formally adopting GST Practices, and expand formal credit market. LoanTap believes this will benefit a very important segment of economy, which has been ailing for quite sometime.

Kunal Agarwal, Co-Founder and CEO of Priority Vendor

As India's largest early payment platform, we at Priority Vendor believe that the interim budget carries some of the significant developments, especially for our SME partners. Businesses registered as SMEs will now receive a 2% loan relaxation by the government, thus easing their access to organised credit facilities. Furthermore, the announcement also gave a boost to SME suppliers, making it mandatory for the government projects to source 25% of their requirements from SMEs. The segment has also been bogged down with the GST compliance, however as per the announcement, SMEs with a turnover of less than 5 Cr need to only file GST once in three months.

Arun Balasubramian, Managing Director – Qlik India

The interim budget, the government has rightly comprehended the necessity and competence of digital technologies such as AI, machine learning, big data and more. We are glad to find out the government's plans of developing a National Artificial Intelligence portal, which will significantly boost research and development measures and thus allow businesses of all sizes and sectors to gain better data-driven and decision-making insights and advance the nation in competitive global space.

Satya Kalyan Yerramsetti, Founder & CEO of Telebu.

The government has continued to stress upon digitalisation, as reflected in the interim budget 2019 announcement. In the words of the interim Finance Minister, digitalisation is going to play a key role in achieving sustainable growth and development. The government further aims to achieve one lakh digital villages in the next 5 years and we believe that it is going to pave the way for India to emerge as one amongst the leading digital economies, across the globe. The current plans and aspirations of the government will also boost the rural digital economy. At Telebu, we are excited to be part of this wave of change, as it helps accelerate our overall goal of proliferating into rural, as well as tier-2 and tier-3 cities. We will continue to build innovative enterprise communication products for Indian enterprises, MSMEs, start-ups, non-profit organisations and more.

Sanjiv Puri, Managing Director, ITC Limited

The Interim Budget proposals should augur well for the Indian economy by providing a growth impetus through a boost in consumption as well as an inclusive framework designed to benefit agri and rural communities, unorganised sector workers as well the middle class. The PM Kisan Samman Nidhiprogramme, the move to set up 1,00,000 digital villages and the increase in allocation to ruralinfrastructurel development will indeed go a long way in enabling empowerment of rural communities.

Sudhinda Holla, Sales Director, Axis Communications India & SAARC

The Budget 2019 depicts the milestone set towards the rise in GDP growth in last five years. It brings us one step closer towards the economic growth as part of the five years plan with key focus on infrastructure development allocating budgets for Roads, Ports, Transport and Infrastructure. We welcome the government's focus on the construction and development of railways, airports, highways by announcing 100 more operational airports and doubling the passenger traffic.

Suman Reddy Eadunuri, MD, Pegasystems India

The government has given fair impetus to the technology sector, and indicates its commitment to use technology as a platform to build a Digital India that reaches every citizen, by transforming 1 lakh villages into Digital Villages. Focusing on AI in two consecutive budgets, the announcement of a national centre for AI supported by Centres of Excellence in 9 priority areas conveys how important this key technology is for the government, as the country aims to become a \$5 trillion economy in the next 5 years. This furthers the announcements in AI investments and institutions made in 2018 which expands the scope of research and collaboration. However, the industry is looking to understand how these institutions are creating a favourable environment to foster entrepreneurship or AI research, and how the investment is creating on-ground impact, helping enterprises and deep-tech start-ups to create market value. The national AI portal is a good move to facilitate the vision of Minimum Government, Maximum Governance as part of Vision 2030, being a catalyst for emerging technologies, and a platform to unite the efforts of a massive institution like the central government.

Deb Deep Sengupta, President & MD, SAP Indian Subcontinent

The inclusive nature of Budget 2019 – with its focus on small farmers and unorganized workers is a welcome move indeed. SAP has long pursued a dream of creating more inclusive growth in the Indian economy – Code Unnati has already empowered over 700,000 Indians through digital literacy. When digital literacy joins economic support – the ability of the marginalized to enter the mainstream increases manifold. We believe this budget will further our nation's ability to foster inclusive growth.

Sanjay Motwani, Vice President, Raritan-Asia Pacific, Raritan-a brand of Legrand

We welcome the government budget announcement of creating 1 lakh digital villages by next 5 years which will further increase the usage of data exponentially. As announced, data consumption has already grown 50 times in last 5 years and has made data centers critical for seamless data experience. Also government of India vision of digital economy 2030 for digitisation of government processes and private transactions will require huge capacities expansion by all stakeholders going forward in data centers including private and public sectors. Going forward India needs to invest substantially in building data centers both hybrid and distributed especially to achieve its vision of smart cities and digital India which will also aid India's Make in India policy

Prakash Malliya, Vice President, Sales and Marketing Group, Intel

Today's Budget clearly showcases the importance of a digital-first India and the government's commitment to drive innovation and technology advancement in the country. With the government setting a target to become a \$5 Trillion economy in the next 5 years, Intel believes that emerging technologies like Artificial Intelligence (AI) and 5G will play a crucial part in this vision. Firstly, the government's focus on the rapid adoption of AI in India by announcing initiatives like the National Center for AI and a National AI Portal, is a step in the right direction to drive technology adoption in the country. At Intel, we have been working on various AI-led initiatives with the government and will continue to collaborate with the country in its digital transformation mission. Secondly, the Budget also pointed out the growth in the telecom sector; this definitely provides impetus towards building a strong 5G ready ecosystem in the country. Additionally, the government has set a goal to create 1 lakh digital villages in the next 5 years taking technology penetration to a new level, that can help build a truly digital India.

Priti Rathi Gupta, MD and Promoter Anand Rathi Share & Stock Brokers

The FM did what was the need of the hour by encouraging MSMEs and Women entrepreneurs in boosting the economy. The increase in basic exemption limit to INR 5,00,000 will stimulate additional investments and disposable income resulting in more investment power. I also feel tax breaks for women returning to the workforce will prove to be a push in the right direction. Celebrating women and giving them equal and better opportunities in the upcoming budgets will be a positive big contributor to grow the Indian economy.

Bipin Preet Singh, Founder and CEO, MobiKwik

Mr. Piyush Goyal in his budget speech has mentioned of new India, which will be modern and technology driven and mentioned that the government will aim to build a Digital India that reaches every citizen by creating innumerable start-ups and jobs.This is a boost for India's fintech companies, and we are now very hopeful that the government would continue to drive the industry with its forward looking policies and policies intervention. This will help capital intensive fintech sector in India to stay afloat in the long run and would give impetus to its growth. In addition, the interim budget has announced major incentives for farmers and industry workers, which will help in boosting their affordability and spending, especially in rural India and in turn, help in expanding smartphone users and digital penetration within the masses.

Anant Raghute, MD, Innowave IT Infrastructures Ltd.

We welcome the decision to make 1 lakh villages digital in the next 5 years. This combined with Jan Dhan, Aadhaar mobile, and direct benefit transfer will be game changers for realizing the benefit of technology in delivering better governance. Potential rolling out of NTP 2018 will further enhance telecom operated citizen services. Emerging technologies such as AI, block chain, GIS enabled services, LIDAR will facilitate connectivity. While physical infrastructure is key, integration of technology for practical use can only be facilitated through central policy initiatives with parallel initiatives from state governments. GIS enabled citizen centric services have already enabled better data management & access right from disaster management, Health, agriculture, water management, public transport, Bio tagging to rural & urban infrastructure.

Sampad Swain, Co-Founder & CEO, Instamojo.

The government's aim to empower 1 Lakh villages digitally only gives us further hope to identify an addition of more MSMEs in the country, which is currently populated with 6.3 crore enterprises, given that digital adoption by small businesses has always been a challenge to fight through, for the fin-tech sector. Further, the reduction in the GST slab from 18% to 6% could be a great move to encourage new and aspiring entrepreneurs to begin new ventures.

The government's mandate of 25% of goods procurement from SMEs will help the sector scale up, not only in terms of quantity, but will also enable wider reach, thus expanding to different markets. This budget has opened doors to a new focus area – women entrepreneurs in the MSME sector. Supply of goods to the government will help women-owned SMEs and MSMEs achieve stability in business, and scale-up further.

Raman Mittal, VP-Marketing, TO THE NEW

The Union Budget 2019 provides a great push towards technology adoption. With the National Artificial Intelligence portal to be developed soon, it is good to see the focus increasing on leveraging best-in-class technologies to improve the overall quality of life in India. The idea of Digital Villages & Rural Industrialisation is a great impetus for companies like us building digital infrastructure for a connected India.

Neel Juriasingani, Co-Founder & CEO, DataCultr

Startups and the industry can take clues out of the various topics touched upon in this budget, to understand the direction and focus. Startups will have an integral role to play towards Vision 2030, it's a great opportunity. The concept of Digital villages and rural industrialisation opens up great avenues for companies & start-ups like us in the IOT & AI space, as well as for those working on building digital infrastructure of a connected India

Dr Ajay Data, CEO, Data Xgen Technologies

It is promising to note that the government has included and prioritised digital drive in its 10-Point agenda for holistic development in long term roadmap -'Vision 2030'. On the growth of digital economy in rural areas, the government plans to create one lakh digital villages in the next five years, which will impact many lives. In this process, as mentioned in the budget, millions of new jobs will be created in the ecosystem which is indeed a welcome move. The Interim Budget 2019 has very little to offer in terms of incentives to boost innovations. There was no mention of higher allocation of fund for tech start-ups or any kind of support to the software product companies. We hope in its regular budget, the government would support software product companies and offer incentives to boost innovation. The sector also expected measures which would provide a level-playing field for tech companies. To give a new momentum to Digital India campaign, there is a need to bring in a holistic policy for Data Hosting and its accountability. There is need for an authority or regulatory body that oversees the implementation and action for entire data flow and storage in India.

Sachin Haritash, Founder, Mavyn, a digital trucking startup

We welcome the announcements made by the government in Budget 2019.The enhancement and impetus which the government has bestowed on Startups is really commendable. We look forward to the implementation of announcements made in the Budget. This will lead to creation of more jobs in the transportation and logistics industry especially amongst the rural youth. With the widening reach of the internet, creation of digital villages, wifi hotspots and hubs last mile connectivity and outreach will improve.

Anil Valluri, President, India & SAARC Operations, NetApp

The Government, in its Budget 2019 today has articulated a compelling vision for India, both for the medium and long term. It has provided direction, and a finite and ambitious goal for India, of becoming a USD 10 trillion economy by 2030. I look forward to the details and to the Government marking progress against it. For the short term, this is a budget that has something for everyone, but more particularly the middle class, the agricultural community and marginalized sections of society. The sense of inclusion, financial as well as welfare is welcome and much needed to build the force for a stronger nation that can march towards what I call Vision 2030.

Krishna Kumar, Founder and CEO, Simplelearn

It is heartening to see Government's continued efforts to further the digitisation agenda aligning with the vision of creating a Digital India. While the move will help India to enable millions of jobs in the next few years, but it should also address the need of getting the current talent pool global-ready for tomorrow. This will happen through a robust skilling, reskilling and upskilling model of the current workforce by government, companies and institutes. We expected the government in today's budget to pass on few benefits for the ed-tech and skill-tech sectors by extending tax benefits and incentives for players, corporates, education institutions or even end users by giving tax exemption. Simplelearn is committed to the cause of skilling and reskilling Indian workforce and will continue to invest and collaborate with government and public-private institutions in days to come. This step goes right in our vision to position India as a digital talent capital of the world.

Vartul Jain, VP – Finance, GreyOrange

It is heartening to see the Government's continued focus on its flagship programs, Digital India and Make in India, as key drivers to the nation's economic growth, with a greater focus on digitisation in the rural economy. In line with this agenda, the announcements to set up a national centre for Artificial Intelligence and development of an AI portal through identification of nine priority areas in the segment will be critical to promote the adoption of these emerging technologies in the country and to position India as a front runner in this space across the globe.

The extension of the GeM platform, with a focus on supporting domestic trade and services, retail trading and welfare of traders augur well for the development of these sectors. The continued impetus to boost MSMEs and empower traders will contribute towards the growth of small businesses, fostering innovation and employment.

Manish Sharma, President and CEO, Panasonic India; Co-chair, Electronics Committee, FICCI

It is great to see that the interim budget is aimed at strengthening India's backbone i.e., farmers, middle-class (salaried personnel) and the elderly citizens of our society. Not only, will it give them the extra income but, also drive consumption for the industry. However, in the final budget we expect an exemption of basic customs duty on open cells (from 5% to 0%) to give the necessary thrust to the market, uplifting the overall sentiments thereby, resulting in an increased demand for Televisions (TVs). Further, it will help pave way for a larger roadmap for component-manufacturing ecosystem to be achieved through a phased manufacturing programme (PMP) for TVs, which in turn will help reinforce GoI's larger, Make-in-India vision. TVs today, have moved from being an item of luxury to one of our necessities, hence, its affordability is a key. Therefore, in order to drive further penetration whilst progressing towards a manufacturing based economy, we urge GoI to lower the GST slabs for TVs (above 26 inches) and other energy efficient appliances.

Vikas Singh, Managing Director, Pearson India

The Government has presented a pro-citizen budget with emphasis on the taxation, rural economy, education, agriculture and infrastructure. We welcome the increased budgetary allocation towards National Education Mission. The government's focus on digitisation of villages is a step in the right direction and will propel digital education in rural India. The residual income from the increased tax benefit will also help in allocation of spends towards child education. We welcome the efforts of Finance Minister in spearheading development and the allocation of resources towards education, skilling and job creation.

Rajiv Bhalia, Managing Director, Barco India

We laud the budget presented by Mr. Piyush Goel today and believe it is a populist budget overall. Mr Piyush Goel announced 9 top dimensions to this budget and Make in India and Digital India were central to it. Expanding rural industrialisation using modern digital technologies to generate massive employment is the Fourth Dimension of the vision. This will be built upon the Make in India approach to developing grass-roots level clusters, structures and mechanisms encompassing the MSMEs, village industries and start-ups spread in every nook and corner of the country. India is now on the way to becoming a global manufacturing hub in various sectors including automobiles and electronics, defence and medical devices

Khushru Jijina, Managing Director, Piramal Capital & Housing Finance

The Interim Budget for FY20 aims at a fine balance between the upliftment of the rural economy as well as incentivizing the high spending urban middle class. The budgetary provisions for India's rising middle class is expected to stimulate demand and help attain the targeted economic growth. Budgetary outlays aimed at the real estate sector are encouraging for the sector. Benefits like rolling over capital gains tax to two homes and exempting income taxes on imputed rent for the second occupied home would stir up home demand especially in the affordable segment.

Additionally, the real estate developers would be benefited by the extension of the exemption period for levying tax on unsold inventories at a time when the sector is undergoing liquidity stress. Also, we expect a favorable decision from the GST council overseeing ways of normalizing the tax's impact on developers as well as end consumers.

Maulik Doshi, Senior Executive Director - Transfer Pricing and Transaction Advisory Services SKP Business Consulting LLP

As expected the budget has been populist where many sops have been provided to middle class tax payers and farmers. Overall it appears to be a good budget with a mix of populist and pragmatic statements. The most important aspect was maintaining the fiscal deficit targets even after doing out benefis. Real estate sector has also been given impetus by extending tax holiday for affordable housing, increasing period from 1 year to 2 year for taxing non-let out on unsold inventory, rollover capital gains benefit for 2 houses, etc. This will go a long way in meeting government aim of housing for all by 2020

Sudhir Kumar, CEO and Founder, Tambo Mobiles

The interim budget has put the efforts of homegrown budget mobile phone brands of deeper penetration in rural areas in the right direction. Tambo supports the Government's goal of increasing job opportunities in rural areas and with an enabling environment, the company looks forward to driving deeper mobility. For the same, we are also looking forward to setting up our own facilities for production. In 2019 as we strengthen our distribution network further, we aim to play our part in helping the country move forward economically and technologically

Suresh Pansari, Director, RP tech India

The Union budget 2019 has certainly brought a smile on the face of people. On the backdrop of the upcoming General elections, the Government has cautiously attempted to present a balanced budget, where it has given equal preference to all segments of the society. However, from the IT hardware industry perspective, we do not see any major announcements in terms of present taxation policies and ease of doing business. Continuing its efforts to boost Digital India and Make in India initiatives, the Government has announced to develop 100,000 digital villages and set up over 260 mobile manufacturing and assembly units. This will indirectly benefit the industry by generating demand for hardware. The announcement to set up a national center for Artificial Intelligence is a welcome move and reflects Government's thrust on and digital economy. Overall it is a progressive budget and we expect positive outcomes in the coming years

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