



**NEWS HIGHLIGHTS**

**Robots can create, not eliminate, jobs, says UN report**

**Airtel Payments Bank launches UPI enabled digital payments**

**Digital economy to offer 5-7 million job opportunities: Ravi Shankar Prasad**

**E-commerce festive sales to cross Rs 10,000 crore: RedSeer**

**Today's View**

**The ICO Frenzy**

Building up on our last ICO article (read [here](#)), where the world remains sharply divided on the true utility or potential of cryptocurrencies, Initial Coin Offerings (ICOs) have managed to gather enough steam. According to **CoinMarketCap**, 80% of the growth in the number of cryptographic assets over the past 18 months was witnessed only since January 1, 2017. Much of this can be attributed to market speculation and quantum of real-world applications for cryptocurrencies. Speculators have historically invested and continue to invest in these cryptos with the hope to make abnormal return on investments. And the sky rocketing values of both Bitcoin and Ether have substantiated the noise around cryptocurrencies. In just over a year, Bitcoin and Ether have multiplied in value by 4.8x and 19.4x respectively.

While Bitcoin remains legendary, Ethereum has raised the stakes by becoming the platform of choice for most crypto launches. Among just about a third of the total assets that were built on Ethereum, close to three fourth of the total market capitalization of cryptocurrencies in the world is associated with assets built on top of the platform. Beyond market speculation, the success of Ethereum can be attributed to the level of flexibility scripted in allowing developers to build complex smart contracts, decentralized autonomous organizations, decentralized autonomous apps and even other cryptocurrencies.

Is the ICO business showing signs of exuberance – almost to the extent of hysteria? Very recently, the world saw the largest ICO with **Tezos** raising \$232 million in Bitcoin and Ethers. The next largest ICO recorded was for a Blockchain project called **Bancor** that raised approximately \$153 million in Ether. With companies raising far more funds in Bitcoin and Ether than other companies raising real fiat money, cryptocurrencies are quickly becoming the next big digital trend – call it alarming or game changing!

**OTHER INTERESTING NEWS**

**Government plans to make PAN the business Aadhaar for companies, NGOs**

After debating for months, the government is moving to make Permanent Account Number (PAN) the Aadhaar for businesses as well as non-government organisations as it looks to close possible gaps for generation of black money.

**TIGHTENING THE GRIP**

- All cos to get PAN at the time of incorporation, making it easier to do business & track them
- Cash transactions beyond Rs 2 lakh made illegal
- Cash payments of over Rs 10,000 will be denied
- many benefits
- Corp affairs ministry has deregistered over 2L cos, barred directors from board positions
- Aadhaar to be made mandatory for all directors, promoters

The ministry of corporate affairs (MCA) has proposed amendments to the Income Tax Act as well as the Prevention of Money Laundering Act for the purpose.

Source- *The Economic Times*

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Date- 18<sup>th</sup> Sept 17

Unfortunately, not everything on the horizon is rosy. Due to ICOs being outlawed in many countries (including China), the industry has seen a number of fraudulent activities. For one, the Founder of **Qtum** admittedly used another name to run a former cryptocurrency that he abandoned after it faced controversy. In a similar case, close to \$500K was stolen from the supporters of the **Enigma** Blockchain Project following a security compromise.

For those looking to make a quick return - we would offer a word of advice and urge you to look out for warning signals around aspects ranging from product team, quality of management, parent organization, use of funds, administrator of funds collected, social media activity, etc. As a consequence of the sheer open nature of all these platforms, it may often be laborious to identify legitimate organizers of the actual ICO; here, it may be fruitful to look out for dedicated Slack or similar support channels for the community.

China's scepticism around ICOs, more like a U-turn from cryptos, stands testimony to the current regulatory grey of ICOs, its popularity notwithstanding. We believe given the current stage of development, ICOs at best remain a speculative instrument to be played with excess capital on the portfolio, only.

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## Today's News

### Robots can create, not eliminate, jobs, says UN report

The report by United Nations Conference on Trade and Development (Unctad) said that China has the second largest army of industrial robots today, and its real wages have increased about 1.5 times in the past 10 years. In both Germany and Mexico, increasing automation has created more jobs.

It is interesting to note that some countries where robot density is large, including Germany and the Republic of (South) Korea, as well as countries where the accumulation of robots has been rapid, such as China, experienced an increase, or only a small decline, in the share of manufacturing in total employment.

Source- *The Economic Times*

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### Airtel Payments Bank launches UPI enabled digital payments

Airtel Payments Bank has started Unified Payments Interface (UPI) based system on its digital platform, enabling its customers to transfer money to any bank account without paying any transaction fee.

It has become first payments bank to integrate UPI system on its digital platform. Airtel Payments Bank MD and CEO Shashi Arora said that this would allow all our 20 million bank customers to create their personalised UPI handles on the Airtel app, and enable them to make digital payments in both the offline and the online space.

Source- *The Economic Times*

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

## Fintech companies get ready to cash in this festive season

The festive season is not just a crucial time for ecommerce companies, but also for financial technology firms which are also preparing to reap a bonanza during the period.

From payment gateway companies to lending startups, everyone in the fintech space is preparing for a surge in consumption and transactions, with industry watchers expecting the total value of festive sales on Amazon India and Flipkart, which kick off this week, to reach \$1.5-1.7 billion.

Source- *The Economic Times*

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## E-commerce festive sales to cross Rs 10,000 crore: RedSeer

India's e-commerce firms may sell over \$1.7 billion or Rs 10,880 crore (as per current exchange rate) worth of goods during the festive sale this year.

"This year is likely to be the biggest sales event in the history of online retail. With a much larger online user base, higher than ever exclusive product selection and likelihood of attractive discount across categories, this will truly be a bonanza of sorts for all industry stakeholders alike — sellers, consumers and e-tailers themselves," said Anil Kumar, CEO of RedSeer Consulting.

Source- *Business Standard*

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## SBI Card plans to double credit card customers in 2-3 years

SBI Card, the joint venture between State Bank of India and GE Capital, is looking to double its credit card customers and improve its market share in the next two years.

With a card base of close to 50 lakh, SBI Card is currently the second-largest issuer of credit cards after HDFC Bank. In terms of spend too, the company currently holds the second place with an average spend of Rs. 5,500 crore a month.

Source- Business Line

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## Digital economy to offer 5-7 million job opportunities: Ravi Shankar Prasad

Electronics and IT Minister Ravi Shankar Prasad said that India's burgeoning digital economy is expected to provide job opportunities to about 50-70 lakh youth in the country by 2020. It is important to have affordable and inclusive technology to ensure growth and prosperity for the masses.

He welcomed the launch of the cyber security policy by the state and said Haryana is the first in the country to implement such a policy.

Source- The Economic Times

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## Massive pressure for innovation on India's fintech space, says Nasscom

As the government and industries come together to push start-ups into prominence across the country, there is a visible focus on fintech companies, with many of them getting a larger share of the investment pie.

K S Vishwanathan, Nasscom vice-president for industry initiatives and head of the 10,000 Startups programme said that quantifiable objectives in fintech start-ups are more measurable. Number of customers acquired, number of retail branches or number of efficiencies delivered, cost per transaction lowered, etc, are easier to show (in fintech) compared to other sectors.

Source- Business Standard

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## 'GSTN technical glitches will be resolved by Oct-end'

The head of the Group of Ministers (GoM) tasked to look into Goods and Services Network's (GSTN) technical problems, which has impacted the filing of tax returns, has assured that the issues will be resolved by October-end. As this is an uncharted territory, some technical problems are bound to arise initially.

The group is examining the technical problems faced by GSTN, which is the IT platform for real-time taxpayer registration and tax returns. India's second-largest software services provider Infosys is managing the IT infrastructure for GSTN.

Source- Business Line

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## Fintech firm HighRadius raises \$50 mn to fuel its global expansion plans

AI-based fintech firm HighRadius, which provides cloud-based Integrated Receivables software, has raised \$50 Mn in a growth funding. The investment was led by US-based PE firm Susquehanna Growth Equity. After 11 years of bootstrapping, this is the first investment raised by the US and Hyderabad-based firm.

The newly raised funding will be utilised by the company to fuel its growth. The funding will further be utilised towards global expansion, including, Americas, Europe and Asia.

Source- Inc42

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## Credit Karma to launch free ID monitoring following Equifax hack

Credit Karma Inc is launching a new free service that will alert customers if their identity data has been compromised in hacks, the San Francisco-based fintech company said on Friday in the wake of massive breach at credit monitoring agency Equifax Inc.

CreditKarma will keep track of data breaches and tell customers if they are one of the victims. Customers can then check to use the company's credit monitoring services and flag suspicious activities.

Source- Reuters

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