

**NEWS HIGHLIGHTS**

More transparency in peer-to-peer lending

Nasscom Product Council opens a DeepTech Club

To ensure seamless KYC compliance, we will invest \$500 million: Paytm's Renu Satti

GST: NPCI, NSDL in fray to develop e-wallet for exporters

RBI norms may spur digital wallet mergers

**Today's View**

**Digitizing Pension**

Pension is an essential source of income post retirement for most professionals. It financially supports them during emergencies and helps them look after most needs at later stages of life. Therefore it is increasingly important that we encourage thinking about pension early and often, to ensure we don't meet with nasty surprises when we most want to avoid the same.

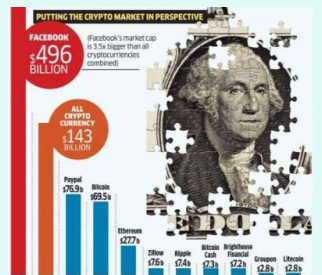
The pension industry is not traditionally known for innovation. However, looking at the enormous size of the global retirement industry, focus on digital initiatives is absolutely imperative in this space. As per World Bank's report, the world's population is rapidly aging. By 2050, the share of population over the age of 65 would have doubled from about 10% to about 20%.

Several Fintechs are now coming up with new alternatives. U.S. based Fintech **Captain401** offers the easiest and most affordable 401k retirement plan for the American workforce. The company provides automated and paperless solutions that reduce majority of the administrative burden for customers. Similarly, U.K. based **Smart Pension** provides a fast, affordable auto enrolment solution that dramatically improves the experience of hundreds of thousands of small and medium-sized businesses. Going one step ahead, **Moneyfarm** is investing the pension corpus into tailor-made portfolios which would help the customer see exactly where his pension money is invested and how well it is growing; of course on the touch of a button.

**INTERESTING NEWS**

**Betting on Internet of money**

Cryptocurrencies are worth over \$143 bn today. For perspective, Facebook has a value of \$496 billion, or 3.46 times the entire market capitalization of all cryptocurrencies worldwide.



2017 saw the price of one Bitcoin exceed the value of one ounce of gold.

Source – ET Tech

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Date - 30<sup>th</sup> Oct 17

Even in India, the pension domain has not remained untouched in this wave of digitization. The Government of India is operating a new website **Jeevan Pramaan** for digital life certificates. It aims to streamline the process of issuing these certificates, smoothening the process for pensioners. The **World Bank** is also piloting an innovative digital pension inclusion initiative in India that brings enrolment and contributions to the village, while improving governance and investment of assets.

Although India's economy is growing at a relatively healthy pace, the strength of pension holders is quite unsatisfactory. According to the World Economic Forum's report on Global Human Capital, only 7.4% of the working age population in India is covered under a pension program as against 65% in Germany and 31% in Brazil. However on the positive side India's pension system has been found to be more sustainable financially than that of Poland, Germany, France, Japan, Italy, Austria, Brazil, China and Argentina.

While India has seen some significant government-led initiatives around pension funds, we are yet to see some interesting alternate options offered by Fintechs. It's about time innovative Fintechs in the space focus on comprehensive solutions, largely ignored by private players.

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## Today's News

### More transparency in peer-to-peer lending

The RBI's guidelines on P2P lending have brought the country at par with some of the global economies with a mature and regulated alternative lending market. The regulations aim to ensure greater transparency between the platform, the lenders, and the borrowers.

Under the guidelines, default-related information on borrowers has to be shared with credit bureaus. So far P2P platforms could use credit bureau data to assess borrowers but could not share data about their borrowers with the bureaus.

Source – Business Standard

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### Nasscom Product Council opens a DeepTech Club

Nasscom Product Council will focus on AI and ML in the upcoming conclave to be held in Bengaluru. It also launched a DeepTech Club to nurture startups with mentors and investors.

Organizations associated with the conclave will get a practical grounding in AI and its applications to help transform an organization. NPC has also launched the DeepTech Club, which has around 20 companies that research deep learning and is co-led by Milind Hanchinmani, director, Intel, along with serial entrepreneur Subinder Khurana and Somdutta Singh.

Source – The Economic Times

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

### RBI norms may spur digital wallet mergers

The revised guidelines issued by the RBI on pre-paid instruments and wallets (PPI) recently are likely to accelerate mergers and acquisitions among digital payment brands as the cost of doing business would rise exponentially

Source – The Hindu

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### Lack of e-payment solutions a bottleneck for MSMEs

“New Pathways to E-commerce: A Global MSME Competitiveness Survey”, published by the International Trade Centre, identified the challenges faced by MSMEs while engaging in e-commerce. In a world of flourishing global trade, MSMEs are still disadvantaged.

Source – Business Standard

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### Why Indian e-commerce desperately needs private label to save itself

For e-commerce players of all sizes, gross margins still remain low for most categories, logistic costs remain high, and there is no letting up on discounting and marketing costs.

The only long term elixir is to focus on merchandise with inherently high gross margins, and focus on private labels, to eventually become and remain cash positive.

Source – ET Retail

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## To ensure seamless KYC compliance, we will invest \$500 million: Paytm's Renu Satti

Renu Satti, the chief executive officer of Paytm Payments Bank Ltd, said that the company has put in an investment of about \$500 million to build the KYC network, and talked about other plans for the payments bank and e-wallet post the RBI issued guidelines on PPIs.

Customers will also be provided with wealth management, fixed deposit, loans, and mutual fund products, largely in partnership with other players. The company is also in their final stage of testing UPI for integration.

Source – Livemint

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## Paytm Mall sharpens focus on tech support to SMEs

Paytm Mall recently claimed 20% of the sales this festive season and said it has focused on “democratizing online access” by offering technology support to SMEs that are at the core of retail.

The e-commerce marketplace, which is the newest entrant in a highly competitive sector, had delisted 85,000 sellers earlier this year for failure to meet quality norms and now has 30,000 sellers.

Source – Business Standard

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## Google to tap Indian IT firms to build developer base

Google will partner with large Indian outsourcers to reskill their workforce in building smartphone applications after the country lost out in mobile apps to smaller rivals such as Vietnam and Turkey.

Google will announce the company's efforts to help retrain the country's tech pool. The move will be an extension of Google's promise of training 2 million Indian developers by the end of 2018.

Source – Business Standard

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## GST: NPCI, NSDL in fray to develop e-wallet for exporters

The National Payments Corporation of India (NPCI) and the National Securities Depository Ltd (NSDL) are in the fray for operating the proposed e-wallet system for exporters under the goods and services tax (GST) regime.

The government is yet to decide on the agency that will develop the notional credit system to help exporters with working capital flow. GST Network (GSTN), the information technology backbone of GST, is also being considered for this.

Source – Business Standard

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## Gold Farm secures \$2 mn seed funding

Farm equipment aggregator, Gold Farm, has raised \$2 mn seed funding from Mahindra & Mahindra and Infuse Ventures.

The funding will be utilised to expand the company's services across most village districts in Karnataka. The funding will also facilitate infra building and farmer outreach programs.

Source – Inc42

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## Banks shutter ATMs as cities go digital, remove 358 over Jun-Aug

Between Jun and Aug 2017, the total ATMs in the country decreased by 358. While growth of ATMS slowed from 16.4% in the last 4 years to 3.6% last year, this is the first time number of ATMs has declined.

Decreasing ATM use in cities and increase in operational costs are the major causes.

Source – ET Tech

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## For these startups, less VC cash made more sense

Companies like Nazara Games, Exotel, and Mauj Mobile speak about how raising more VC money than is required can be like steroids – an overdose of which is not healthy.

Emphasis should rather be on strategy, planning, customers and sales metrics.

Source – ET Rise

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