



## NEWS HIGHLIGHTS

**Industry outlook: how Budget 2018 will drive the future of technology**

**Dell, VMware decide to explore options including merger**

**Crypto-currencies not legal tender, AI and blockchain get a boost: Union Budget 2018**

**Cloud business growth helps Microsoft log \$28.9 bn revenue**

## Today's View

### Evolving Role of Digital Identity

While banks and financial institutions are the only organizations (other than telecom companies perhaps) mandated to know their customers, business irrespective of the field of operations are beginning to understand the importance of knowing their customers. In a digital marketplace, where physical interaction with the customer is at best negligible, it is mostly impossible to establish a customer's identity. Besides businesses, even government agencies and organizations need identity assurance to protect the government's physical and logical infrastructure.

In this context, having a unique digital identity has become crucial. **IBM's** Future of Identity study examined consumer perspectives around digital identity and authentication, to find that people now prioritize security over convenience when logging into applications and devices. A surprising 70% of the respondents ranked security as their top priority, even over convenience or privacy, while logging into their investing, budgeting, and banking apps.

Spotting this opportunity, several fintech start-ups are now competing in this race to establish digital identity. Norway-based **Signicat** is one of the leading providers of electronic identity and electronic signature solutions in Europe. It specializes in cross border, cloud-based electronic identity services and electronic signatures, helping businesses, government agencies and institutions with identity proofing. Further, California-based **ThreatMetrix** profiles online transactions and activities to determine whether they have been initiated by fraudsters or legitimate customers.

## INTERESTING NEWS

### Startups' hope for a miracle dashed as Angel Tax left out of Budget 2018

The demands of the rural economy may have been accepted in Budget proposals this year, but it has left the startup industry largely disenchanted.

Summary - Data for Indian Tech Companies in India in 2017  
(Data downloaded on 27 Jan 18 from the website)

Funding Data			Angel Investment Details		
Year	# of Startups	Total Funding (USD) in Crores	Year	# of Angel Rounds	Total Angel Investment (USD) in Crores
2017	917	10.30	2017	188	207.00
2016	1209	4.48	2016	298	100.00

The complete exclusion of angel tax in the policy announcements may have clipped the wings of early-stage startups, most of which depend on capital from angel investors for the initial boost.

Source – *The Economic Times*

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Date – 2<sup>nd</sup> Feb 18

Its digital identity graph successfully maps the complex associations among people, devices, accounts, locations and businesses.

Amsterdam-based **Innopay** helps government, corporate and collective clients with their Digital Identity strategy, product development and implementation. Additionally, it also helps businesses with online onboarding & contracting of new customers in a compliant or risk-balanced manner. Likewise, Finland-based **Ubisecure** Identity Platform allows organizations manage identities to offer authentication and identity attribution services to third parties. The platform supports over 20 out-of-the-box integrations to existing authentication method technologies from social to multi-factor methods.

Here in India we have the digital identity platform 'Aadhaar' – a key pillar of the 'Digital India' movement. It promises (almost mandates) every resident of the country a unique identity. The Aadhaar programme has already achieved several milestones and is by far the largest biometrics based identification system in the world. Its essence lies in use cases such as eliminating forgery or fake documentation, direct government benefits transfer to the under-banked, and ultimately financial inclusion through easy Aadhaar-based fund transfers.

Despite accelerating adoption of technology, people do not have the necessary privacy, security, and control over their digital information, even in developed economies. On top of that, organizations face extreme pressure from nodal bodies to comply with regulations such as Anti Money Laundering (AML) and Know Your Customer (KYC). With that in mind, we believe digital Identity is and will remain a key factor in empowering people to become a part of today's mushrooming digital economy.

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## Today's News

### Industry outlook: how Budget 2018 will drive the future of technology

The finance minister Arun Jaitley said on Thursday that the Department of Science would start a mission on cyber security and set up a centre of excellence. For the rise of IT security sector he also announced that government will invest in robotics, big data, quantum communication and other areas will be covered in Union budget 2018.

Jaitley further emphasized on tracking the rocketing boom of cryptocurrency and marked the fortune of blockchain led virtual currency as an ill-legal tenure. Further he added that government with RBI has already started looking into developing its own Blockchain technology that supports digital currencies.

Source – The Economic Times

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This News Letter has been prepared with the assistance of Manish Kulkarni and Pankaj Tadas

### Budget 2018 to bring more business opportunities for the ICT sector

Finance Minister Arun Jaitley's Union Budget 2018 may have not met common men's expectations, but certainly it offers new business opportunities for the IT and Electronics manufacturing sector.

Continuing the momentum on the digital front, the Finance Minister made some significant announcements during his budget speech that is likely to boost the confidence of the ICT (Information and Communications Technology) sector with domestic demands of technology products and services, along with internet services.

Source – The Economic Times

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### Dell, VMware decide to explore options including merger

US computer maker Dell Technologies Inc and business software provider VMware Inc have decided to explore options that could include a potential merger of the two companies, people familiar with the matter said on Thursday.

The move, which may not result in any deal, comes as Dell, the world's largest privately held technology company, seeks new avenues for growth following its debt-laden acquisition of data storage provider EMC Corp for \$67 billion in 2016.

Source – The Economic Times

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## Sundar Pichai: AI more important for humanity than fire, electricity

Google CEO Sundar Pichai recently declared that artificial intelligence fueled by powerful computers was more important to humanity than fire or electricity. And yet the search giant increasingly faces a variety of messy people problems as well.

The company has vowed to employ thousands of human checkers just to catch rogue YouTube posters, Russian bots and other purveyors of unsavory content. It's also on a buying spree to find office space for its burgeoning workforce in pricey Silicon Valley.

Source – The Economic Times

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## Government mulls Aadhaar like unique identity for business, says Jaitley

The government has mooted the idea of "Aadhaar for business," with an aim to further crackdown on shell companies and ensure easier traceability of public money.

This comes after the government's ambitious unique identity scheme Aadhaar has covered over 99% of the adult population of the country with close to 118 crore Indians allotted a unique identity number.

Source – The Economic Times

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Source – The Economic Times

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## Digital focus can help create jobs, better rural lives: Industry

Industry experts have lauded the budget proposal to boost technological advancements through digital initiatives saying this can be the biggest driver for job creation, to improve the quality of education, healthcare and rural progress.

Focus on digital technologies as the biggest driver in improving quality of education, healthcare and rural sector is praiseworthy. The plan on universal healthcare is ambitious and can be transformational

Source – The Economic Times

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## Cloud business growth helps Microsoft log \$28.9 bn revenue

Riding on its growing Cloud business especially Azure offerings, Microsoft has reported a revenue of \$28.9 billion for the fourth quarter that ended December 31.

This was up 12 per cent from \$25.8 billion in the same quarter last year. The company reported operating income of \$8.7 billion - an increase of 10 per cent from last year.

Source – The Economic Times

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## Foreign or local, digital services companies equal before tax law

India has prepared a firm ground to tax the income of foreign digital service companies to shore up revenue and boost the concerted global move towards ending multinational company practices collectively dubbed as base erosion and profit-shifting.

The Budget has proposed an enabling rule, which broadly says that a MNC could have a business connection in India even without a physical presence in the country.

Source – The Economic Times

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