India can do more to put its economy on a firm footing
Blockchain to drive IT innovation in BFSI sector

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OVER THE PAST DECADE, blockchain has become a foundational technology facilitating cutting-edge innovation across industries in India. We have witnessed some truly revolutionary changes across the BFSI, telecommunication, healthcare, e-commerce and government sectors backed by blockchain. In fact, a recent report by PwC indicates that India will become a blockchain leader amongst the nations of USA, China and Australia by 2023.

Some of the key financial segments where blockchain has truly made an impact during the last year are in the banking, finance and digital payments area.

Banking

In January last year, Institute for Development and Research in Banking Technology (IDRBT) division of Reserve Bank of India (RBI) came out with a blueprint of blockchain platform for the banking sector. This was a significant move because there were no regulatory guidelines in place for adoption of blockchain technology by banks and financial institutions in India. Interestingly, a consortium of 11 of India’s largest banks including ICICI Bank, Kotak Mahindra Bank, Standard Chartered Bank and Axis Bank have launched the first ever blockchain-linked loan system in the nation. Leveraging the distributed ledger, this technology will not only ensure transparency in credit disbursement, but also remove communication huddles among various banks. Blockchain also enhances customer experience by bringing down transaction time from hours to seconds.

Insurance

Insurance firms are turning to blockchain and smart contracts to bring in more efficiency, transparency and security. By harnessing blockchain technology, insurance firms can ensure better policy management, underwriting and quicker claims processing. For instance, a portal driving travel insurance sale, allows customers to buy travel insurance and claim settlements in case of flight delays. Blockchain enables the application to notify a user about payout eligibility in case of flight delays and also helps customers to process claims with ease. Fraud prevention is another critical part of blockchain.

Digital Payments

Despite the Reserve Bank of India’s restrictions on the use of cryptocurrency, Indians are increasingly becoming interested in learning more about the phenomenon, as well as the technology that goes into it. Organisations are actively working towards examining the underlying technology enabling blockchain-based payment solutions. For instance, the National Payments Corporation of India (NPCI), an umbrella organisation for all retail payments in India, announced that it intends to develop a resilient, real-time and highly scalable blockchain solution.

According to a report from NITI Aayog, the current cross-border payments model lags an international clearing house and relies on correspondent banks, which causes inefficiency, slow speed, and high cost. As a result, banks and firms are also exploring blockchain technology for cross-border payments to provide faster, inexpensive, and efficient services.

A study by ASSOCHAM and PwC India indicates that the digital payments in India will more than double to $1.5 trillion in 2023, from $64.8 billion in 2019. This growth is attributed to the innovations in the payments sector, largely driven by new technologies such as AI, blockchain and IoT. As BFSI organisations seek new ways to enhance customer experience while ensuring operational efficiency, technologies such as blockchain will drive the next wave of IT innovation in the sector.
Gadkari Expresses Reservations on Zojila Tunnel's Cost Escalation

New Delhi: Union minister of road transport and highways Nitin Gadkari on Wednesday expressed 'reservation' on factoring in the cost escalation of the Zojila Tunnel in Jammu & Kashmir, calling for identifying ways to invite bids at the project's older cost of ₹6,800 crore.

"I have a lot of reservation related to cost (of Zojila Tunnel)," Gadkari said at a stakeholders consultation meeting on underground construction and tunneling. "I am not going to increase the cost," he said.

The 14.2-km long tunnel which has been languishing for a few years now, has seen cost escalation to the tune of around ₹1,600 crore after it was abandoned by IL&FS Transportation Network, the road development arm of crisis-hit Infrastructure Leasing & Financial Services (IL&FS).

ET had reported in June 2019 that the National Highways & Infrastructure Development Corporation Limited, the implementing agency of the project, has revised the cost of the project to ₹8,400 crore.

The tunnel project is of strategic importance since it will provide all-weather connectivity between Srinagar and Leh, while the current national highway that connects the two remains shut for nearly six months due to snowfall.

IL&FS had beaten Larsen & Toubro, Reliance Infrastructure and Jaiprakash Ventures in January 2013 to bag the contract on engineering, construction and procurement basis.

The government had made four attempts since 2013 to invite bids under the public private partnership model, but got poor response.

The project is now pending approval from the union Cabinet.
"I am not going to increase the cost (of the Zojila project)...
There is a need for tunnels to provide all-weather connectivity. In the next five years, we will undertake work worth more than ₹1 trillion for tunnels."

NITIN GADKARI
Union minister for road transport and highways
Uber Money team debuts in Hyderabad

PEERZADA ABBAR
Bengaluru, 11 February

Ride-hailing giant Uber Technologies on Tuesday said it has set up Uber Money, a team of more than 100 technology professionals responsible for global financial products and technology innovations, at its Hyderabad Tech Centre, making it the first such commitment in the Asia-Pacific region.

The team will play an essential role in enabling upcoming new global features and improvements, including real-time earnings, updated debit accounts, and debit cards for Uber drivers, along with Uber Wallet and refreshed Uber credit card for Uber riders.

With deep knowledge in front-end, full-stack, mobile, machine learning, and data engineering, the firm said the team will focus on implementing new payment methods, enabling and building financial compliance tools.

The company also said it would leverage smart routing technologies for payment gateways, and apply Uber Artificial Intelligence models for intelligent risk decisions.

"The Uber Hyderabad Tech Centre has the best-in-class fintech talent specializing in risk, payments, financial reporting and analytics platform engineering," said Naga Kasu, engineering director and Hyderabad site lead, Uber.

"Besides engineering, we are investing in growing and scaling data science, analytics, and product management organizations to transform Hyderabad into a full spectrum tech site for Uber," he added. The overall transaction value in the Indian fintech market is estimated to jump from nearly $66.1 billion in 2019 to $137.8 billion in 2023, growing at a compound annual growth rate of 20.18 per cent, according to a report by PwC and industry body ASSOCHAM.

Emerging markets are leading the way, with both China and India recording 87 per cent fintech adoption rate in 2019, significantly higher than the global average rate of 64 per cent, according to EY's Global FinTech Adoption Index 2019.

Uber's Bengaluru-based rival Ola is also increasing its focus on the fintech market. Ola Financial Services (OlaMoney) offers a host of financial solutions ranging from the OlaMoney wallet to post-paid services and micro-insurance for rides taken on the platform to a one-of-a-kind health insurance solution.

The homegrown company had said it is India's largest private micro-insurance platform and largest provider of post-paid services.

The company had said OlaMoney was working towards building products that are simple, accessible and have a positive impact on the lives of both its customers and driver-partners.
Every third teen at risk of cyberbullying: Unicef

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Lucknow: Every third teen using internet is at risk of cyberbullying, which leaves a serious impact on a child’s overall development, says a Unicef report. The extent of problem can be gauged from the fact that Uttar Pradesh has 3.34 crore children in 11-17 years age-group as per Census 2011.

Similarly, on the national level, 95% of teens, aged between 13 and 17 years, surf internet, says the 2015-16 Assocham survey. And when it comes to stark numbers, the ‘India Internet 2019’ report from Internet and Mobile Association of India (IAMAI) pegs the count of active internet users in the age bracket of 5 to 11 years at 66 million.

Raising concern over cyberbullying menace and its adverse impact, experts observe February 11 as Safer Internet Day.

“Children don’t always recognize ‘online’ and ‘offline’ as distinct spaces. For children, online experiences — whether good or bad — are intertwined with their real lives,” said Dinesh Kumar, child protection officer, Unicef, adding, “Children can become targets of cyberbullying through gaming sites, social media and similar platforms.” The Unesco report on School Violence and Bullying, 2017, reveals that girls experience cyberbullying more than boys, while older students are more exposed to the menace than younger ones.

“Perpetrators act aggressively online in ways they would not when face-to-face with victims, because social norms constraining them are weaker when they cannot be identified and cannot see its emotional effect. Children should be encouraged to share such incidents with parents and teachers without fear,” said Dr Harjeet Singh, former head of psychiatry department, KGMU.