

## Fintech firms focus on cybersecurity

KARAN CHOUDHURY  
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For financial technology (fintech) companies such as those offering mobile wallets or payment gateways, the benefits of demonetisation come at a heavy price. To be precise, \$50-100 million (₹340-680 crore).

This is the amount the digital transaction system will spend this financial year on securing and reinforcing their cybersecurity apparatus. Two-and-a-half months after demonetisation, protecting the surge of users and the business has become of utmost importance at fintech entities for long-term gain.

Sector experts say these companies are getting in touch with firms in America, Israel and Russia to ensure the best protection for their back-end processes.

"Third-party security audits are very important to know where the gaps are in cybersecurity. All companies, big and small, have started spending more on cybersecurity — investing in lobbying servers, monitoring systems, back-up systems, among other things. Companies from the US, Israel and Russia are in the forefront of providing cybersecurity tech," said Nitin Sachdev, vice-president, technology, at Chi Networks.

According to business chamber

Assocham, fintech companies would increase their spending on this to around \$100 million. "Companies, together with banks and the government, must make appropriate investment in software and hardware, along with training employees about cybersecurity, to minimise financial data breaches that have been on the rise due to lack of data encryption," said D S Rawat, secretary general.

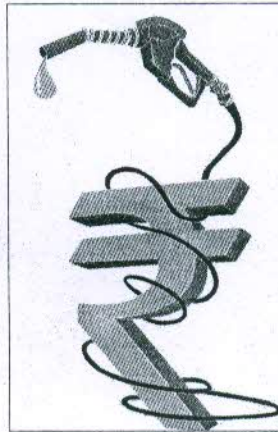
Companies in the segment, said the body, need to win customers' trust and that means completely secure, private and reliable services, 3-D or OTP (one time password) security options, data back-up systems and others to spread awareness among people.

The government is also planning to make the rules tighter in this regard, so that there is no lag on network security. "We are taking a whole lot of initiatives around it. We have set up a digital payment segment in CERT-In (Indian Computer Emergency Response Team), we have issued advisories on how merchants and bankers need to conduct themselves. We have told the banks that if they see any unusual movement on their payments system, they should report to us immediately. Drills are being conducted and security audits as well," Law and Information Technology Minister Ravi Shankar Prasad had said.

## Rising fuel prices push WPI inflation to 3.39%

**New Delhi, Jan 16:** Rising prices of petrol and diesel fuelled WPI inflation to 3.39% in December 2016, reversing the declining trend and neutralising the impact of softening prices of vegetables. Also, hardening prices of manufactured items during the month may refrain RBI from cutting rates in its policy review on February 8.

The wholesale price index-based inflation, reflecting the annual rate of price rise, in November stood at 3.15%. In December 2015, the print was (-)1.06%. WPI inflation in vegetables, at (-)33.11% in December, saw deflationary pressure for the fourth consecutive month. This was helped by a substantial price fall in onions, which stood at (-)37.2%. While the prices of



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potato, pulses and wheat became expensive during the month. Overall, the food basket witnessed contraction, with inflation at (-)0.7% in December against 1.54% in November.

Experts said inflationary

pressures on petrol and diesel have arisen following firming up of crude prices in global markets. "Steady and continuous rise in prices of crude oil and strengthening of the dollar for the last one month may have negative impact on input prices for the industry, which has already started the pressure on its profitability owing to low demand," Assocham said.

The fact that the upward pressure on wholesale prices has come about despite a sharp drop in prices of vegetables shows how WPI may gather pace further once the seasonal price of advantage of vegetables goes away, it added. Petrol and diesel prices were hiked twice and once, respectively, in December after international crude oil prices saw a jump. *PTI*

# WPI Inflation rises after 3-month decline

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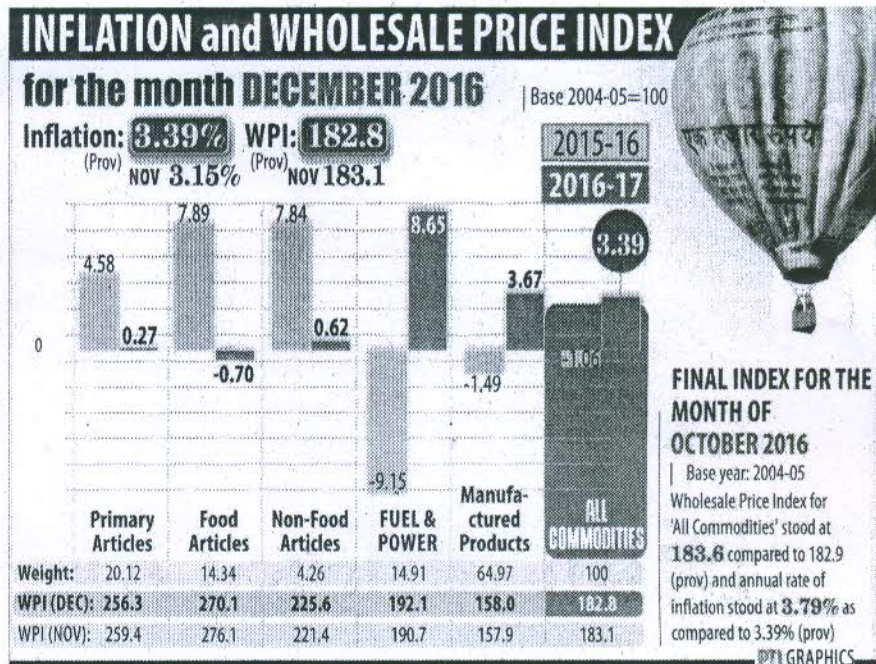
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Besides fuel items, sugar, potato, pulses and wheat became expensive during the month. Overall, the

food basket witnessed contraction, with inflation at (-)0.70 per cent in December as against 1.54 per cent in November.

Experts said that inflationary pressures on fuels have arisen following firming up of crude prices in global markets. "Steady and continuous rise in prices of crude oil and strengthening of the dollar for the last one month may have negative impact on input prices for the industry, which has already started the pressure on its profitability owing to low demand," Assocham said.

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PNS ■ NEW DELHI

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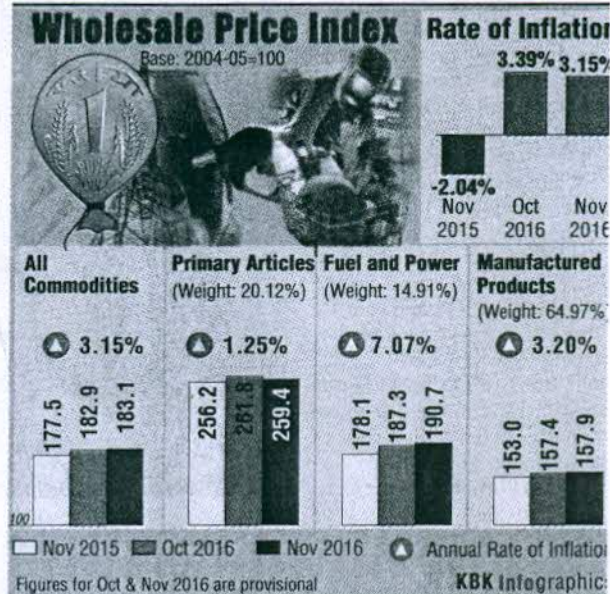
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Petrol and diesel prices were hiked twice and once, respectively, in December after international crude oil prices saw a surge since OPEC reached an agreement to cut output.

ICRA Principal Economist Aditi Nayar said the pick-up in WPI inflation reflects a com-

bination of rising commodity prices and an unfavorable base effect. "The trajectory of WPI inflation is likely to chart a rise in January and February 2017, before recording a dip in March 2017. Food inflation is likely to rise over the course of the ongoing quarter as the base effect turns unfavorable, and the end of winter pushes up prices of perishables," Nayar said.

As per the commerce ministry data released on Monday, sugar recorded maximum inflationary pressure at 28.04 per cent, potato at 26.42 per cent, pulses at 18.12 per cent, and egg, meat and fish at 2.73 per cent in December.

The reading for manufactured articles was 3.67 per cent compared with 3.20 per cent in the previous month. PTI

