

## Indian M-wallet Mkt may Touch ₹1,512b by 2022



The mobile-wallet market in India is set to grow at over 190% to reach ₹1,512 billion by 2022 from the current level of about ₹1.5 billion, says a study by Assocham and RNCOS. The m-wallet transactions are likely to grow at a CAGR of over 160% to rise from just over half-a-billion in FY16 to 260 billion by FY22. Robust mobile internet penetration together with increasing disposable incomes are the factor which will drive this growth. —IANS

## DeMon opens new avenues for M-wallet transactions

TIMES NEWS NETWORK

Hyderabad: Thanks to demonetization, mobile-wallet (M-wallet) transactions are likely to grow at a compounded annual growth rate (CAGR) of over 160% to rise from over \$0.5 billion in FY16 to \$260 billion by FY22, apex industry body ASSOCHAM said in its study - M-wallet: Scenario Post-Demonetisation - released on Monday here.

M-wallet is a virtual wallet service provided by certain service providers, into which people can load a certain amount of money and spend it at online and offline merchants listed with the mobile wallet

service provider.

ASSOCHAM secretary general DS Rawat pointed out that the growth in the usage of M-wallet will be aided by factors such as rising sale of smartphones, improving internet penetration, growth of e-commerce sector along with the rise in disposable incomes of the people. "The government has hinted at not remonetising all of the scrapped currency and aims to fill the gap by promoting digital/cashless payment modes, this is bound to further boost prospects for the m-wallet sector in India," Rawat added. He further added that as the mobile payment space evolves, companies will have

to beef up the security aspect so as to inspire confidence among the masses.

According to the study, before the demonetization move was announced on November 8, 2016, cash accounted for 96% of the monetary transactions in the country.

With cashless transactions being encouraged, the ASSOCHAM study pointed out that there are certain factors that may impede the growth of M-wallet adoption in the country. For example, M-wallets allow limited amount of money transfers from wallet to wallet or wallet to bank, which is not the case while transacting using debit or credit cards.

# 'Villages need 20 years to go cashless'

BUSINESS BUREAU

Hyderabad: Indicating that it would not be an easier task to turn India into a digital economy, industry body Assocham on Tuesday said that it would take at least 20 years for the Indian villages to go cashless.

"Given the current challenges and illiteracy levels in the country, villages in India will need at least 20 years to go digital in terms of monetary transactions," D S Rawat, Secretary General, Associated Chambers of Commerce and Industry of India (Assocham), told the media here after releasing a study by the industry body and RNCOS, a business consulting firm.

He however maintained that bigger and metro cities would adopt digital payments much



Shushmut Maheshwari, CEO, RNCOS, Babulal Jain, Chairman, and D S Rawat, Secretary General, Assocham, releasing a study on mobile wallets in Hyderabad on Tuesday.

Photo: N Shiva Kumar Meru

faster. "We expect bigger cities and metros to adopt cashless transactions faster. However, only 60 to 70 per cent of people in cities will go digital in next three years," he

said. Explaining the challenges the rural India was facing in terms of cashless transactions, he said English language was the main medium of communication for

most of the mobile wallets and it was no different in case of the usage of debit cards. "In this backdrop, how illiterate people will go for cashless transactions?" he asked. Meanwhile, mobile wallet (m-wallet) transactions in India are likely to grow at a compounded annual growth rate (CAGR) of over 160 per cent to rise from just over half a billion in FY16 to 260 billion by FY22 driven by growing usage of smartphones, robust mobile internet penetration, growth of e-commerce sector together with increasing disposable incomes, according to the study titled 'M-wallet: Scenario post-demonetisation'.

While in value terms, the M-wallet transactions in India have grown about 20 times to reach Rs 20,600 crore in FY16 from Rs 1,000 crore in FY13.

# m-wallet transactions come at a cost

BUSINESS BUREAU  
Hyderabad

Even as the use of electronic payments is on the rise, the charges collected by mobile wallet players for transferring the amount from the wallet to the bank is abnormally high, going from 2 per cent to 2.75 per cent, per transaction.

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A report on impact, loss of productivity due to standing in queues is being made

— DS RAWAT

ASSOCHAM SECRETARY  
GENERAL

The government should step in to ensure that transaction costs are removed all together or kept at as close as possible to zero, according to a report m-wallet: Scenario Post Demonetisation, released by lobby group Assocham together with RNCOS Business Consultancy Services.

Assocham secretary gen-

eral said the note ban has increased the use of mobile wallets and the onus is on the government to create a system where the transactions are secure. "A strong authentication mechanism must be put in place to identify the user," he said adding that measures like one-time password, security options, data back-up need to be taken up rigorously.

"We are making a report on the impact of demonetisation. That will also cover

the productivity loss due to people standing in unending queues at banks or ATMs," said Rawat.

The study called for unambiguous policies and a common regulatory body for all mobile wallets—closed, semi-closed and others. It is a big challenge for the industry to bring shoppers preferring cash-on-delivery mode of payment on to mobile wallet platform.

The number of mobile wallet transactions are



## Digital Currency



- As many as 102 million smartphones have been shipped to India and about 99.2 million have Broadband subscription
- Study said m-wallet companies can charge 0.75 per cent for transactions upto Rs 2,000 and one per cent for bigger transactions. Now, they are charging around 2 to 2.7%
- Majority of the retail market does not have point-of-sale machines to offer card-based payments
- These transactions need people to disclose their identity. Hackers can hack the security or wireless transmission and obtain customer information
- The wallet players are competing in a market that is worth Rs 154 crore in 2016 and could go up 670 crore in 2017
- There could be about 600 million mobile wallet transactions in 2016 and the total transaction value is about Rs 20,600 crore

likely to be over 600 million during this financial year. In value terms, it could be Rs 20,600 crore, up from 1,000 crore three years ago. Future growth will be even more, said RNCOS founder and chief executive officer Shushmul Maheshwari.

Average ticket spend through the mobile wallets will be between Rs 2,000 and Rs 10,000, up from the earlier Rs 500-700. Demonetisation is lucrative for m-wallet players.

## M-wallet spend to quadruple

ENS ECONOMIC BUREAU @ Hyderabad

MOBILE Wallet (M-Wallet) transactions may see fourfold increase in the near term and set to grow at a CAGR of over 160 per cent, to rise from just over half a billion in financial year 2016 to 260 billion by FY 2022, pointed out a report released by Assocham in Hyderabad on Tuesday.

Even after 50 days of demonetisation, cash crunch is continuing, making hitherto reluctant people to adopt cashless transactions and use mobile wallets like Paytm. This was evident in the report as it stressed that the not just number of mobile wallet users will rise but the average retail spend from m-wallet users is set to increase from ₹500-700 prior to demonetisation to ₹2,000-10,000 in the near term. The study also highlighted that, over the past three years m-wallet transactions have grown by 20 times to reach ₹206 billion in FY16 from ₹10 billion in FY13.

However, this rosy picture is also fraught with various problems, with concern about safety being the major one. "Government should set a common regulatory body for all m-wallets and devise a clear policy," summed up Babu Lal Jain, chairman of Assocham's national council on cyber and network security.

## M-wallet retail spends set to surge: Study

SPECIAL CORRESPONDENT

**HYDERABAD:** M-wallet transactions in India may grow at a CAGR of over 160 per cent — from over a half a billion in FY16 to 260 billion by FY22 driven by the usage of smartphones, robust mobile internet penetration, growth of e-commerce sector and an increase in disposable incomes, according to a study

The adverse impact of demonetisation was expected to ease later this month when the Centre increases the cash withdrawal limit, according to the study conducted by industry body Assocham and business consulting firm RNCOS.

The transport, construction, domestic tourism and farming were among sectors “greatly impacted” by the demonetisation move, D. S. Rawat, Secretary General Assocham said.

Micro and small business units also took a hit, Mr. Rawat added.

Assocham will soon submit a paper to the Centre on the impact and the body called for more cash to be made available through ATMs.

Mr. Rawat with chairman of Assocham’s National Council on Cyber and Network Security, Babu Lal Jain, and CEO of RNCOS Shushmal Maheshwari, was addressing presspersons at release of the report titled ‘M-Wallet: Scenario Post demonetisation.’

In value terms, the m-wallet transactions had grown about 20 times to touch ₹20,600 crore in FY16 from ₹1,000 crore in FY13.

“It is anticipated that market value of m-wallet transactions will grow at a CAGR of over 200 per cent to reach ₹275 trillion by FY22,” according to the study conducted by Assocham and RNCOS.

**M-wallet retail  
spends may see  
4-fold jump: Study**

M-wallet transactions in India are likely to grow at a compounded annual growth rate (CAGR) of over 160 per cent to rise from just over half a billion in FY16 to 260 billion by FY22 driven by growing usage of smartphones, robust mobile internet penetration, growth of e-commerce sector together with increasing disposable incomes, according to a study. While in value terms, the M-wallet transactions in India have grown about 20 times to reach ₹20,600 crore in FY16 from ₹1,000 crore in FY13, the study titled 'M-wallet: Scenario post-demonetisation,' jointly conducted by Assocham and business consulting firm RNCOS, said.

