

6 Disruption: Startups & Tech

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Tweet OF THE DAY



KUNAL SHAH
@KUNALB11

Good leadership often means less time reacting via superior anticipating

Tech Buzz

Outrage as Insta Changes Vertical Scroll



It may soon be time to say goodbye to Instagram as we know it. On Thursday, the company started rolling out a major redesign to its interface that eliminated vertical scrolling. Users quickly took to Twitter to express their displeasure. Head of Instagram Adam Mosseri tweeted out an apology, stating that "this was supposed to be a very small test but we went broader than we anticipated." — BI

Quick Byte ANIRBAN BORA

Alexa crashed on Christmas Day



500,000

Number of Google Plus accounts exposed by data leaks between 2015 and March 2018

Messages App Shifted to Google.com



San Francisco In a blow to brand Android, Google is planning to shift its Messages web app — which allows users to manage SMS/MMS messages on their phone from another device — from Android.com to Google.com, a media report said. The move is seen as Google's plan to minimise the use of the word 'Android,' 5toGoogle.com reported. The Android Messages web app has long been hosted at the URL of "messages.android.com". It is not yet clear when the change will come into effect. — JANS

Jargon Buster
Cluster
Data stored on a disk is spread across a

Fintech Cos Count Chickens after a Tumultuous 2018 Run

While H1 saw big fund raises, latter half hit by a funding squeeze & SC order on Aadhaar verification

Pratik Bhatia@timesgroup.com

Bengaluru: Digital lending startups had a tumultuous 2018. While the first half of the year saw big bang fund raises by a few of the largest ones, the latter half was characterised by funding squeeze, asset-liability mismatch in some cases and problems in digital customer onboarding because of the Supreme Court's order barring private entities from Aadhaar number for KYC authentication. While the going has got tougher, founders of multiple lending startups told ET that the new set of challenges have managed to excite them to strengthen their game and move into 2019 with a stronger balance sheet. "The market is expected to ease out after the central bank's announcement to infuse liquidity amounting to ₹40,000 crore through the purchase of government securities under open market operations (OMOs) in December," said Harshvardhan Lunia, CEO, Lendingkart.

Lendingkart raised ₹500 crore in its Series-C round of funding in February this year. The startup is planning to double its disbursements to ₹4,000 crore by 2019. After a series of defaults by IL&FS (Infrastructure Leasing and Finance Corporation) units in September, investors had shown a sharp fall in confidence in the NBFC sector, causing many of the entities to face a funding crunch. While new-age digital lenders were not in the same league, it had a cascading effect on them as well. "There was an increase in cost of debt by 50-100 basis points," said Sanjay Sharma, managing director at Gurugram-based lending company Aye Finance. "This increase was more of the market sentiment rather than a change in risk." Aye Finance, which lends to small and medium enterprises, recently crossed ₹1,000 crore of disbursements and has a client base of 80,000 enterprises. Flexloans cofounder Manish Lunia said that in some cases sanctioning of loans by financial institu-

SWEET DREAMS



Lendingkart
• Raised ₹500 crore in Series-C round in Feb
• Plans to double disbursements to ₹4,000 crore by 2019

Aye Finance
Recently crossed ₹1,000 crore of disbursements

Qbera
Raised \$3 million in a Series-A round

PAULO PICASSO, The Dream

RELIEF ON CARDS

The market is expected to ease out after RBI's announcement to infuse ₹40,000 crore

HARSHVARDHAN LUNIA
CEO, Lendingkart

NBFC sector, causing many of the entities to face a funding crunch. While new-age digital lenders were not in the same league, it had a cascading effect on them as well.

However, a big challenge that lending startups faced last year was the Supreme Court's Aadhaar Judgement. "It is not just eKYC (electronic know-your-customer), the Supreme Court ruling has now impacted eNACH (National Automated Clearing House) and eSign as well. So we are back to the pre-Aadhaar days," said Balu Ramachandran, head of

at and distribution at Cleartrip. Cleartrip tied up with Digit in January to launch a co-created insurance product that auto-declines a flight delay, sends a text message to customers to start the process of receiving insurance payout. The only requirement to process the claim is sending a picture of the boarding pass. "In India, insurance is significantly under-penetrated. Most Indians don't understand insurance, don't value insurance. We are looking at it as an investment. If we can make the customers see increased value in Cleartrip. Then, there should be more research, more stress on Cleartrip over time," said Ramachandran. He said Cleartrip has a marketing arrangement where Digit gets the product to customers using it as a communication channel. Cleartrip is working on more such tech-backed insurance products that may involve helping customers to deal with high cancellation and international charges, loss of phones, wallets and other belongings on international trips. "It will be a tech product but delivered as part of an insurance service. We are working on a few ideas, where we believe we can give value back to customers. We will use insurance companies to back up that value. It's in early stages," Ramachandran said.

ET Q&A **BILL CURTIS**
DIRECTOR OF CONSORTIUM FOR IT SOFTWARE QUALITY

Tech guru says basic computing training should start in schools, at the age of 10

Indian IT has Adopted DevOps Really Fast

Bill Curtis, director of Consortium for IT Software Quality, has been advocating the use of lean engineering principles in software development to eliminate waste and ensure that the code is strong. Curtis, the man credited with developing the Capability Maturity Model, tells ET's Raghu Krishnan that Indian IT services firms have adopted DevOps — combining software development and IT operations — faster and on a large scale as "productivity determines margins". Edited excerpts:

Indian IT services are using DevOps. Agile model to build software. Is it another fad?
You don't measure bits and bytes, it is measured in dollars. This the CEO cares, it's no longer an IT issue but a CEO issue. The whole DevOps movement is processes and tools to replace things that people used to do. Take all the mundane work — there are lots of that in software — and create an automated chain of things and allow people to do the creative complex work. Once you start to do the industrialisation of the software development process that is what DevOps does, all of a sudden the dominant model moves away from agile philosophy to lean.

Are you seeing that in India?
It is actually faster than I thought. When I talk to the big system integrators here, they

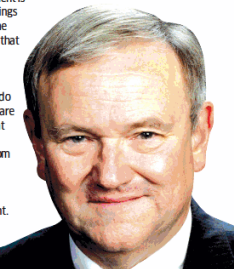
DEMAND FOR TALENT
Global software demand is exploding. That means there is still demand for talent are moving faster.

Can you explain?
There is a lot of work on DevOps. They are looking at possible opportunities to standardise platforms, asking customers, if they don't have one, I can help you build one. Most of the revenue they earn are in fixed price contracts. In fixed price contracts, the goal is to control your margins. It determines productivity. Quality and

productivity is extremely linked and high quality software is trustworthy.

Indian firms adopted CMM to build a strong software industry. As demand grows, what are the challenges?
The number of people who come with high quality from IT is limited. There are training challenges. People costs in India is reaching global average. It is because people work, train themselves and move to another company for 30% extra. Then, captives are expanding rapidly. They are building right incentives to retain talent. The fact is that the global software demand is exploding. That means there is still demand for talent.

What's your view of people who self-train in coding?
Someone who has gone through 90 days of self-training show that she knows how to write basic code, but probably with a lot of security flaws. You need a lot of engineering knowledge. You don't let mechanical engineers build bridges without some level of certification. We are under-training people. Basic computing training should start in schools, when they are ten years old. As they grow old, they can learn more competent things. Now, you are not just coding. Important thing is you need to know all these libraries and ensure how you integrate without any vulnerabilities, violation of licenses, etc.



Tech Trotter

'IT Services Cos may Grow 9-12% during FY18-21'



NEW DELHI: Indian IT services companies are expected to grow at a compounded annual growth rate (CAGR) of 9-12% between FY2018-21, impacted by lower deal sizes in digital technologies, cloud adoption and high competitive intensity, according to ratings agency ICRA. The credit profile of Indian IT services companies remains stable, underpinned by the ability to sustain free cash flows despite pressure on revenue growth and margins, ICRA said in a statement. — JANS

YouTube in Soup over Lifting Christmas Video

SAN FRANCISCO Video-sharing giant YouTube came under fire on Twitter after it lifted and posted a Christmas holiday video of a professional domino artist named Lily Heshveth without giving her due credit. The domino artist took to Twitter to express her disappointment. She said: "Very glad to see that my Christmas domino e-card is getting good use. However, I'm a bit disappointed that YouTube would take my video and re-upload it with no credit." — JANS

Cleartrip's Tie-up with Digit Pays off as Insurance Sales Soar

Firm says 25% of customers buying flight tickets opt for insurance against 15-18% before pact

Megha Mandavia
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Bengaluru: Sales of travel insurance on Cleartrip has increased since it tied up with Insure-tech startup Digit in an effort to improve customer retention, encouraging the online travel platform to release similar insurance products going forward. Cleartrip said about 25% of customers buying flight tickets now opt for travel insurance against 15-18% before the partnership in January. The company expects this to touch 40% in three years.

"This is obviously the first few months and we have to give it some time. There have to be multiple cycles of people buying the product and receiving the benefits of it. Over a 3-year cycle, we want to see this inch up to 40% in line with the global standard," said Balu Ramachandran, head



Numbers Watch

ET takes a look at nos put out by startups

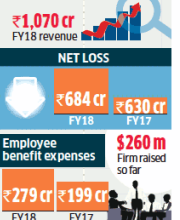
Delhivery Net Loss Widens in FY18

Our Bureau

Bengaluru: Delhivery, the logistics company backed by the Carlyle Group, posted a 42% increase in revenue in the year ended March 2018, while its loss widened. Revenue increased to ₹1,070 crore, according to the company's regulatory filings sourced from India. This includes the revenue from three wholly-owned subsidiaries — Indian entity Skyline Logistics and its subsidiaries Delhivery USA LLC and Delhivery Corp. — and associate company Leacon Technology. The company's net loss swelled to ₹84 crore from ₹58 crore a year earlier following heavy operational costs and expansion initiatives. Employee benefit expenses grew to ₹279 crore from ₹199 crore.

Delhivery has raised \$200 million so far from investors such as the Carlyle Group, Tiger Global, Fosun International and Nexus Venture Partners. The company is set to close a \$45-million financing round led by Japanese investor SoftBank, for a post-money valuation of about \$1.5 billion. ET reported earlier this month that the company had reshuffled some of its top executives with Sandeep Khosla, who was a joint managing director, taking over as the chief business officer and Ajith Pal, who was the finance chief, to assume the role of chief operating officer. Delhivery is in the business of warehousing and last-mile logistics.

On Track



ROAD AHEAD

Firm is set to close a \$415-m round led by SoftBank, for a post-money valuation of \$1.5 billion. It is also involved in designing and deploying logistics management systems and providing logistics and supply chain consulting and procurement support. In the filings, the company said that its directors are "continuously looking for avenues for future growth of the company in the logistics and warehousing industry."

ET GRAPHICS

Future Proof! 5 Tech Jobs of Tomorrow

Businesses in India are recognising the challenges of digital transformation and are proactively embracing it. Data Science, Artificial Intelligence, Cloud Computing, Cyber Security and Digital Project Management are some of the key domains that are leading the change across industries today and have led to lucrative job opportunities for working professionals in the IT/ITES industry. Here are the top 5 areas for job seekers, according to a Simplilearn Report

5 PROMISING DOMAINS FOR INDIA'S IT WORKFORCE

