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Preparing A New Pitch

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Editorial

Repositioning Indian IT-BPM industry in DX space

Welcome to yet another issue of NASSCOM Newsline, a newsletter that focuses this month on the key issues that have been part of the chamber of commerce's agenda in June, 2017. On top of our list, is 'Preparing a new pitch', our cover feature which talks about how NASSCOM is repositioning the Indian IT-BPM industry as a leading light in the emerging Digital Transformation (DX) space and the manner in which the sector is benefitting US corporations and the economy itself. The article also makes a strong case for Digital skills acquisition before all its stakeholders, stating that the IT-BPM industry will have to reskill in order to survive and thrive in the new era.

Next, we have for you an insightful article on how India is changing its focus from simply skills development to meeting the goal of "gainful employment". Clearly, we are now talking about improving the quality of work and incomes of India's 460 million working professionals, thereby making them "gainfully employed"!

For the IT-BPM industry, the article says that since the sector is a net job creator, going forward it could hire up to 2.5 to three million more workers by 2025. The key here is also building a pool of new skills that can meet the needs of a dynamic global economic, social, political and cultural environment.

In our policy section, we bring you news about the CBDT's newly amended Safe Harbor rules and how NASSCOM has been working behind the scenes to ensure that there was rationalization of Safe Harbor margins for IT-BPM service providers so that the problem of excessive litigation could be eliminated.

In yet another article, we talk about the steps that the Indian government can take to build a trillion dollar Digital economy. Here again, NASSCOM has been engaging with policy makers, sharing with them the Wish List of the IT-BPM industry and how by meeting some of these needs, the government can in fact help create a trillion dollar Digital economy.

We hope you are taking time out to go through NASSCOM Newsline, which throws light on the important developments that are shaping and reshaping the Indian IT-BPM industry. In case you have a viewpoint or feedback on any of NASSCOM's initiatives, we urge you to write in to us. We will be happy to share it in the newsletter.

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Preparing A New Pitch

Acquiring new skills in Digital technologies has become an imperative for the Indian IT-BPM industry. Reskill or perish seems to be the new mantra for the sector

NASSCOM has been building visibility about the IT-BPM industry across the world and in particular, in the USA, the largest market for the sector. In the recent past, several political developments in that country have caused serious concerns for the Indian IT-BPM industry. Challenges related to tougher regulations for Indian IT companies, trade barriers and visa restrictions have caused the Indian IT-BPM industry, led by NASSCOM, to take proactive measures, and lobby for a rollback of certain policies.

It is for this reason that over the last two years, NASSCOM has scaled up its engagements with key US government functionaries, think-tanks in the country and customer organizations. It has made relentless efforts to showcase the benefits that the Indian IT-BPM industry is bringing to the US economy, and why in a global climate marked by technological disruption it is critical for US corporations to partner with Indian IT companies. The goal has also been to build a more positive mindset within the US about the currently contentious issue of outsourcing, allaying fears regarding India taking away prime jobs in the nation.

It was with this purpose that in early June, 2017, NASSCOM successfully hosted its first C-Summit in the USA. It was the first time that the Indian IT-BPM industry, under the umbrella of NASSCOM, interfaced with international technology and business leaders in New York. The idea was to underscore the importance of collaboration in the Digital age.

The Summit endeavored to make the point that Digital Transformation (DX), a complex

Future of IT: the next 10 years

- There will be a shift in global economic activity. While today 25 percent of Fortune 500 companies are in emerging markets, by 2025 there will be 50 percent.
- 70 percent of global population will be living in urban areas which will lead to more questions about equitable distribution.
- There will be a rise in the importance of machines. This is likely to have an impact on the job scenario, leading to job losses.
- While there will be a lack of jobs for some takers, there will be a lack and lack of takers for some jobs in all economies.
- The problems that confronted organizations were borderless.
- Given the complexity of DX, it did not make sense for corporations to go alone.

technological change with the power to reshape companies, could not be handled by them alone. These organizations needed partners that were best equipped to provide them with solutions, insight, mentorship, and most importantly, the rightly skilled talent, to get them on the path of DX.

The Summit, through its battery of keynotes and panel discussions, sought to deliver the following messages:

Fast Facts

NASSCOM's C-Summit in New York

The Summit aimed to:

- Promote India-US Digital Collaboration in IT
- Establish a platform for demonstrating use case learning on Digital technology adoption with global enterprises
- Creating an annual plank for discussing collaborative models for the Digital economy
- Discuss how disruptive Digital technologies were transforming the way corporates were functioning, and how global businesses across industries were recognizing the opportunity to create new products that would transform and reshape them into organizations of the future
- Spotlight how Digital technologies were enabling the creation of a new business eco-system of strategic growth partners that could help organizations derive distinct value in the increasingly competitive business eco-system
- Provided common ground for companies and solution providers to come together and collaborate for the future of the Digital economy
- Build a thought leadership platform where global corporates could interact with peers and solution providers to understand use case adoption of Digital and deliberate on the theme of 'Collaborating for a Digital Tomorrow'

Did you know?

Slides of The Jetsons and Star Trek (1960s sci-fi shows that we're already using some of the devices that were predicted for the next 100 years)

- Medical tricorder – a handheld device to take vital stats – working prototypes are available today '
- Flying cars' = Drones
- Ingestible medical devices
- Computer you can talk to

- Focusing on Digital Transformation led to a positive impact on individuals, corporations and countries. DX and the ability to disrupt transitional models were more an opportunity than a threat. Any business that did not have a proactive DX strategy was in jeopardy. Incremental or reactive change was unlikely to succeed. The rapid decline of an incredible percentage of Fortune 500 companies (that had fallen off the charts in a very short period of time) proved this.

- DX needed a collaborative approach for success. Users would not be able to do it alone and they needed strong, strategic partners like those representing NASSCOM, who would help them with the change required. The precise role of partners (providers/users) varied significantly depending on the business domain and strategy of the user and the strengths brought to the table by the provider.

- DX required top quality tech talent. In fact, a whole array of skills was needed

> **We always overestimate the amount of change that will occur in the next two years; and underestimate the amount of change in the next 10 years. We are all becoming IT companies. IT is no longer about financials and supply chains; it is very essence of the company.**
>
> Bill Gates, Microsoft

for a successful DX implementation. Any interference around visas, etc., would only delay the progress of companies, and the US economy itself in terms of leading the world of business. 'Learnability' – the ability to constantly learn and update themselves – was a crucial attribute that companies sought in people. IT organizations were needed to invest in design thinking and other methods to promote learnability.

- The impact of DX on jobs was real and rapid. The net impact and its societal implications needed greater attention across geographies. Job losses were happening only due to tech advancement and were collateral damage. However, as the industry grows, more jobs would be added.

- Artificial intelligence and RPA were the hottest areas users wanted to understand more closely. These two areas were still being spoken about by CIOs at panel discussions without them really detailing out the initiatives they had to drive to secure results. It was clear that AI and Robotics were big opportunities that would probably impact traditional jobs. It was important for companies to understand these areas properly so that they were better equipped to deal with negative fallouts of engaging with strategic global partners.

- The bottom-line of DX was business value, not the adoption of tech for its own sake. Every change may not make business sense in every economy.

- Technology advancement and consequent changes in lifestyles and businesses were occurring faster than predicted and the pace and breadth of innovation was accelerating. Further, even in innovation, collaborative creativity accelerated ideas.

- There was a dark side of Digital as well, as there were a large number of people who could derail its progress. The world was spending USD 85 billion annually on cyber security.

The Summit showed that DX companies needed to think big, start small, and scale fast. They had to look at innovating in the era of disruption.

Jim Carroll, Global Futurist, NASA said the following about the future: "The defining feature of our world today is that time is accelerating. Owing to knowledge obsolescence, the education we receive will obsolete in a few years. As Rupert Murdoch stated: big will not beat small anymore; it will be the fast beating the slow. Eventually, edge thinking will dominate and collaborative creativity will accelerate ideas".

> **In the recent decades, technology has become an integral part of business, and not just a support function. While earlier, tech spend would be around 10-11 percent, today, it is as high as 40 percent. Currently, there are more CIOs on the boards of organizations. Furthermore, all major economic sectors are getting disrupted by technology. There is an 'Uberization' of businesses, with the disrupters grabbing market share. The three Cs of the Digital age are: Customized, Connected, and Convenient.**
>
> Raman Roy, Chairman, NASSCOM

Fast Facts

AI and Automation

- Most automation-friendly tasks = 51 percent of US wages (collecting data, processing data, predictable physical work)
- The least-friendly tasks are management, expertise, customer interface, and unpredictable physical work
- It is not true that all low-pay jobs can be automated, e.g. landscapers
- Just around five percent of jobs can be totally automated, but almost all can be partly automated
- The factors that affect the pace of AI and Automation are:
  - Technical feasibility and pace of breakthroughs
  - Cost of developing and deploying technology
  - Comparative cost of labor
  - Regulatory and social acceptance factors (people tend to hate dealing directly with machines)

(Abstracted from the talk by James Manika of McKinsey and Co.)

"Our priorities today are how to optimize, be efficient and have strong processes supporting the front end. A big challenge is talent. Our long-tenured people are now retiring and being replaced by a generation that moves more frequently. Therefore it is hard to get people. Partnering for us is a necessity. It is hard to keep up otherwise. Our partners have to come to us with innovative solutions".

Chris Tolomeo, COO - Banking and Lending Services, M&T Bank
(From the Panel Discussion on 'Shifting landscapes: Can your provider be your Digital Partner)

"A review of the statistics on US-India tech collaboration indicate that Indian emigrants account for almost 14 percent of Silicon Valley start-up leaders, but are just one percent of the US population. This shows the synergy that has become possible".

Riva Ganguly Das, Indian Consul in New York

"Michael Porter's three Cs – Compassion, Competition, and Collaboration are relevant for the Indian IT-BPM industry. Going forward, the industry will have to look at transitioning its delivery centers into Centers of Excellence".

Ganesh Natarajan, Chairman, NASSCOM Foundation and Program Chair, C-Summit

"There are diverse impacts of Digital disruption, with a very wide range of digitization among companies. The MGI Sector Digitization Index shows that many large sectors aren't capturing the benefits of Digitization and that even the US at #1 is only at 18 percent of the frontier. It is also apparent that most Digitized sectors are widening the gap with the less Digitized".

James Manika, McKinsey and Co.

"During a recent conversation with a Chemistry Professor at Ohio State teaching 'chemistry for poets', I was overwhelmed. He talked about how earlier one just needed a textbook, lesson plans, and a 'test bank' to teach. Now, teachers need content, tools, online tests, a dashboard, online feedback to students (which feed into performance evaluations), and rich media to help explain concepts!"

Ken Brooks, COO, Macmillan Learning

"DX is more than a hot topic, it's business critical, especially in Digital industrial and Additive Manufacturing".

Christina Clark, Chief Data Officer, GE

"We're saving about 500 lives per year with an Analytics app that detects when patients are at risk of heart attack, and alerts doctors. Healthcare user experience is bad at most facilities, but now new entrants coming in that focus on better user experience. Partnerships are important to us because it's so valuable to work with people who are smarter than me".

Edward Marx, CIO, NYC Health & Hospitals Corporation (From a Panel Discussion on Building a Field of Dreams)

"For me, the key issue is how to pivot quickly when challenges and opportunities arise. My three top priorities are:

- **Be really relevant to the goals of the company, across our three verticals**
- **Deal with "silicon" – AI, Machine Learning (humans are not driving the next hardware and software)**
- **Run better, change quicker**

The most urgent challenge I am facing is more and better talent".

Jay Kerley, Group VP & CIO, Applied Materials (From a Panel Discussion on Building a Field of Dreams)

"Earlier companies would be looking at how their partners could execute, at what price points and incremental innovation. Today, it is about how they can embrace disruptive change. They are focusing on whether they can create strategic partnerships and alignments with a few providers or engage with a diversity of suppliers to encourage disruption. A few years ago, there used to be a distinction between core work (done by the client) and non-core work (done by outsourcers), that is now blurring. Also, the key challenge companies are facing today is how to get enough talent and how to constantly reskill".

Rohit Kapoor, CEO, EXL (From the Panel Discussion on 'Shifting landscapes: Can your provider be your Digital Partner?)

"Among the top business priorities of my organization are replacing legacy applications, making investments in cyber security and Cloud, implementing revenue-enhancing applications and shifting our focus from cost-efficiency play to innovation".

Laks Natarajan, Head-Global Business Services & Chief Procurement Officer, Marsh & McLennan Companies, Inc. (From the Panel Discussion on 'Shifting landscapes: Can your provider be your Digital Partner)

"Our priorities are to refresh our products and apps, invest in the Cloud, and invest in security. Our push in the area of security is analogous to our 'quality' push 20-30 years ago. The goal is also to be cost effective".

Vishal Arora, Vice President - Software Development, Entrust Data Card (From the Panel Discussion on 'Shifting landscapes: Can your provider be your Digital Partner)

Shifting gears to achieve 'gainful employment'

NASSCOM expects Indian IT sector to add some 2.5 to 3 million new jobs by 2025.

In the past decades, especially since the arrival of the computer age, India has continued to focus on talent development to meet the needs of its IT and non-IT sectors. In more recent times, owing to the several economic and technological shifts taking place in the country, the focus has moved towards creating a workforce that not only has the skills, but is also 'gainfully employed'.

According to McKinsey Global Institute (MGI), a private sector think tank, the notion of 'gainful employment' for India's workforce of 460 million is all about improved quality of work and the income derived from it. Gainful employment covers a range of issues, including the quantity and type of the work done by people already in employment, growth in labor productivity, higher earnings, and aspects of work quality such as safety, cleanliness, flexibility, income security, and intellectual challenge.

MGI's recent research has stated that:

- India's labour markets are experiencing structural change, moving from agriculture towards non-farm sector, particularly construction, trade, and transport
- During 2013-15, agriculture shrank by 26 million while non-farm jobs rose by 33 million, largely driven by rapid economic growth

Fast Facts

Gainful employment takes precedence

- The issue of 'gainful employment' is by no means limited to India. The International Labour Organization (ILO) launched a campaign focusing on "decent work" in 1999
- Quality of work was a theme institutionalized as part of the European Union's Lisbon Treaty in 2000, which included the goal of "sustainable economic growth with more and better jobs"
- Research by the McKinsey Global Institute has shown that beyond the unemployment rate, questions relating to quality of work, such as skill levels, productivity, and income advancement, can be potent and sometimes politically corrosive ones in advanced economies at a time when labour market dynamics are shifting.

- Between 2013 and 2016, India's labor market had meagre job growth in the range of 150,000 to 400,000 jobs each year (according to quarterly enterprise surveys by India's Labour Bureau)
- There has been a three percentage point decline in India's overall labor force participation between 2011 and 2015
- To bridge India's infrastructure gaps, the government has raised public investment in roads, railways, rural development, power, telecom, housing, and 'soft' areas of healthcare and education, creating work opportunities for an estimated seven million workers, at wages that are 70 percent higher than those of average farm workers
- Rapid advances in automation technologies are affecting India's Information Technology and Business Process Outsourcing sectors. These sectors have remained net job creators, and the industry estimates that companies could hire up to 2.5 to three million more workers by 2025, provided they can acquire the skills to meet changing needs
- The global rise of independent work and microentrepreneurship, aided by new Digital eco-systems is mirrored in India, where they are providing new work opportunities with better pay and links to organized value chains, including in parts of the country less covered by formal labor markets
- Rapidly growing sectors of cab-hailing platforms, e-commerce, Digital financial services through networks of banking correspondents, and lending for microentrepreneurship and self-help groups have improved income opportunities for 18 to 22 million workers in about the past three years

Fast Facts

Labor statistics

- The total number of jobs in India from 2011 to 2015 grew by about seven million (from 455 million to 462 million)
- During this period, agricultural employment fell by 26 million and non-farm employment rose by 33 million, or by more than eight million jobs a year
- The pace of non-farm job creation dipped during the economic slowdown years of 2011 to 2013 to as low as eleven million, and rose sharply to 22 million during the following two years
- Labour moved out of agriculture into construction, trade and hospitality, and transport, the mainstays of non-farm labour market in many developing countries; these three sectors generated 36 million jobs from 2011 to 2015
- By contrast, mining and manufacturing lost jobs during the slowdown, although manufacturing jobs seem to have grown between 2013 and 2015
- Job growth in transport and trade was significantly faster than average India employment growth. The construction sector added many lower-productivity jobs however, so the GDP growth for the sector was lower than average national growth

Labor market trends

According to MGI, India's economy grew at an average of about 6.6 percent per year

between 2011 and 2017. After a significant fall during 2011- 2013, the economy revived and has been growing at around 6.9 percent per year, making the nation one of the fastest-expanding major economies in the world,

Although still below its potential and aspirational growth of more than nine percent per year, the economy has responded to the government's strategy of reining in fiscal deficit and moderating inflation, rapidly expanding public investment in infrastructure sector, and implementing large-scale programs to bring basic services such as bank accounts, sanitation, and clean energy to India's underserved millions.

The key drivers of change in India's labor markets

India's workforce landscape and labor market trends have been shaped by global developments including urbanization and the need to bridge infrastructure gaps, automation and knowledge-intensive work, and new Digital eco-systems and independent work.

Automation and knowledge-intensive work as well as Digital in fact, have been playing a transformational role in the workplace, especially in case of the Indian IT industry, enabling it to offer gainful employment.

Statistics indicate that India's IT industry remains a net hirer among other sectors. From 2014 to 2017, data from NASSCOM suggests, the IT and Business Process Outsourcing sectors created between 550,000 and 600,000 incremental direct jobs. Opportunities for higher-value work and better pay for trained workers – essential aspects of gainful employment – continue to flourish. NASSCOM expects the revenues of Indian IT companies to rise to USD 350 billion in 2025. Even as worker productivity grows further, the sector could add some 2.5 million to three million new jobs by 2025.

While clearly the IT-BPO industry – like other verticals such as manufacturing, financial services, and retail – is creating opportunities for technology-trained workers, the challenge will lie in retraining the workforce and providing professionals with the required new skills. Rising next-generation jobs in fields such as cyber security, mobile app development, new user interfaces, social media, data science, and platform engineering, all need new skills, including the ability to create, manage, or interpret Big Data Analytics, Cloud and cyber security services, service delivery automation, Robotics, Artificial Intelligence, Machine Learning, and Natural Language Processing.

NASSCOM, which has rolled out several initiatives to reskill the existing IT workforce, is expected to create 1.5 million to two million people who are able to work on next-generation technologies in India within four to five years!

The Indian government as catalyst

The Indian government too, which has increased spending on technology, has played a part in creating 'gainful employment' for 20-26 million Indians between 2014 and 2017.

Going forward, the Government can help stimulate the creation of gainful employment through targeted programs and by further removing hurdles that block private investment and innovation. According to MGI, the Indian business and policymakers can work together to boost growth in the labour-intensive tourism sector, unlock the Digital economy's potential to create work opportunities, and reskill the workforce.

CBDT announces amended Safe Harbor rules

India's Central Board of Direct Taxes (CBDT), through its notification 47 of 2017 dated June 7, 2017 has amended the Safe Harbor rules.

The new Safe Harbor rules have rationalized the Safe-Harbor ratios that were earlier declared for Software Development Services, IT-enabled Services, KPO services, Loans in INR and corporate guarantees granted by Indian taxpayers to overseas AEs and Contract R&D services in software development.

The Board has also released new Safe Harbor rules for international transactions like loans in foreign currency and low value – adding intra group services (LVIGS) fees paid by Indian taxpayers to their overseas group AE.

The Safe Harbor ratios were first declared with effect from AY 2013-14 to AY 2017-18. The new ratios are effective from AY 2017-18 and provide an overlap for the current year, where the taxpayers will be allowed to opt for the new rules or revised rules, whichever are more beneficial to them.

NASSCOM has been advocating for reducing the Safe Harbor margins ever since the last rules were released, emphasizing how high margins were leading to Safe Harbors being ineffective for the sector.

Rationalization of Safe-Harbor margins for software and ITeS service providers has been welcomed by NASSCOM and its member companies, particularly in light of the widespread litigation in this industry.

However, the continued sub-classification in the service categories may pose problems due to overlapping definitions which are subject to interpretations. Further, the limits imposed indicate that companies with a higher turnover (i.e. over INR 200 crore) cannot adopt Safe Harbors, but rather adopt APAs. This makes the amendment restrictive. A summary of the old and new provisions for relevant services for the sector is provided below:

From the above, it is clear that based on certain provisions in the Safe Harbor, the areas of high impact within the IT-BPM industry are as follows:

- **Software development / IT-enabled services:** The Safe Harbor margin has been reduced significantly in this sector from the earlier 20-22 percent to 17-18 percent. It is a welcome move and it will provide a boost to the SHR program. The threshold for the value of transactions however, has been reduced significantly and the new SHR program too will not apply to entities whose aggregated value of transaction exceeds Rs. 200 crore.

- **Knowledge process outsourcing services:** As against one margin of 25 percent, now three different slabs have been introduced of 24 percent, 21 percent and 18 percent. These are applicable based on the employee cost-to-operating expenses filter. However, a threshold has been introduced of a maximum of Rs.200 crore beyond which the SHR will not apply.

- **Contract Research and Development services in relation to software development services:** The Safe Harbor margin has been reduced significantly from 30 to 24 percent. However a threshold has been introduced of a maximum of Rs. 200 crore, beyond which the SHR will not apply.

Importantly, the taxpayers, for AY 2017-18 will have an option to opt for the old provisions or the new provisions and accordingly, taxpayers who are carved out in the new provisions on account of the threshold, can avail the benefits limited to AY 2017-18.

Particulars	Old Provisions	Amended Provisions
Provision of software development services	The operating profit margin declared by the eligible assessee from the eligible international transaction in relation to operating expense incurred is	
	(i) not less than 20 per cent, where value of transactions does not exceed a sum of five hundred crore rupees; or (ii) not less than 22 per cent, where value of transactions, exceed a sum of five hundred crore rupees;.	(i) not less than **17 per cent**, where value of transaction does not exceed a sum of **one hundred crore rupees;** or (ii) not less than **18 per cent**., where value of transaction exceeds a sum of one hundred crore rupees but does not exceed a sum of **two hundred crore rupees**.
Provision of information technology enabled services	The operating profit margin declared by the eligible assessee from the eligible international transaction in relation to operating expense is –	
	(i) not less than **20 per cent**, where value of transactions does not exceed a sum of **five hundred crore rupees**; or (ii) not less than **22 per cent**, where value of transactions, exceed a sum of **five hundred crore rupees**;.	(i) not less than **17 per cent**, where value of transaction does not exceed a sum of **one hundred crore rupees**; or (ii) not less than **18 per cent**., where value of transaction exceeds a sum of **one hundred crore rupees but does not exceed a sum of two hundred crore rupees.**
Provision of knowledge process outsourcing services	The operating profit margin declared by the eligible assessee for the eligible international transaction in relation to operating expenses is not less than 25 per cent.	The value of international transaction does **not exceed a sum of two hundred crore rupees** and the operating profit margin declared by the eligible assessee from the eligible international transaction in relation to operating expense is – **(i) not less than 24 per cent. and the Employee Cost in relation to the Operating Expense is at least sixty per cent.;** **(ii) not less than 21 per cent. and the Employee Cost in relation to the Operating Expense is forty per cent. or more but less than sixty per cent.;** or **(iii) not less than 18 per cent. and the Employee Cost in relation to the Operating Expense does not exceed forty per cent.**
Provision of contract research and development services wholly or partly relating to software development	The operating profit margin declared by the eligible assessee from the eligible international transaction in relation to operating expense incurred is not less than 30 per cent.,	The operating profit margin declared by the eligible assessee from the eligible international transaction in relation to operating expense incurred is not less than **24 per cent., where the value of the international transaction does not exceed a sum of two hundred crore rupees**

Industry Wish List for catalyzing growth

NASSCOM makes recommendations to the Indian government regarding how it could build a trillion dollar Digital economy

NASSCOM, which has been actively interacting with the Indian government, guiding and advising it on how to catalyze IT industry's growth through a positive regulatory environment, continued to engage with the Ministry of Electronics and place its Wish List before the policy makers.

At a meeting held with the Ministry in June recently, NASSCOM's President R. Chandrashekhar and other business leaders put together a coordinated input from the industry. The goal was to emphasize to the government how it could support the development of a trillion dollar Digital economy in the future. As part of this agenda, NASSCOM spotlighted some of the following:

The need for last mile connectivity, and a rethink on existing policies: NASSCOM underscored the importance of providing one billion Indians with broadband by 2022, accelerating the Bharatnet project and getting 300 million mobile/WiFi users on the network by 2020, piloting and implementing models for reducing mobile data costs, and providing free data access to rural India, etc.

The need to build retail e-commerce: NASSCOM suggested that the government introduced policy changes which would enable online retail sales to jump to over USD 150 billion by 2020 (instead of the projected USD 70-75 billion) from the existing USD 15 billion. Policy changes, NASSCOM said, could also help increase data subscribers to 600 million, thereby doubling online retail sales by 2020.

The need to provide e-services under the DigiGaon initiative: NASSCOM urged the government to provide infrastructure and last mile connectivity and encourage private players to offer services in areas such as education, skilling, healthcare, and agriculture, especially to rural citizens. This would require sector specific regulatory interventions, recognizing of online and simulator-based skilling courses, Internet enabled business models and telecom regulations, revisiting of restrictions on mapping and addressing of regulatory ambiguities.

The need for cyber security, data security and privacy: NASSCOM reiterated the fact that cyber security, data security and privacy would help proliferate Digital technologies and enable the building of a trillion dollar Indian economy. It recommended that the government create Cyber Security Clusters or Innovation Zones Development, and set up a Cyber Security Thematic Fund as well as a Use Case Clearing House to fast track discovery of white spaces for start-ups to develop products and solutions.

The need to proliferate Digital Payments: NASSCOM suggested that the government should catalyze disruptive innovation and competition through a conducive policy framework that was free from unnecessary banking regulations, especially in cutting-edge areas like payment platforms, use of block chain technology, etc.

The need for right skilling: NASSCOM underlined the importance of the right skills for students and serving employees and recommended that the government invest in infrastructure and faculty development programs, while incentivizing companies that were contributing towards R&D, funding for institutions, scholarships, and investments in training.

The need for revisiting government procurement norms. NASSCOM spoke about why procurement norms and practices needed to be revisited for the purchase of Digital products and services.

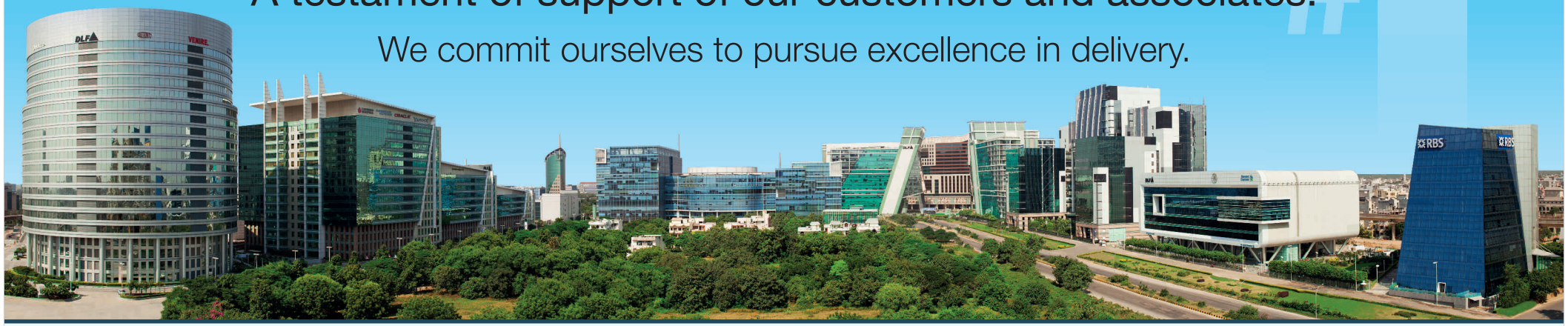
DLF Cybercity

Awarded **"The Best Commercial Project of the Decade"** by

CNBC आवाज़

A testament of support of our customers and associates.

We commit ourselves to pursue excellence in delivery.



Other Awards & Certifications

Smartest Building of India
DLF Epitome (Bldg#5), Gurgaon
The Times of India & Honeywell
2015-16

LEED GOLD Certification
14 DLF Office Buildings in Gurgaon
US Green Building Council
2014-15

Sword of Honour & 5 Star Rating
DLF Offices, Gurgaon
British Safety Council
2014-15

Best Commercial Project in NCR
DLF iQ (Bldg #14), Gurgaon
CNBC Awaaz Real Estate Awards
2013-14

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