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Indian 'Jugaad' is renowned. A recent instance of India 'Jugaad' has been to secure free credit using the credit card. Quite common amongst the millennials and urban poor is an innovative use case for their digital wallets, where money is added to the wallets using credit card and then the money is transferred back to the bank accounts at zero transaction cost. Once the amount is in the account, its free-of-cost credit.

For a wallet, when a user added money to their wallet using credit card and then transferred it immediately to their bank without the wallet charging anything , it meant a loss for the wallet since it had to pay for the interbank settlement, effectively funding the credit for the consumer. Recently a digital wallet, Paytm, announced that it will now be imposing a 2% fee for adding money to its wallet using credit card. However, Credit card users who are actually transacting on the Paytm marketplace, booking tickets and paying utility bills will not be charged the 2% fee. Paytm will provide a cashback for using credit card to add money to the wallet, of an equal amount.

Ahoy, till the next 'Jugaad'.

Paytm to levy 2% fee on recharge via credit cards

Paytm will now levy a 2% fee for adding money to Paytm wallet using credit cards with effect from March 8. The cost of adding money to the wallet through other modes such as net banking and debit cards remains non-chargeable.

This is a result of multiple users using Paytm to get free credit by using credit cards to top up their digital wallets and transferring the money back to their bank accounts at zero transaction cost.
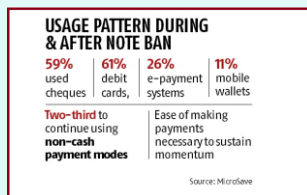
Source- The Economic Times

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Note ban boost to digital payments continues

According to a study conducted by US-based financial inclusion consultancy firm MicroSave 66 per cent would continue to use non-cash payment modes.

USAGE PATTERN DURING & AFTER NOTE BAN

59% used cheques	**61%** debit cards,	**26%** e-payment systems	**11%** mobile wallets
Two-third to continue using **non-cash payment modes**		Ease of making payments necessary to sustain momentum	

Source: MicroSave

However, 34 per cent said they would return to using cash because of behavioural and functional issues.

Source- Business Standard

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Date- 09th Mar 17

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HDFC Bank digitises over 1200 dairy co-operatives across India

Private sector lender HDFC Bank has digitised payments at over 1,200 dairy co-operatives in the country which benefits 3.2 lakh dairy farmers across 16 states under the aegis of its Milk to Money (M2M) programme.

M2M launched in 2010 is aimed at bringing dairy farmers into the organized banking system, digitising the entire dairy value chain, and bringing to them all products meeting their banking and financial needs.

Source- The Economic Times READ MORE

Centre makes Aadhaar mandatory for crop insurance schemes

Aadhaar would be mandatory for all those who avail crop insurance under the Pradhan Mantri Fasal Bima Yojana or the revised weather-based insurance scheme.

However, the government clarified that if any grower or those who want to avail themselves of insurance under the PMFBY or otherwise, do not have Aadhaar number, they can still enroll after producing proof of applying for Aadhaar and alternative identification documents.

Source- Business Standard READ MORE

HP launches 'Centre of Excellence' to support Digital India

Hewlett-Packard unveiled its first Centre of Excellence (CoE) in India to showcase locally developed solutions that have the potential to digitally transform the country.

HP has built this facility in alignment with the Government's Digital India initiative, to offer solutions that solve real life problems with technological innovations. It aims to showcase multiple solutions for sectors such as education, healthcare, BFSI, and manufacturing.

Source- The Economic Times READ MORE

Rang De helps rural women use India Stack to avail micro loans

Rang De, a not-for-profit P2P lending platform, is moving to a digital model that will leverage bank accounts created under the Pradhan Mantri Jan Dhan Yojana scheme and India Stack features such as Aadhar, eKYC and unified payment interface (UPI).

In its shift to digitize lending to underserved communities through a project 'Swabhimaan', it will provide financial literacy and also enable online loan application, credit scoring and cashless disbursal.

Source- The Economic Times READ MORE

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

Alibaba targets acquisition of online movie ticket sites

Jack Ma-founded Alibaba is looking to acquire an online movie booking site to up its game in India's retail entertainment business.

Alibaba Pictures, the movie and TV content business controlled by the ecommerce firm, was in negotiations to buy 70-75% stake in Orbgen Technologies for about $35 million. Orbgen operates ticket-booking platform TicketNew. Alibaba has already committed an investment of Rs 200 crore for developing content ecosystem in India and Indonesia.

Source- The Economic Times

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Investors bullish on deep technology start-ups

Angel investors and venture capital funds are chasing Indian deep technology startups working on engineering innovation using augmented reality, machine learning and artificial intelligence (AI) because of their potential to scale up rapidly and be able to offer an opportunity for early exit.

Deep tech entrepreneurs have raised millions of dollars in the past six months and most of these investments are for the long term. This trend will continue because of the high returns.

Source- Business Standard

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To Unlock Potential of Digital Age, Europe Must Go Beyond Internet Access, Says World Bank

World Bank Report note that countries in the European Union (EU) must enact policies designed to better help workers adapt to new jobs being created by the internet if they want to avoid increasing inequality and exclusion in the region.

Additionally, less than 30 percent of firms in the EU use cloud computing and even fewer use this technology for more sophisticated uses beyond e-mail, such as managerial and accounting tasks.

Source- The World Bank

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Digital payment trend shows mixed results in February

In February, the total volume fell to 76.3 crore transactions compared to 78.02 crore in January and 84.9 crore in December. In February, the total digital transaction value increased by 10% over January and about 4.6% over December.

Other latest payment interfaces like Unified Payments interface has begun to show some traction in February.The total value transacted using USSD increased marginally in February.

Source- Telecom

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Samsung Pay now live in India

Samsung has soft launched its mobile payment service Samsung Pay in India. For adding the wallet, Samsung Pay suggests linking the users mobile number, and then add money to make payments for purchases.

Samsung Pay works like a digital wallet in the offline space, such that a phone can be swiped on a point of sale terminal that supports the app, and push their fingerprint on the screen, which then takes money and pays the retailer digitally.

Source- The Economic Times

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IndiaMART forays into fintech, plans to enable 3 mn sellers with a suite of products

IndiaMART, India's largest online marketplace has announced its entry in the payments space to enable over three million sellers on its platform.

The company has launched its buyer and seller protection program which will enable the sellers to remain free from the concern of payment risk, and assure the buyers that they will receive exactly the product or service they expect before the payment is made.

Source- Dna

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Hyperlocal grocery delivery startup Grofers to focus on Delhi, Mumbai, Bengaluru

Locodel Solutions, which operates hyperlocal grocery delivery start-up, Grofers, has decided to concentrate on three large markets – Delhi-NCR, Mumbai and Bengaluru.

In 2015-16, the company had shut down operations in nine cities due to lack of business and laid off 200 employees. In Mumbai, it is seeing good traction in customer orders and want to achieve 12,000 orders per day.

Source-The Financial Express

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Ola for Android Now Offering UPI Payment Option to Select Users

Ola has updated its Android app to accept payments via the Unified Payments Interface (UPI).

With the UPI service, Ola users will be able to pay for the rides directly from their bank account, in addition to already available Ola Money, and credit/ debit card payment options. The UPI payment method is available in the latest Android version (v4.2.9) of the Ola app on Google Play.

Source- Gadgets360

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