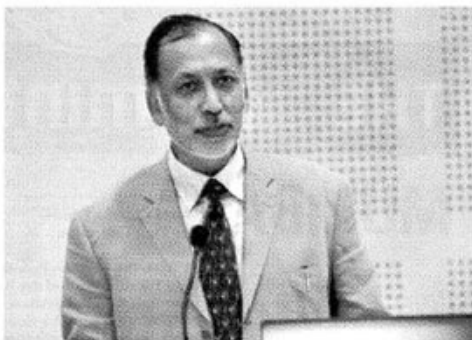**mint**   **Bloomberg | UTV**

RAJENDRA PAWAR/NASSCOM

We have to create the next set of IT firms

BY PRANJAL SHARMA

BLOOMBERG UTV

INTERVIEW

Rajendra Pawar, chairman of computer software training firm **NIIT Technologies Ltd**, talks about the road ahead for the Indian software industry association Nasscom and the local computer software industry in an interview after taking over as chairman of the lobbying body. Edited excerpts:

Where does Nasscom stand on the kind of role it is playing for the information technology (IT) industry?

Companies, which will be giants in 2020, many of them, are small today. Emphasis for us is to create the next wave. There is a ground swell...but we need to remove the wrap and show the world the next set of companies—technology-based, IT-based, innovative. Nasscom has a larger agenda.

But has the role of Nasscom changed in these 20 years?

Some things remain the same but the role has changed over the years. It has to articulate the aspirations, opportunities, problems of different players. That role remains the same but the issues have changed. The advocacy role as a collective of the industry remains same... only the content changes. We are trying to build a capability to create a platform for our members and customers together.

Our ability to build capacity and keep adjusting to cope with increasing portfolio is a process of change. Within that, what we do for each sector is to enable companies to come together, think of opportunities, set a platform for promoting them. Those basic principles won't change but the organization, obviously, continues to evolve.

Have the dynamics of engaging with government departments changed?

There is this romantic attitude that had the government been active, we would not have grown. Some of the fundamental, policy-supportive decisions came from the government... during Mr (N.) Vittal's time, for example, when we had to look at the STPI (Software Technology Parks of India) idea or special dispensation for the telecom sector. So, it is incorrect to say that it has happened in spite of the government. But it is valid to say that when there is a new area emerging, government has to look at its priority. So, the role that government played in the formative stages was much more about encouraging. That encouragement has created a large number of big companies. Today, we have hundreds of small companies that need encouragement. So, the role of the government continues to be valid even today.

The big players, which were small companies 20 years ago, have different issues today. So,

New initiative: *Pawar says one of his priorities is to create a platform for small and medium companies.*

there is an advocacy issue today in terms of let's say policy on visas between two countries. So, there is a role governments are playing, and our government facilitates that discussion when we look at visa issues.

Other issues include infrastructure or security of people. There is always going to be the supportive hand of the government to deal with for small and medium enterprises.

The irony is that software companies do most of their work for clients outside the country. India, as a market, is still looking weak. Isn't it something that the industry and the govt need to address?

There is this whole issue of development of markets. So, the Indian market has been growing and evolving but we do know that in terms of e-governance, it is still early stages. We have some good examples and there are some states which are much ahead. But, today, we can say that every state in the country has an IT department, it is staffed up, it has an IT policy and many states are prescribing X% of their budget. So, this movement has happened.

One of the three priorities that I am going to work on this year has to do with what I am terming IT for India, which basically means that if you look at the e-governance space, we have government officials in different states and departments wanting to do something on the other hand, we have small and medium companies doing some good work. But

there is no platform or a market place to bring them together. That would be one of the few initiatives that we will strengthen this year. One underlying area that we need to step up is the skills initiatives. I don't subscribe to the view that India doesn't have talent. There is skill building we have to do. We are fortunate to have a large number of educated people. The challenge is to provide steady supply of skilled people for the next 15-20 years...

What should be done to accelerate the pace and usage of IT in the govt, especially at the state level ?

Most states do have an IT department. Some states give it a little more importance than others. We wanted to do advocacy as Nasscom to get every chief minister to know that there is a huge potential in this.

Is Nasscom more inward-looking?

I don't think it is inward-looking. We are going for more energy within Nasscom. We are strengthening the team. For example, we have created an e-governance portal, which is a platform for the government people to look for supply and help small companies to come up. One hundred and thirty companies are already on this. Every state government should take their IT department seriously, and should drive whatever budget they have been allocated.

There are a lot of private initiatives in skill development, and that has been added to the

govt effort. Is that going to ensure that your needs are met?

Industry is spending a lot of money on skill building. One can ask a logical question—is it their responsibility or not? But the question is, if they are falling short of people, they will do what it takes to meet their needs. This becomes an issue of competitiveness, as a country have to worry about. Human infrastructure is the fundamental of the infrastructure. It would be better to spend time and energy on customers than building skills.

Where do you see the new trend for growth for your sector?

If you see the new 20/20 vision, we are looking at new verticals, then there is a list of offerings. All our companies are looking at changing their offerings. So, we are going much more towards value for what you spend. Then, we have looked at the big excitement of cloud. Information as a utility concept is finding its place and there it is not necessary that only huge players can participate. Small players can add significant value and give it to other small company. For a long time there was this question that India does not have IP (intellectual property)-based companies. If you look at the US software industry history, it went from services to product over a period of time. There is an evolution, the country has to build a services industry out of which will come the repeatability therefore framework of which will come the experience of IP and we have a good examples of that. But it is small if you look at the total piece of the revenue pie. But the pie is becoming larger and larger.

feedback@livemint.com