



NEWS HIGHLIGHTS

Branch additions drop as Modi Govt's digital push changes banking sector

Paytm bank, IndusInd Bank ally for deposits

Flipkart cuts burn to half that of rival Amazon

More focus likely on cybersecurity in the Budget

The Aadhaar data breach problem

Today's View

Blockchain: From Bitcoin to Agriculture

According to the **Food and Agriculture Organisation's (FAO)** commissioned study "Global Food Losses and Food Waste", roughly one third or 1.3 billion tons of the food produced globally for human consumption every year gets lost or wasted.

Today, majority of the food produced goes through a large number of touch points as it moves from the producer to the final consumer. Thanks to the presence of multiple intermediaries, inefficiencies creep in resulting in colossal loss of food. Moreover, drastically varying shelf life across food varieties, climatic conditions, along with the quality of storage also play an important role in determining perishability. To put an end to this in a novel manner, agtech start-ups are now using blockchain and its smart contract feature in the global food market.

California-based **Zest Labs** has developed a fresh food management solution using IoT sensor technology and the blockchain technology. It focuses on delivering consistent food quality, reducing food wastage, and improving food safety. The company has derived a single freshness metric — the **ZIPR code**, based on the product type, farm location, and the actual harvest and processing conditions – to enable significantly improved management decisions. Zest Fresh software calculates a ZIPR code for each tracked pallet, using patented methodology and sensors, ensuring inventory and shipping decisions are based on actual freshness.

INTERESTING NEWS

Setting off gains against other trading losses

Investors have reached out to the I-T department to define their gains or losses from Bitcoins as speculative business income. It can then be set off against losses or gains incurred from other speculative businesses to reduce or square off tax liabilities.



I-T has issued about 5 lac notices to Bitcoin and crypto investors.

Source – *The Economic Times*

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Date – 08th Jan 18

Further, San Francisco-based **RipeIO** has incorporated the blockchain technology into agriculture and aims to advance it into the food supply chain. Its algorithms crunch data to calculate sustainability scores, as well as scores for spoilage and safety levels. Similarly, Switzerland **Ambrosus** uses a customized combination of robust sensors, biosensors and food tracers to assess and monitor the physical attributes of food and the quality of its surroundings in real-time. Even large food and agriculture players like **Walmart** are exploring the use of blockchain in its food tracking systems.

Consumer demand for fresh and unadulterated food, including organic, is rising steeply. This requires businesses to be more doubly conscious of food quality and track its journey from farm to table. Start-ups liked **Provenance** and **FarmShare** are using blockchains to solve this problem. Here, the Blockchain technology helps track information about food, its origin, and participants along the supply chain – and the real beauty lies in the fact that nobody can tamper with this data. Ultimately, this technology enables farmers, manufacturers, and retailers justify premium prices for fresh products and help instil a sense of confidence in consumers with respect to food quality.

It's clear that Bitcoin's underlying technology holds far more potential to solve significant problems around the world than was imagined. However, connecting this technology with viable business models remains the real challenge for agtechs. It remains to be seen how this technology is able to disrupt the industry at large. So let's block food wastage and chain hunger and starvation.

Today's News

Branch additions drop as Modi Govt's digital push changes banking

The RBI's May 2017 guidelines shifted focus from branches to banking outlets, which include banking correspondents along with branches. "The definition of branch is changing. With the new regulations, even a banking point can be a branch," said Romesh Solti, MD, IndusInd Bank. While bank executives continue to stress the importance of branches, branch additions for most major banks does not correspond to the number of the past 2 years.

Source – *Business Standard*

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Paytm bank, IndusInd Bank ally for deposits

Paytm Payments Bank announced a partnership with IndusInd Bank under which an FD will be automatically created when a customer's account balance exceeds Rs.1 lakh at the end of day. Customers can also redeem their deposits instantly, any time, without paying any pre-closure or miscellaneous charges.

Source – *The Hindu*

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

Karnataka Govt. ready to fund start-up dreams

Starting this year, the Karnataka state government is set to start funding technology startups across the country provided they register the company in Karnataka.

The Karnataka Govt. launched the startup policy in 2015, and has set up several funds with a corpus of over Rs. 300 crore to back startups across different sectors such as biotechnology, tourism and animation.

Source – *The Economic Times*

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Airtel Payments Bank removes 1,000 retailers from network

Airtel Payments Bank has terminated relationships with nearly 1K retailers for not following the due process while signing up customers. They levied a penalty of around 50x the commission paid on retailers who violated the guidelines the first time, and removed repeat offenders.

Source – *The Economic Times*

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Enabling P2P lending

Many creditworthy borrowers are unable to access formal credit. "Faircent has been leveraging tech to facilitate access to credit for under-banked segments," said Rajat Gandhi, CEO, Faircent. They also provide facilities like 'auto-invest' and 'lenders' escrow accounts' to speed the process and reduce cost.

Source – *Business Standard*

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Flipkart cuts burn to half that of rival Amazon

Flipkart is keeping a tight control over its purse strings as it looks to build a sustainable business. The company has been able to cut its burn to just \$17-18 million every month as measures to squeeze sellers for more margins and cut in customer discounts have kicked in.

It is also focusing on introducing private labels that yield higher margins and offset losses from other business units. Flipkart has been able to reign in its cash burn, but rival Amazon continues to burn between \$35-40 million every month in India.

Source – Business Standard

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More focus likely on cybersecurity in the Budget

Digitization, one of the key aims of the Narendra Modi government, might not see a major allocation rise in the Budget for 2018-19. However, cybersecurity could get separate funding, with more incidents of data leakage coming to the fore.

According to sources in various ministries, the government is likely to keep the overall digitization budget at Rs 200 billion. The allocation was around Rs 180 billion for various digitization schemes in the current financial year.

Source – Business Standard

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The Aadhaar data breach problem

The UIDAI's response to The Tribune report detailing alleged data breach in the Aadhaar programme has moved from unsatisfactory to counterproductive. It has now filed a police complaint against the newspaper and reporter involved.

There have been multiple allegations in the past of data security breaches in the programme. Despite this, UIDAI has continued to function opaquely. Its expansion beyond its original scope has raised the threat and consequences of data breaches considerably.

Source – Livemint

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Diversification is next logistics move for slump-hit B2C firms

Ecommerce logistics companies, engaged in the B2C space, are diversifying their offerings due to sluggish growth in this sector, with top online retailers like Flipkart and Amazon in-sourcing more than half of their logistical requirements through eKart and Amazon Transportation Services, respectively.

Players like Delhivery, Xpress-Bees, Shadowfax and Loadshare have extended their offerings to the B2B segment, trading into a space currently dominated by the likes of Rivigo and Blackbuck.

Source – The Economic Times

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Uber re-launches Auto service in India

Uber is re-launching its 'AUTO' service in India, starting with Bengaluru and Pune. The ride will include safety features available for Uber cab rides and riders will be able to pay via cash, Paytm and debit/credit cards. Uber will only on-board licensed, existing auto-drivers who have been screened and accredited by the authorities and every driver partner on AUTO will be required to submit valid government documents before they are given access to the Uber app.

Source – Livemint

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UpGrad eyes \$40 m in external funding

Online adult education and upskilling startup UpGrad has begun discussions with potential investors to raise about \$40 million (Rs 266.11 crore) in what will be its first round of external funding, as it looks to rapidly scale its operations.

Source – The Economic Times

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Co-working spaces likely to see momentum in 2018

The momentum gained by co-working spaces in 2017 is likely to continue in 2018 as well as large corporates look at consolidating businesses to maximize their productivity. Also, the demand for co-working spaces is no longer limited to freelancers or start-up employees.

Source – The Times of India

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