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Facebook seeks patent for payment system

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Simpler the constitution of start-up, better it is for founders

Today's View

Tech got your job

According to a recent McKinsey and Co. report nearly half of the workforce in the IT services firms will be "irrelevant" over the next 3-4 years. The churn in the IT sector can be attributed to increasing automation and other significant shift in technologies. This invasion of technology is not just confined to India or the IT sector. Technology, in fact, is disrupting almost every industry in every country. Any technological revolution or industrial change brings with it an element of anxiety for the workers. When the Luddites destroyed weaving machines in the 19th century, they did it dreading loss of their livelihoods.

Likewise, in 1970s when the first ATMs were launched there was a massive outrage with bank tellers fearing for their jobs. At the dawn of the self-service banking age in 1985, the US had 60,000 ATMs and 485,000 bank tellers. In 2002, the number changed to 352,000 ATMs and 527,000 bank tellers. The rate of increase in numbers might not be the same now but ATMs notwithstanding, banks do a lot more than they used to and have a lot more branches than earlier.

Similarly Fintechs are pushing through a new industry paradigm making it possible for people to get their banking done without walking into a branch if they don't want to. As a result, there is a fear of rightsizing among bank workforces with robotics taking over jobs humans used to do.

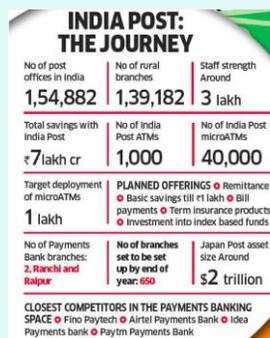
However, the increased automation doesn't necessarily mean the Bank employees lose their jobs. A cursory look at China, where the fintech revolution has gone the farthest, far from toppling the banks as cornerstones of the economy, fintech firms play a different role, serving un/under-served customers. As digital banking became a part of everyday life in China, online lending in form of P2P platforms exploded. As a result Fintechs are able to reach out to small-time borrowers who, with no access to formal banking channels, can now get loans at much lower interest rates than the obnoxious rates charged by pawnshops.

For bank employees, we believe as technology and Fintechs alter the banking landscape, the jobs which employees will perform will be very different from what they do now. Automated processes will probably end a lot of the current tedious work practices. All with healthy dosages of retraining. Back to the classroom fellas!

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From money order to mobile banking

India Post, which has almost become extinct to a generation of people in urban India, prepares for a new life under the India Post Payments Bank by marrying its almost 1.5 lakh physical branches, of which 89% are in rural areas, and 3 lakh employees with the latest technology available to reach out to villages.



Source-The Economic Times

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Date- 31st May 17

Bank account number portability can be reality soon: RBI

Customers may soon get to seamlessly switch to another bank with the same account number without losing any transaction details such as credit/debit history — all thanks to Reserve Bank of India's push.

Bank account number portability allows a banking customer to retain an account number even if she or he switches to another bank. The two key enablers for this in the Indian banking context are Aadhaar as the unique identification for customers and National Payments Corporation of India (NPCI) as a central payment system.

Source- Money Control

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NPCI announces that UPI is now being offered by 50 banks across the country

The National Payments Corporation of India (NPCI) has announced that the Unified Payment Interface (UPI) is now supported by fifty banks across the country. At the end of April 2017, the total volume of transactions was 7 million, up from 6.2 million in March.

Mr. Dilip Asbe, Chief Operating Officer, NPCI said, "The UPI ecosystem now covers all Public Sector Banks and major private banks. Now we are in the process of extending the service for co-operative bank customers. UPI's growing merchant base is also helping its users to make digital transactions seamlessly."

Source- Firstpost

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India's 'BankChain' Consortium Launches Blockchain KYC System

A blockchain consortium in India centered around banking applications has unveiled a new system for sharing information about customers.

Dubbed 'ClearChain', the project is being spearheaded by the BankChain consortium, which was launched in February with the backing of institutions like the State Bank of India (SBI) and ICICI Bank, among others. The group is working with Primechain Technologies, a Mumbai-based startup, as well as IBM and Microsoft on the software side.

Source- Coin Desk

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Uber in talks with NPCI to bring UPI-based payments

US based online taxi aggregator Uber is in talks with National Payments Corporation of India (NPCI), as it tries to find ways to introduce UPI based payment option on its platform.

Uber currently allows riders to make payments in cash, besides using debit/credit card. As for payment wallets, riders can use Paytm for transaction which has been embedded in the Uber app.

Source- Financial Express

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

Facebook seeks patent for payment system

Facebook has moved the country's patent office seeking patent for its invention relating to a transactional payment system that allows users of messaging system to send and receive electronic payments.

In particular, the transactional payment system allows users of messaging system to send and receive electronic payments to and from other users of the messaging system.

Source- Financial Express

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AppDynamics' Bansal bets on LeadSquared, Funds Tiger; may float fund

Silicon Valley-based tech entrepreneur Jyoti Bansal, who sold his app performance management company AppDynamics to IT giant Cisco for \$3.7 billion early this year, is set to become an active investor in Indian startups.

Bansal has already made an undisclosed amount of pre-Series A investment in Bangalore-based sales and marketing execution startup LeadSquared. He is also likely to invest in fin-tech startup Funds Tiger.

Source- VC Circle

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Welcome move to integrate APMCs

India is one country, comprising 29 states. But its agricultural market is fragmented into 2,477 principal regulated markets and 4,843 sub-markets, created by Agricultural Produce Market Committees (APMCs).

This is reflected in wide inter-state and intra-state farm-price differences. Politically influential middlemen and not the farmers rule the roost in APMCs. The APMCs impose arbitrary and non-transparent levies on farmers. The Model APMC Act mooted recently by the Centre is a welcome step to clear this mess.

Source- Deccan Herald

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P2P lenders seek FM's help to get clarity on sector's rules

Frustrated with the Reserve Bank of India's delay in finalising the guidelines for peer-to-peer lending, some P2P lenders seek FM's help to get clarity on sector's rules.

In the letter to finance minister, they wrote that in the absence of clarity of regulations, venture capitalists have been reluctant to invest in P2P lending companies. This is not only depriving us of the much-needed funds, but is also creating an obstacle for incoming foreign direct investment into India.

Source- The Economic Times

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Are e-wallets good for gold?

If you have a Paytm e-wallet, you can buy and sell gold in digital and physical forms. Though there is a monthly transaction limit of Rs 20,000 and a daily transaction limit of Rs 5,000 for using the e-wallet, you can buy gold of any amount using other payment modes on the same platform such as net banking, credit card or debit card and don't have to load the wallet to buy gold.

To enable this service, Paytm has partnered with MMTC-PAMP India Pvt. Ltd— a joint venture between MMTC Ltd and PAMP Switzerland.

Source- Mint

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2 panels to give inputs on investments, e-commerce

The Centre has kicked off inter-ministerial consultations to generate inputs for framing national policies on investment and e-commerce that could help the country in taking a strong position in the sectors in all on-going trade negotiations.

Two committees, comprising senior officials from a number of key ministries and departments, including the departments of economic affairs (DEA), industrial policy & promotion (DIPP) and commerce, have been constituted with the objective of looking at various elements beneficial to India.

Source- Business Line

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Uber to expand engineering team in India for more innovations

US-based cab aggregator Uber is hiring more techies for its engineering centres in the country as it looks to roll out more innovations from India in areas like payments, bookings and rider and driver experience.

Uber has two engineering centres in India — in Bengaluru and Hyderabad. The teams work on areas like safety, payments, driver growth, maps, vehicle telematics and rider experience, among others.

Source- Business Line

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Simpler the constitution of start-up, better it is for founders

Divakar Vijayasathy, partner, DVS Advisors, an international professional services firm offering tax, legal, risk and M&A advisory services for domestic and global business said that one of the earliest decisions which a start-up needs to make is about the constitution of the enterprise.

Tax and regulatory consequences differ for each of the above. Simpler the constitution, better it is for the entrepreneur. Further, it is imperative for start-ups, especially the loss making ones, to file their tax returns on time to ensure that losses are eligible for carry forward for set-off against future incomes.

Source- Financial Express

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