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### Today's View

#### Buy now, pay later

A Deferred Payment, is in essence a loan arrangement such that the borrower may start making payments at a specified time in the future. These arrangements are most often used in retail settings allowing buyers the flexibility to purchase products today and begin making payments at a later date.

Some FinTechs are now quickly moving towards providing buyers features such as micro-credit for online purchases. The micro-credit or deferral payment facilities allow people to purchase smaller items such as clothes, groceries, food, movie tickets, etc. and pay at one go at a later date.

Now online shoppers can club digital transactions on various websites under one bulk payment, permitting lump sum, interest-free settlement in a 15 day window, while some companies are levying a 1% transaction fee on the merchant for facilitating such a payment.

For this premium facility, users are selected based on a trust score, computed on the basis of online transaction history and granted a micro credit limit ranging between Rs. 3,000 to Rs. 10,000 basis the profile of the customer and their purchase history on the provider's platform. Furthermore, cases of default on this micro credit facility could attract a miniscule penalty and negatively impact the customer's ability to avail such a facility going forward.

Micro credit fintech players such as **Simpl**, **Quiklo**, **Krazybee**, **ePayLater**, **ZestMoney**, **Rubique** and **LoanTap** have recently been joined by the new entrant, PayU India, in this niche, launching its deferral payment feature **LazyPay**.

The demand for such micro-credit facilities was necessitated by incremental convenience being offered to customers on multiple online consumer portals. As a major development in the space, merchants such as Zomato, PVR, Box8, Zomato, Jazz Cinemas, Netmeds and Innerchef – all tied up with PayU's **LazyPay** to let customers buy immediately and pay later. Moreover, IRCTC tied up with **ePayLater** to offer customers railway tickets leveraging the deferred payment structure.

### OTHER INTERESTING NEWS

**GST Council revises rates for 66 items**

India's most comprehensive indirect tax reform — the goods and services tax (GST) — is inching towards a July 1 rollout with the GST Council cutting the rate on household goods and other essential items.

#### Some Cheer

TAX RATE (%)	Now	Was
Pickles, Ketchup, Sauces, Preserves	12	18
Cashew nuts	5	12
Steel cutlery	12	18
School bags	18	28
Exercise books	12	18
Colouring books	Nil	12
Incense sticks	5	12
Insulin	5	12

Movie tickets below ₹100 to face 18% | Above ₹100 to face 28%

**GST rate on job work in textile, gems & jewellery cut to 5% from standard 18%**

Source-The Economic Times

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Date- 12<sup>th</sup> June 17

Beyond a mere short term credit option, the Deferred Payment structure also provides users the convenience of handling electronic transactions seamlessly by allowing faster checkouts and reduced friction of online payments. Owing to the convenience of this mechanism, we do foresee deferred payments becoming a norm for prolific online shoppers.

## Government to set-up helpline for e-payments grievance redressal

The Ministry of Electronics and IT along with National Payments Corporation of India is working on a mechanism to provide a common number 14442, where customers of all digital payments platform, including mobile wallets, Unified Payments Interface and BHIM, will be able to register their complaint.

The Department of Telecom has allocated 14442 to NPCI for setting up its grievance redressal mechanism for customers of all digital payments. The guidelines are in process.

Source-The Economic Times

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## Note ban has and may continue to result in a slowdown: SBI

Country's largest lender SBI has expressed apprehensions that demonetisation may continue to result in slowing down of the economy, and adversely affect its business.

The long-term impact of this move on the Indian economy and the banking sector is uncertain, SBI told institutional investors prior to its Rs 15,000 crore share sale through private placement.

Source-The Economic Times

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## Aadhaar must for filing returns from July 1: CBDT

From July 1, 2017 onwards every person eligible to obtain Aadhaar must quote their Aadhaar number or their Aadhaar enrolment ID number for filing of income tax returns as well as for applications for PAN.

Everyone who has been allotted permanent account number as on the 1st day of July, 2017, and who has aadhaar number or is eligible to obtain Aadhaar number, shall intimate his Aadhaar number to income tax authorities for the purpose of linking PAN with Aadhaar.

Source-Business Line

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## Alibaba betting big on Indian cloud market

Alibaba may not enter the e-commerce segment in India directly any time soon, but it is all set to expand its footprint in the country, offering its cloud computing services. The company announced that Alibaba Cloud, its cloud computing arm, will set up its first cloud data centre in Mumbai. It will significantly increase Alibaba's computing resources in Asia, targeting small and medium enterprises (SMEs) throughout the region.

Source-Business Line

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

## ItzCash changes strategy, eyes acquisitions

Digital payments company ItzCash has decided to pursue 'inorganic growth' and is now eyeing acquisitions in the payments and other financial services space, a top company official said.

This change in strategy to adopt 'inorganic' route for growth comes on the heels of Rs. 800 crore deal that led to Nasdaq-listed Ebix Inc picking up 80 per cent stake in ItzCash.

Source-Business Line

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## Razorpay looks to double merchants on board by 2018

Payment gateway Razorpay is aiming at doubling the number of merchants on board by next year.

"We have over 35,000 merchants on board currently, including Videocon Industries, Nykaa, Chai Point and Nestaway," Razorpay CEO and Co-Founder Harshil Mathur told newsmen here on Friday. Razorpay is also planning expansions in South-East Asia and the Middle East by 2018-19.

Source-Business Line

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## Companies more prone to cyber attack, 60% software unregulated: EY

More than 60 per cent of the software used by companies in India is unregulated which poses a threat of cyber attacks, according to business practices firm EY.

As per data of Indian Computer Emergency Response Team (CERT-In), over 50,300 cyber security incidents like phishing, website intrusions and defacements, virus and denial of service attacks were observed in the country during 2016.

Source-The Economic Times

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## Indian IT needs to reinvent itself for the age of automation and artificial intelligence

The Indian IT industry generates \$150 billion in revenue but is facing an existential crisis largely of its own making because it became complacent and overconfident even as technologies and markets changed. It can survive only if it exits the business that brought it success and reinvents itself.

Modern-day applications also don't require large teams of software engineers. They are user-customisable and can be built by anyone with basic programming skills. To offer more value, outsourcers worked to reduce costs by improving backend processes.

Source-The Economic Times

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## Steps afoot to promote Vizag as a fintech destination

After partnering with the Monetary Authority of Singapore (MAS) and appointing KPMG as its consultant, the State government is keen on creating a platform to connect with various players considered a pre-requisite for an ecosystem to promote Visakhapatnam as Fintech Valley-Vizag.

The government's thrust was on creating trained manpower to attract big players to the city after tying up with Thomson Reuters, Visa, Paytm and other firms.

Source-The Hindu

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## UGC informs institutions using digital modes of payment

The University Grants Commission (UGC) has issued an advisory to all higher educational institutions that all monetary transactions of the educational institutions may be done using digital modes of payment (viz online IMPS/BHIM/Debit Cards/AEPS) under the National Digital Payments Mission (NDPM) of MHRD.

UGC has desired on reference of Ministry of Human Resource Development (MHRD), Government of India, that transaction to digital mode bring transparency and propriety.

Source-Eastern Mirror

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## Lendingkart raises Rs50 crore debt from Yes Bank

Financial technology start-up Lendingkart Group has raised a debt of Rs50 crore from Yes Bank Ltd in a move that could see the company gradually shift to banks for loans as against non-banking financial companies (NBFCs), who lend at a higher rate.

Lendingkart Group includes Lendingkart Technologies Pvt. Ltd that has built the technology software for credit risk analysis, and an NBFC, Lendingkart Finance Ltd, that underwrites the loans.

Source-Mint

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## Flipkart closes sourcing platform for sellers Flipkart Global; eyes eBay advantage

Flipkart has shut down its global sourcing platform for its sellers, Flipkart Global, and has instead decided to focus on getting this done through eBay's global sourcing platform.

The move to increase its reliance on eBay for global sourcing comes two months after the company bought eBay's India operations. Flipkart Global was an initiative started last year to help and connect sellers to source products from manufacturers across the world.

Source-Financial Express

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