THE 'CASHLESS UNIVERSAL TOKEN SYSTEM' :

A Token Based Revolution For **Small** Transactions

Team : No Deadlines
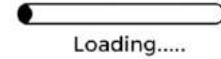
MISSION STATEMENT

Revolutionize small scale transactions through a **safe**, **secure** and **easy to use** NFC Token based system - The **CUTS** System.

GOT INTO A FIGHT WITH THE AUTO GUY - *AGAIN?*

NEED TO PAY *EXACTLY* 58 BUT NET DECIDES TO GO AWOL?

Loading.....

DO YOUR GRANDPARENTS ALSO STRUGGLE WITH GIVING CORRECT COINS?
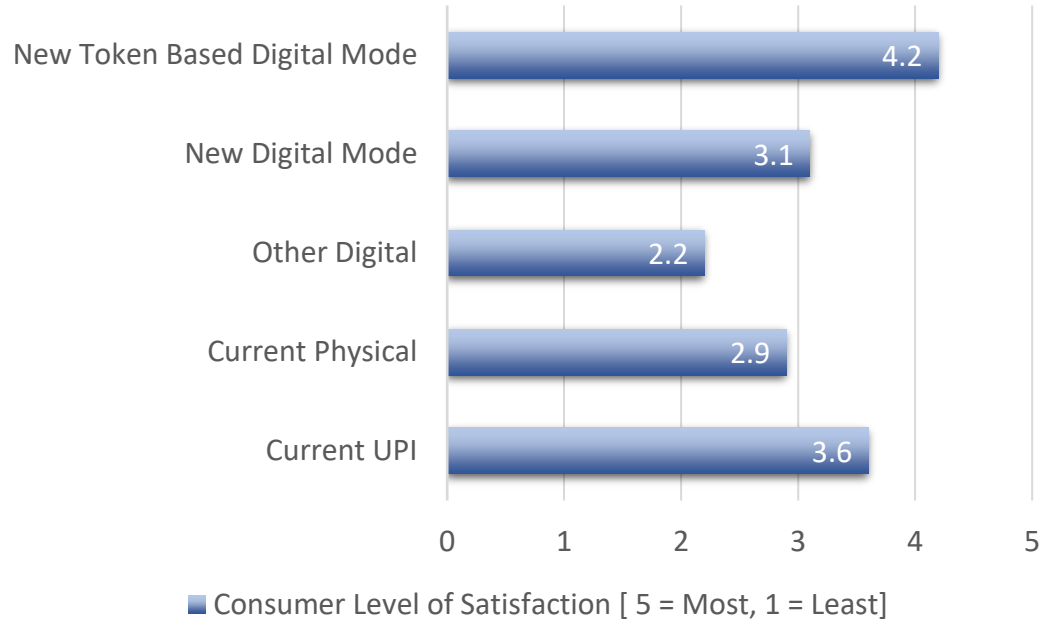
EVER FACED A PROBLEM WITH KEEPING SO MANY CHANGES?

Is All Of This That Bad Of A **Problem**?

The Problems - Take One

So this is how it goes - you go to buy something. It costs 17 Rupees. You wait in line and hustle with 10 people to get there, and you can't find the exact change so you bring out a crumpled Rs. 20 note and return with your item, 3 lozenges and a *lot* of swearing.

**The average Indian spends hours hustling through millions to get to their place of work - or rest - everyday.
And what's common in this whole thing? Change. A whole lot of change - or more precisely the lack of it.**

Consumer Level of Satisfaction [5 = Most, 1 = Least]

Category	Satisfaction
New Token Based Digital Mode	4.2
New Digital Mode	3.1
Other Digital	2.2
Current Physical	2.9
Current UPI	3.6

■ Consumer Level of Satisfaction [5 = Most, 1 = Least]

To **Summarize**

- Cash is just plain *difficult to use*.

- Change is *hard to find*.

- A lot of *time is wasted* - often in precarious situations.

- UPI can't fix your small ticket payments when half the urban part of the nation *doesn't get stable enough internet*.
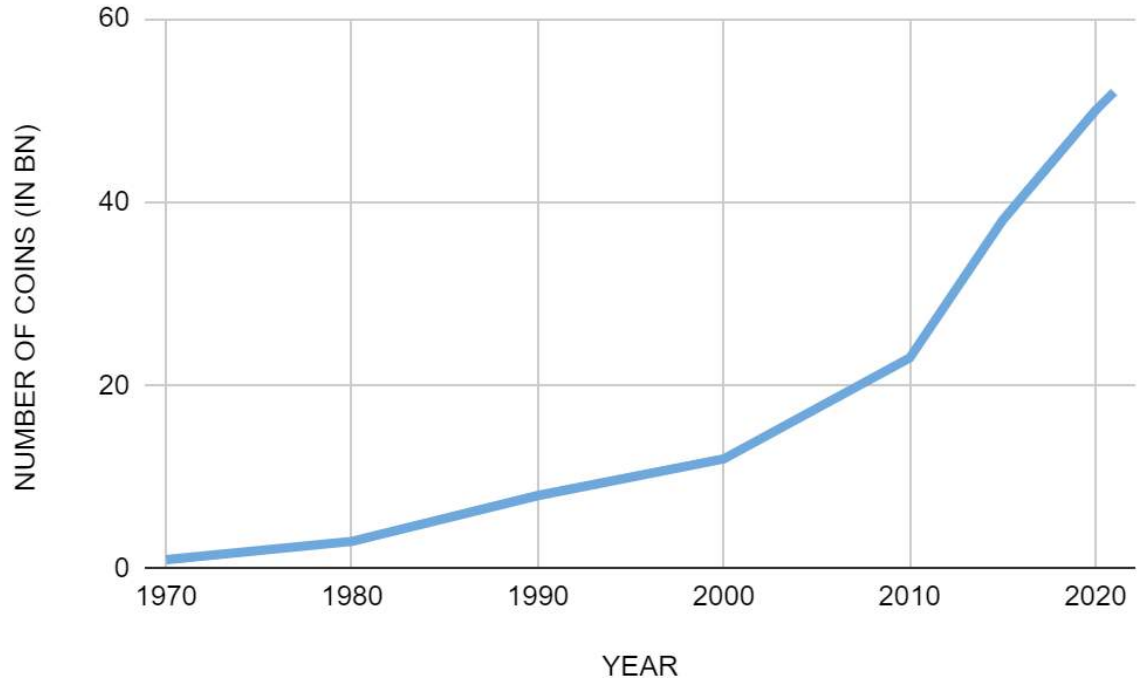
The Problems - Take Two

Jokes aside, it stands as no surprise that what we have as our options for transactions doesn't serve us *well enough*.
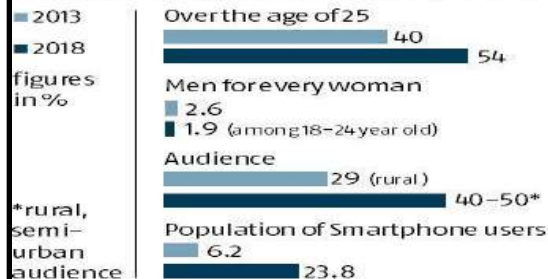
Production of **Coins** Over the Years

We produce coins somewhere in the ballpark of 9,000,000,000 - that's *NINE BILLION COINS EVERY YEAR* !

It doesn't come cheap either - At about Rs. 1.5+ *per coin* - For 9 billion and more every year, it's easy to imagine the costs. And that's to say nothing of good old bank notes.
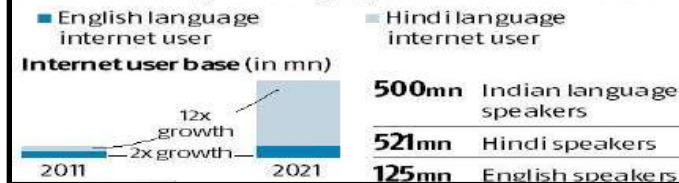
The evolving digital user: 2013 to present

figures in %

*rural, semi-urban audience

Legend: 2013, 2018

Over the age of 25
- 2013: 40
- 2018: 54

Men for every woman
- 2.6
- 1.9 (among 18–24 year old)

Audience
- 29 (rural)
- 40–50*

Population of Smartphone users
- 6.2
- 23.8

Bharat is the new face of mobile india

Since 2015, rural india brought 100 mn more people online. The next wave of growth in India's internet population is expected from tier II and tier III cities and rural areas

Mobile internet user (in million)

Legend: 2015, 2016, 2017, 2018*

	Rural	Urban	Total
2015	87	219	306
2016	147	226	373
2017	176	280	456
2018*	187	291	478

*June

Age of non-English language users

Over the next five years, it is expected that 9 out of every 10 new internet users in India are likely to prefer vernacular or regional languages to access the internet

Legend: English language internet user, Hindi language internet user

Internet user base (in mn)
- 2011: 2x growth
- 2021: 12x growth

- 500mn — Indian language speakers
- 521mn — Hindi speakers
- 125mn — English speakers

Mobile video consumption is inching closer to live TV

	Smartphone video viewers	Time spent on viewing video
2018	103.5 mn	52 mins
2022	224.7 mn	84 mins

Screen video view timings (in minutes)

	Live	Smartphone	On demand TV
India	73	50	37
Global	66	45	22

Internet has grown but gaps in access remain

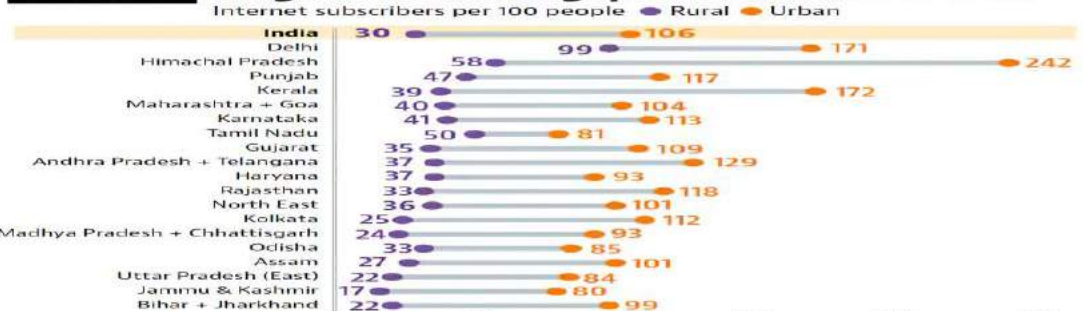**CHART 1** Number of internet users in India has grown significantly in last one decade

Legend: % population using internet, Internet subscribers per 100 people

- 0.0%
- 21.4
- 34.5%
- 54.3

(Years 1995–2019 on x-axis)

Source: World Bank (% population using internet); TRAI (internet subscribers per 100 people)
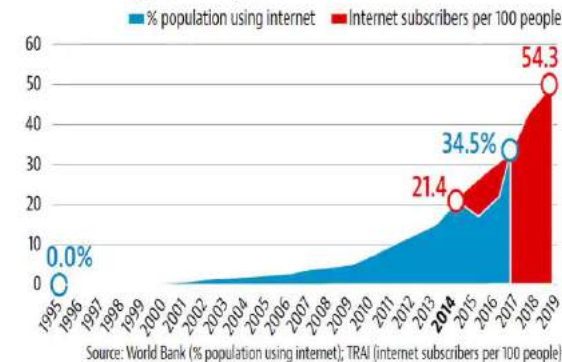
Smartphone Users and Penetration in India, 2017-2022

millions, % change and % of population

Year	Smartphone users	% change	% of population
2017	291.6	22.7%	23.2%
2018	337.0	15.6%	26.0%
2019	380.6	12.9%	29.0%
2020	420.2	10.4%	31.7%
2021	456.9	8.7%	34.1%
2022	490.9	7.4%	36.2%

Legend: Smartphone users, % change, % of population
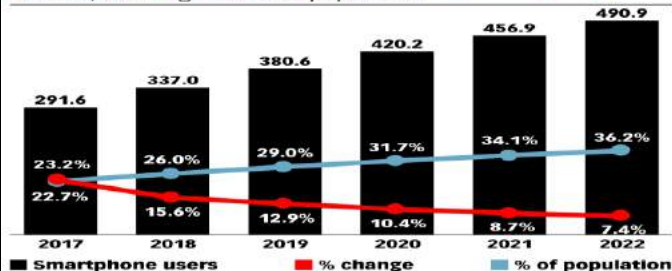
Note: individuals of any age who own at least one smartphone and use the smartphone(s) at least once per month
Source: eMarketer, April 2018

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www.eMarketer.com

CHART 2 Large rural-urban gap in access to internet

Internet subscribers per 100 people — Rural — Urban

	Rural	Urban
India	30	106
Delhi	99	171
Himachal Pradesh	58	242
Punjab	47	117
Kerala	39	172
Maharashtra + Goa	40	104
Karnataka	41	113
Tamil Nadu	50	81
Gujarat	35	109
Andhra Pradesh + Telangana	37	129
Haryana	37	93
Rajasthan	33	118
North East	36	101
Kolkata	25	112
Madhya Pradesh + Chhattisgarh	24	93
Odisha	33	85
Assam	27	101
Uttar Pradesh (East)	22	84
Jammu & Kashmir	17	80
Bihar + Jharkhand	22	99

Note: Data not given for three telecom circles – Mumbai, Uttar Pradesh (West) and West Bengal (including Sikkim)
Source: TRAI (as on December 2019)
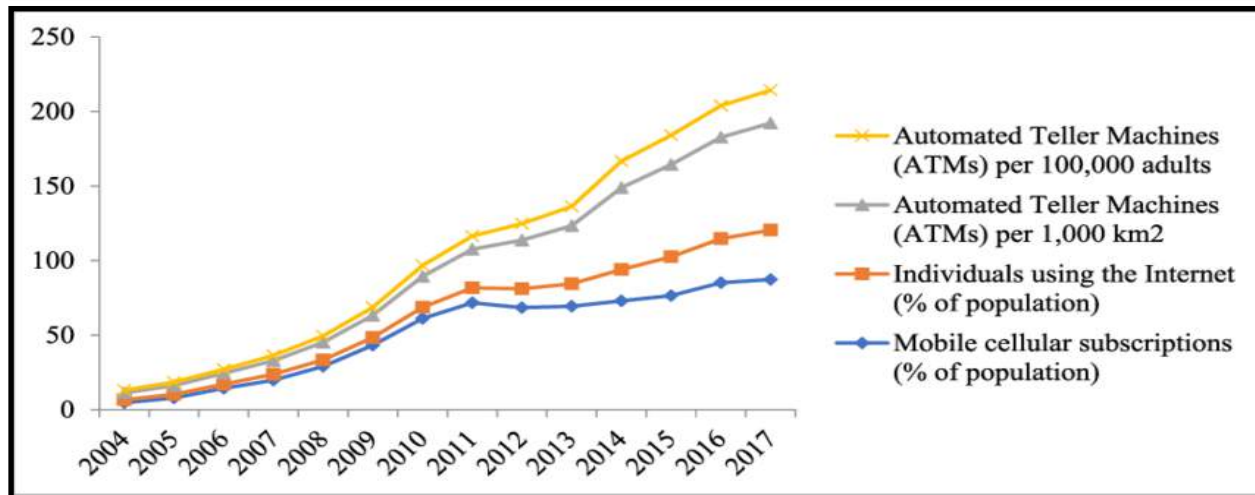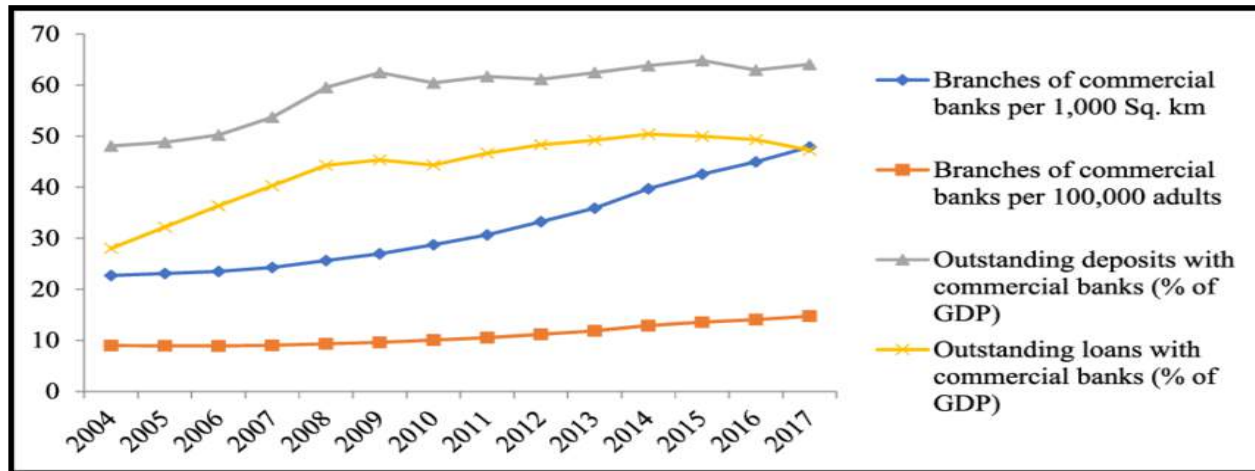
The Last Two Slides Highlight **Some Of The Prominent Issues** That Lead Us To Our Solution -

1. Poor Network Availability

1. Lack Of Banking Infrastructure

To **Summarize**

- You have coins - a lot of coins, a veritable mountain of coins - bulky, quickly depreciating in value and very unsanitary.

- It's a lot of production that serves a self fulfilling prophecy, increasing emissions, causing pollution and needing more of it to sustain itself.

What's To Gain?

Reduction In Cash
Based Transactions

Massive Digitization
Of Transactions

profits

Inclusive And Mass
Appeal For Everybody

**Greener, Safer,
Reliable Alternative**

Cashless Universal Token System

Simple, Safe, Secure

A Simple Mock-Up
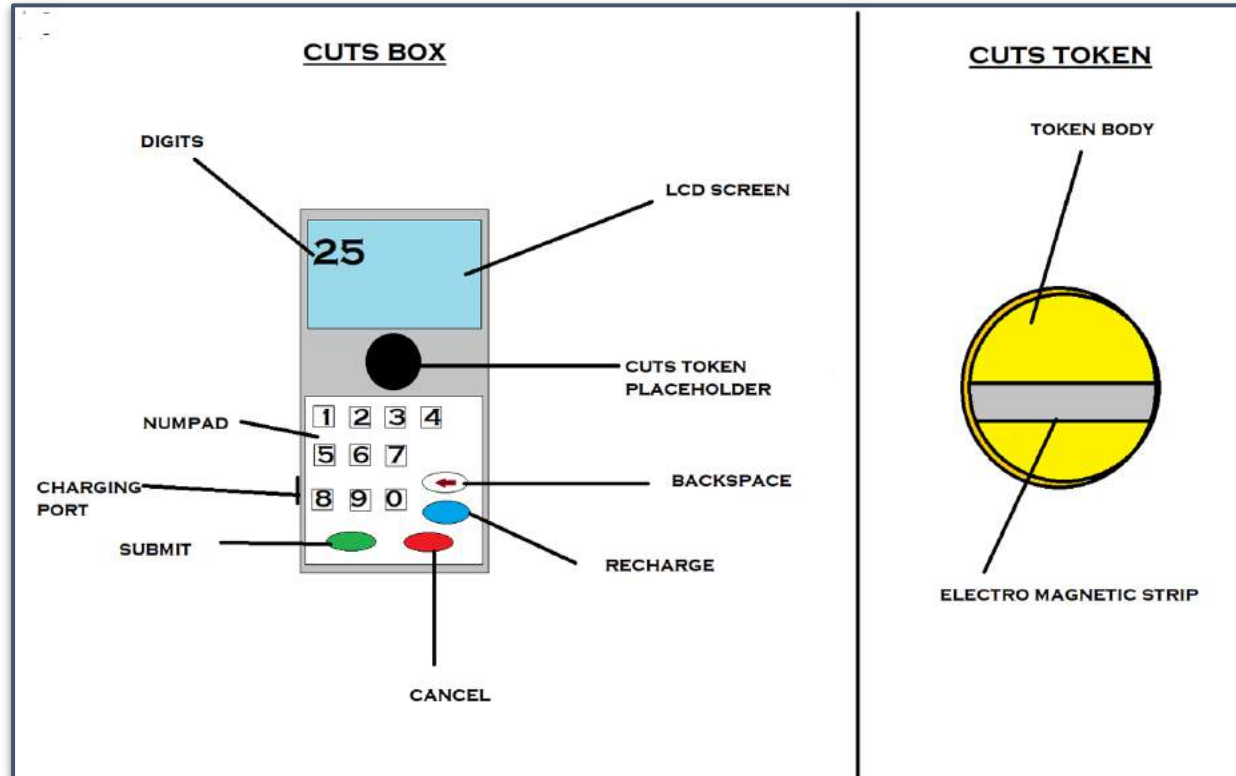
The Simple Steps To CUT away the hassle - CUTS Token Version

Distribute CUTS Tokens

The first 10,000 are on us!

Get Your Token Recharged

Find your nearest vendor with the CUTS Box installed!

Touch And Pay!

Touch, Type, And Carry On!

Processing
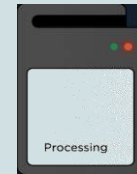
The Simple Steps To CUT away the hassle - The CUTS Box Version

Get Your CUTS Box

The first 1000 are on us - No strings attached !

Receive Payments

Never worry about internet failing on you or digging for change
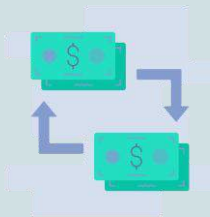
Recharge CUTS Tokens !

Be the one stop solution for everything!

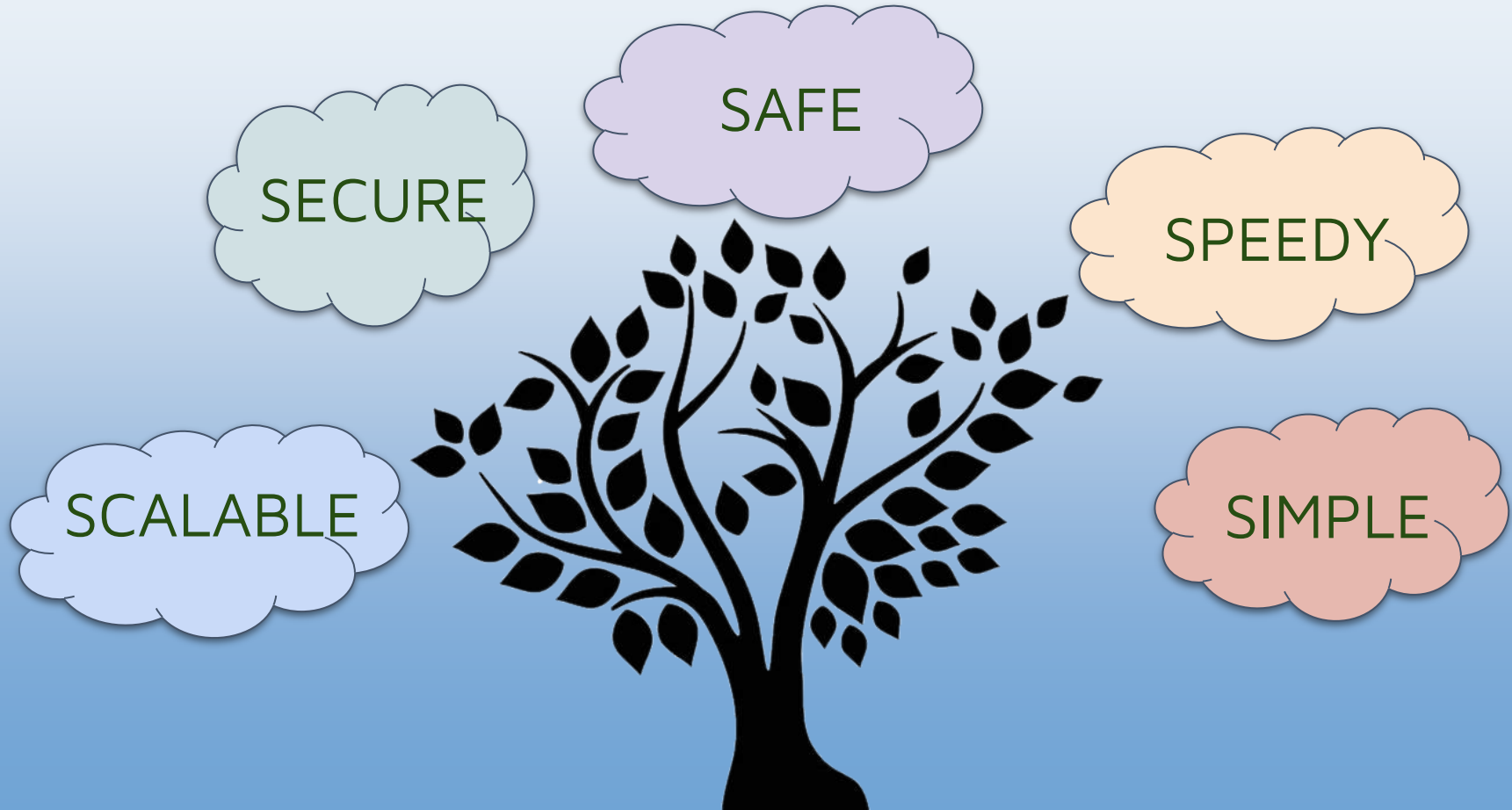## Bask In Your Profits !

Commission For Each Successful Recharge Done
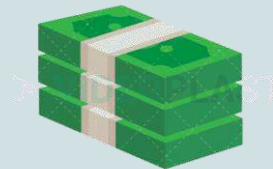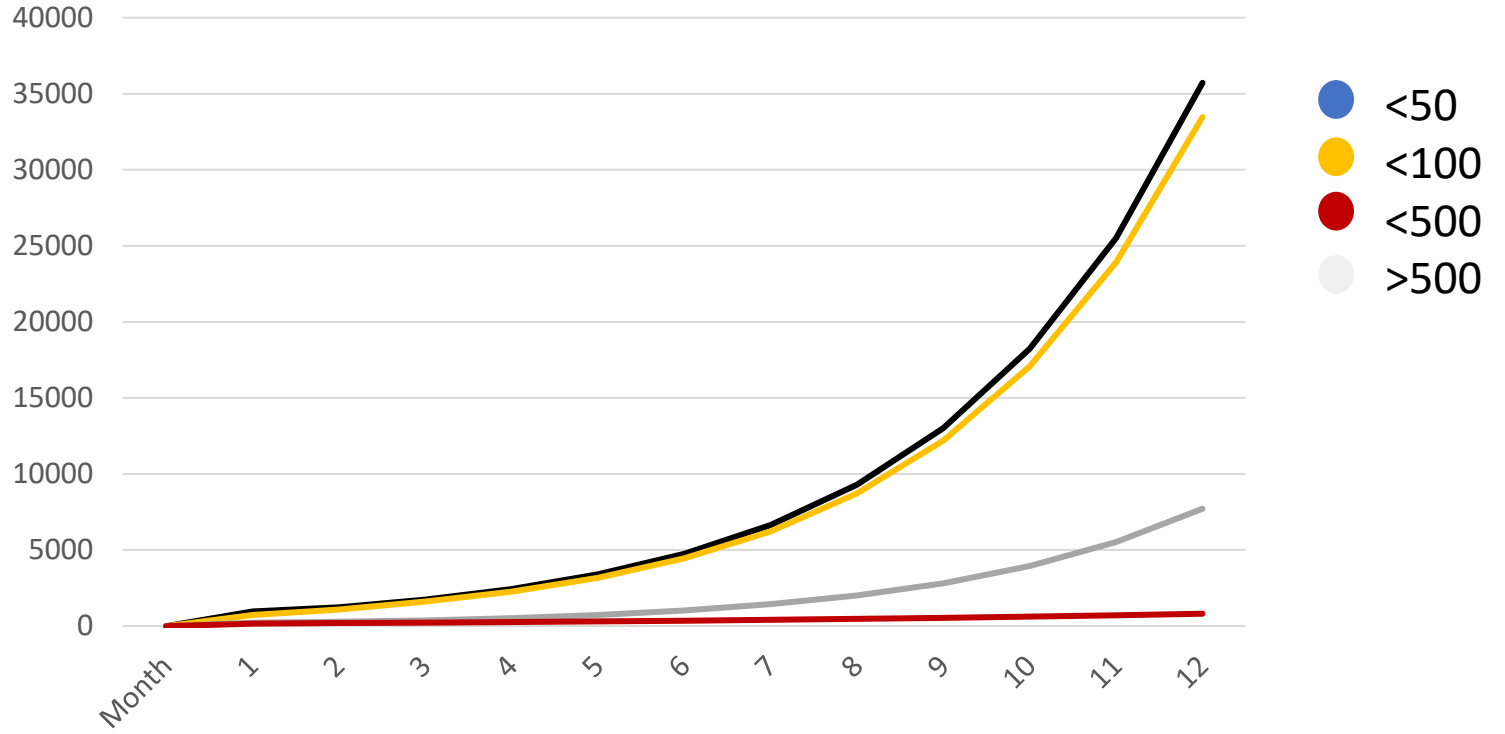
How This Fits Together
Under The Hood
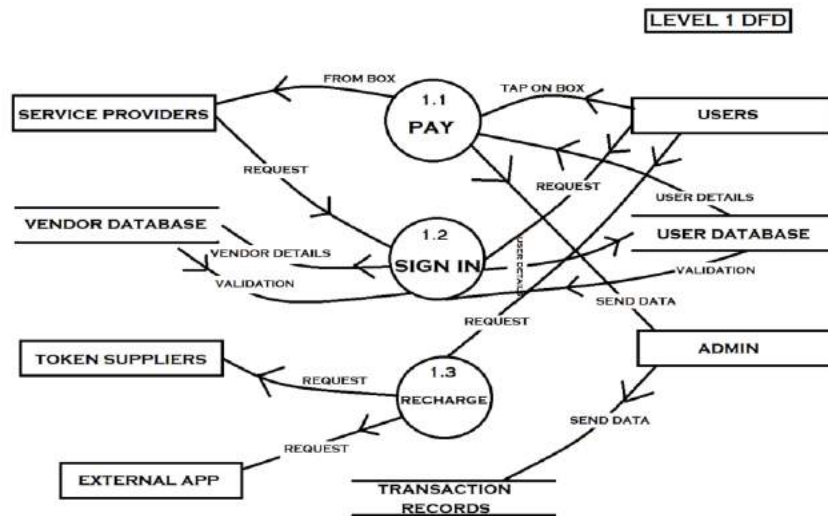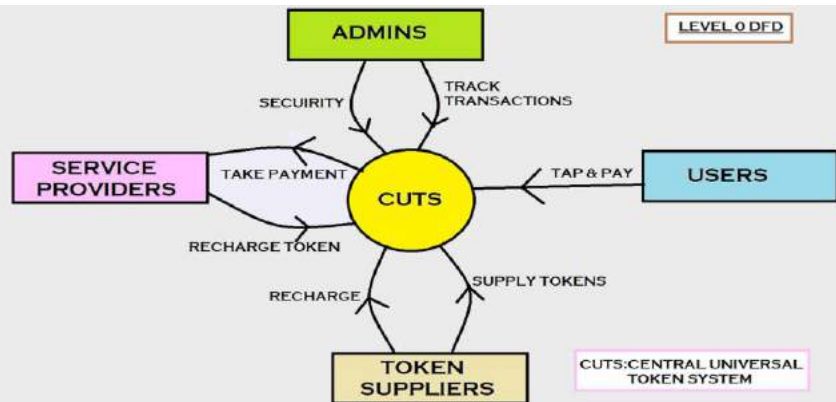
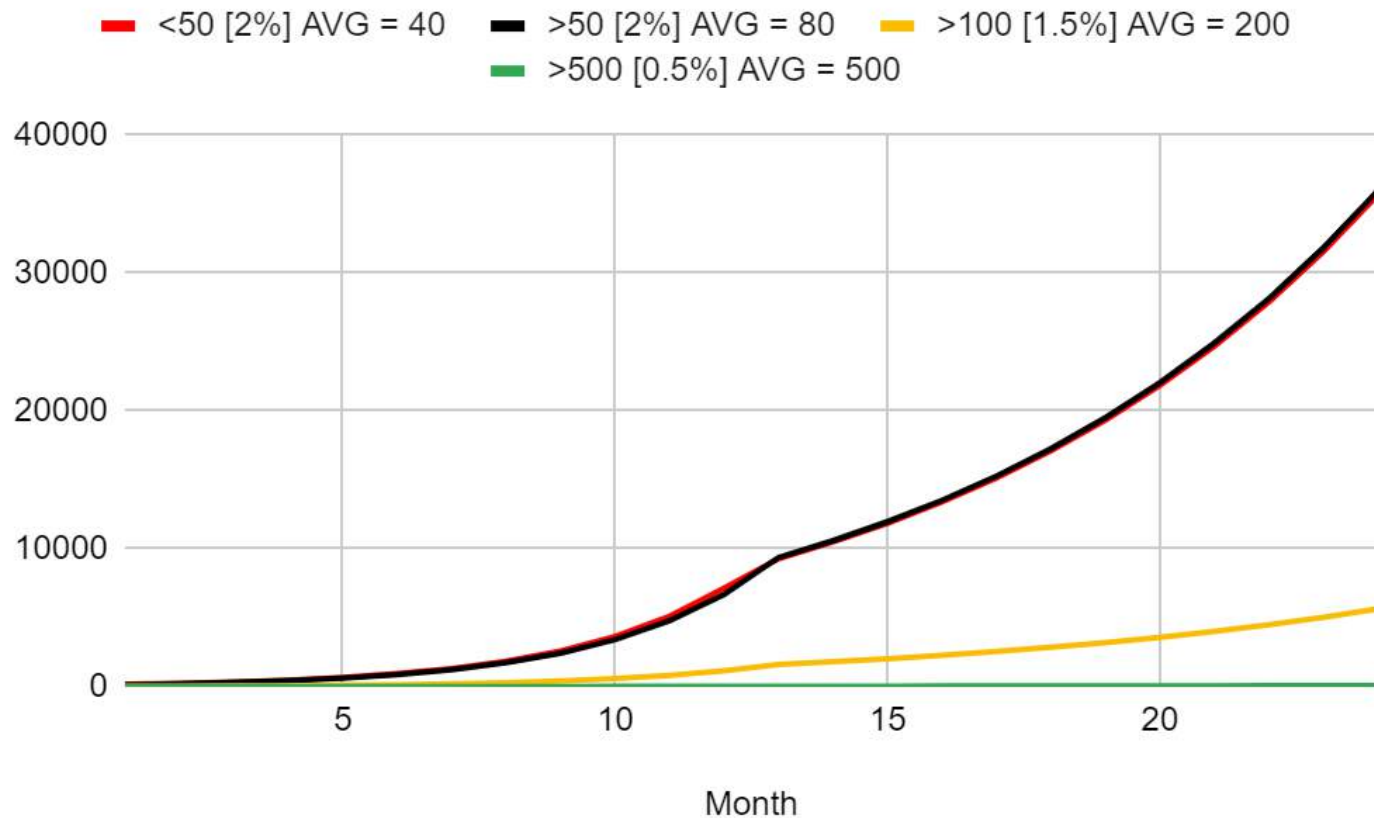# SOURCES OF REVENUE

MINIMAL TAX FROM TOKEN RECHARGE(0.5 TO 2 PERCENT)/RECHARGE

SELLING OF CUTS BOX

Number of Recharges Per Month

Legend:
- <50
- <100
- <500
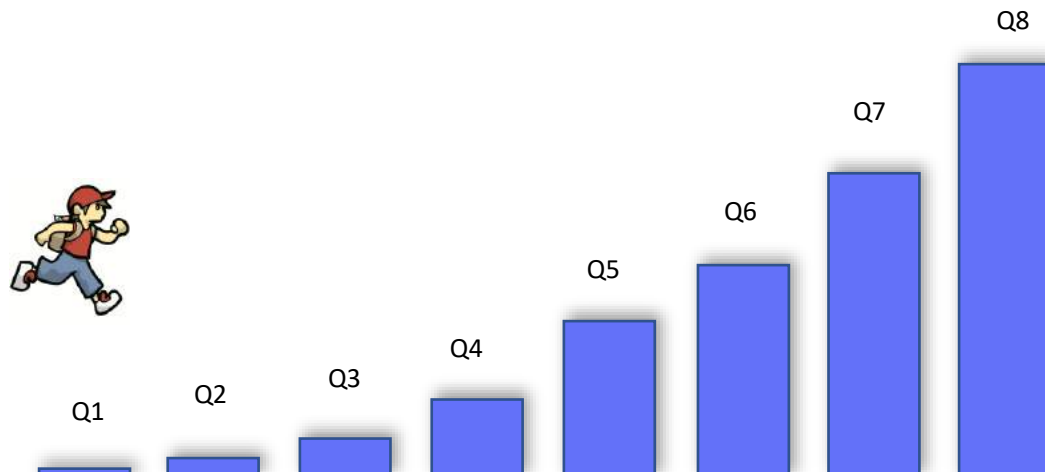- >500

ESTIMATED REVENUE PER MONTH FROM TOKEN RECHARGES IN RUPEE

Legend:
- <50 [2%] AVG = 40
- >50 [2%] AVG = 80
- >100 [1.5%] AVG = 200
- >500 [0.5%] AVG = 500

NET ADJUSTED PROFIT VS TIME IN MONTHS

Annualised ROI=31.25%

Month 22 - Break Even Point

Net Adjusted Profit [In Lacs]   Time(MONTH)
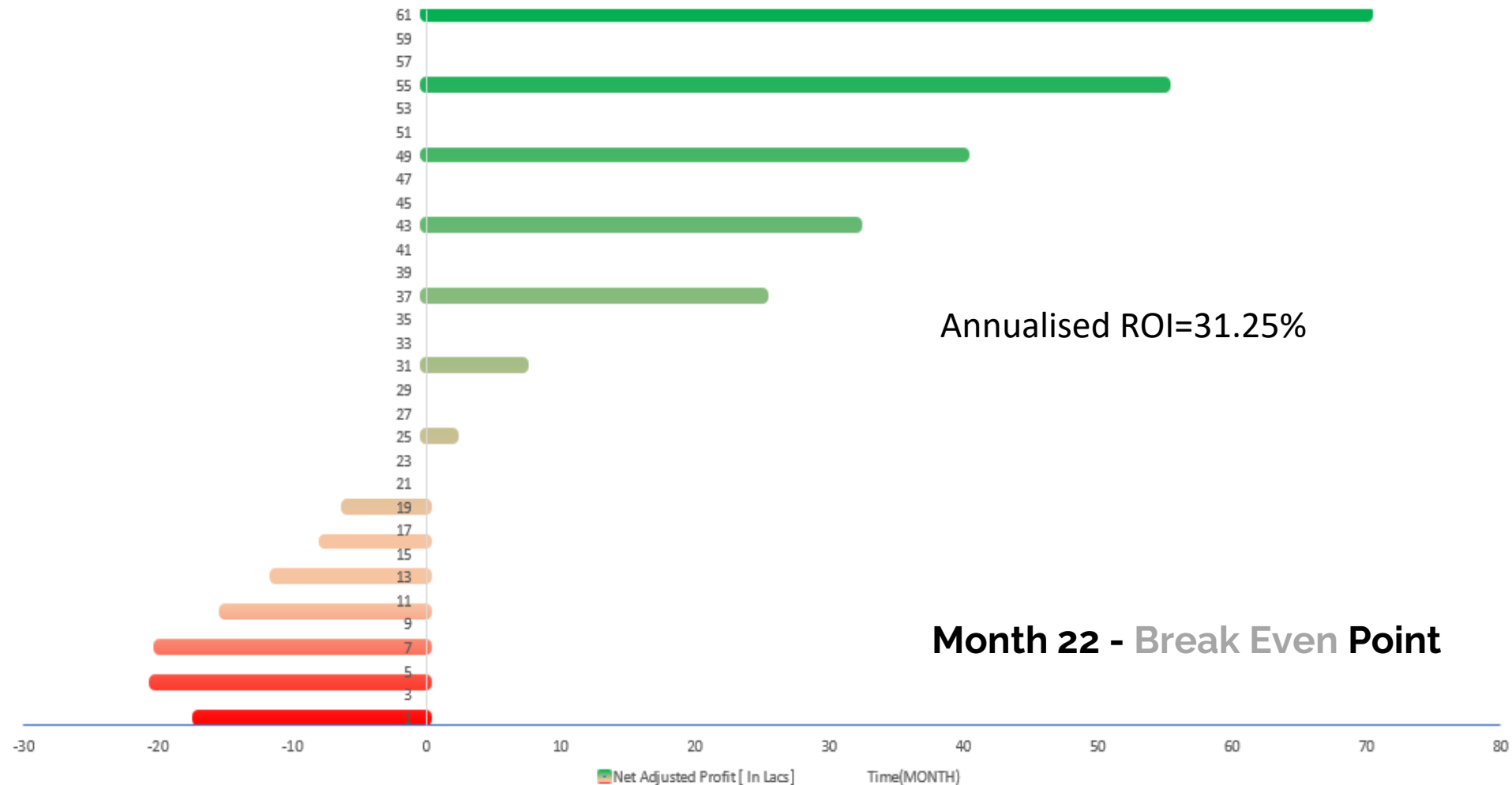
Revenue **Model**

13% Per Month | **60% Per Quarter**

Q1 Q2 Q3 Q4 Q5 Q6 Q7 Q8

Expected User Share - **Sorted By Age**
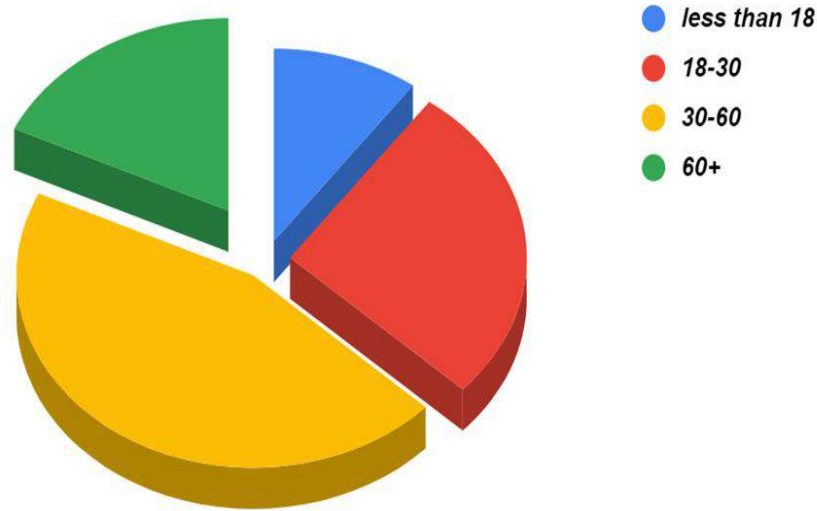
Although we are targeting every age group, we'd highlight this particular one for a few reasons -

- The elderly often have difficulty using complex modern devices and UPI based systems.
- They're much more likely to have trouble figuring out change needed or being quick enough to pay

Expected User Share - **Sorted By Area Demographics**
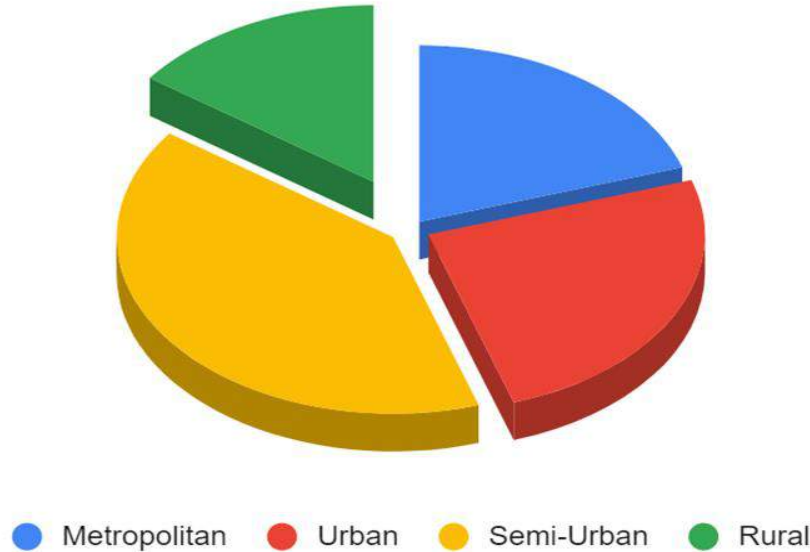
Here we highlight the rural user base for a few key reasons -

- Internet connectivity is a killer,
- Literacy rates are still poor.
- Knowledge and access to advanced payment interfaces are sketchy at best.
- Cash dominates - and yet, there's seldom a good network of banks or ATMs

TRIVIA TIME		UPI	CUTS
1	Internet Not A Compulsion	✕	✓
2	Literacy Does Not Matter	✕	✓
3	Simple And User Friendly	✕	✓
4	Seamless Integration At A Local Level	✕	✓
5	Remote Transfer, Large Transactions, Distance	✓	✕

Why **Now**? Why **Our Solution**?

UNIQUE OFFLINE IMPLEMENTATION

In This Age Of **ALWAYS ONLINE** We Aim To Reach Everyone - Regardless Of Network Coverage Or Literacy Levels - With An Eye Out For Future Integration As The Nation Develops

SIMPLE, ROBUST DESIGN AIMED FOR THE MASSES

We Have Designed Our Entire System With An Eye Out For The **COMMON PERSON**

1

2

3

ONE SMALL STEP TODAY - A LEAP FOR ALL OF US TOMORROW

We Have Also Considered What The Future Could Bring - From **ONLINE INTEGRATION** To Much More

Marketing Strategy And Business Modelling

Phase I - From Us, To You, The People

10K Free CUTS Tokens + Rs 50 Free Recharge Along With 10K CUTS Boxes Free

→

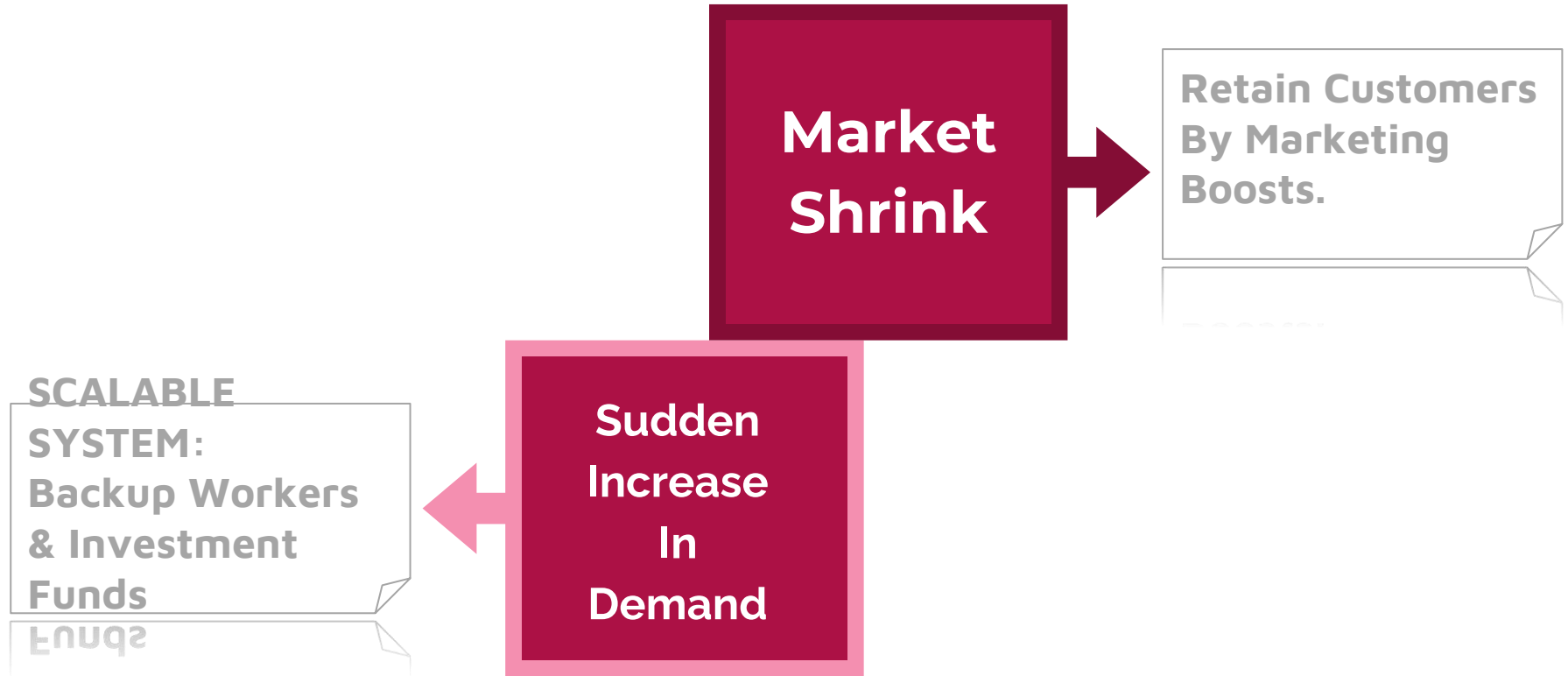**Phase II** - People Get Familiar

Cashbacks For Existing Users + CUTS Box Price Reduction
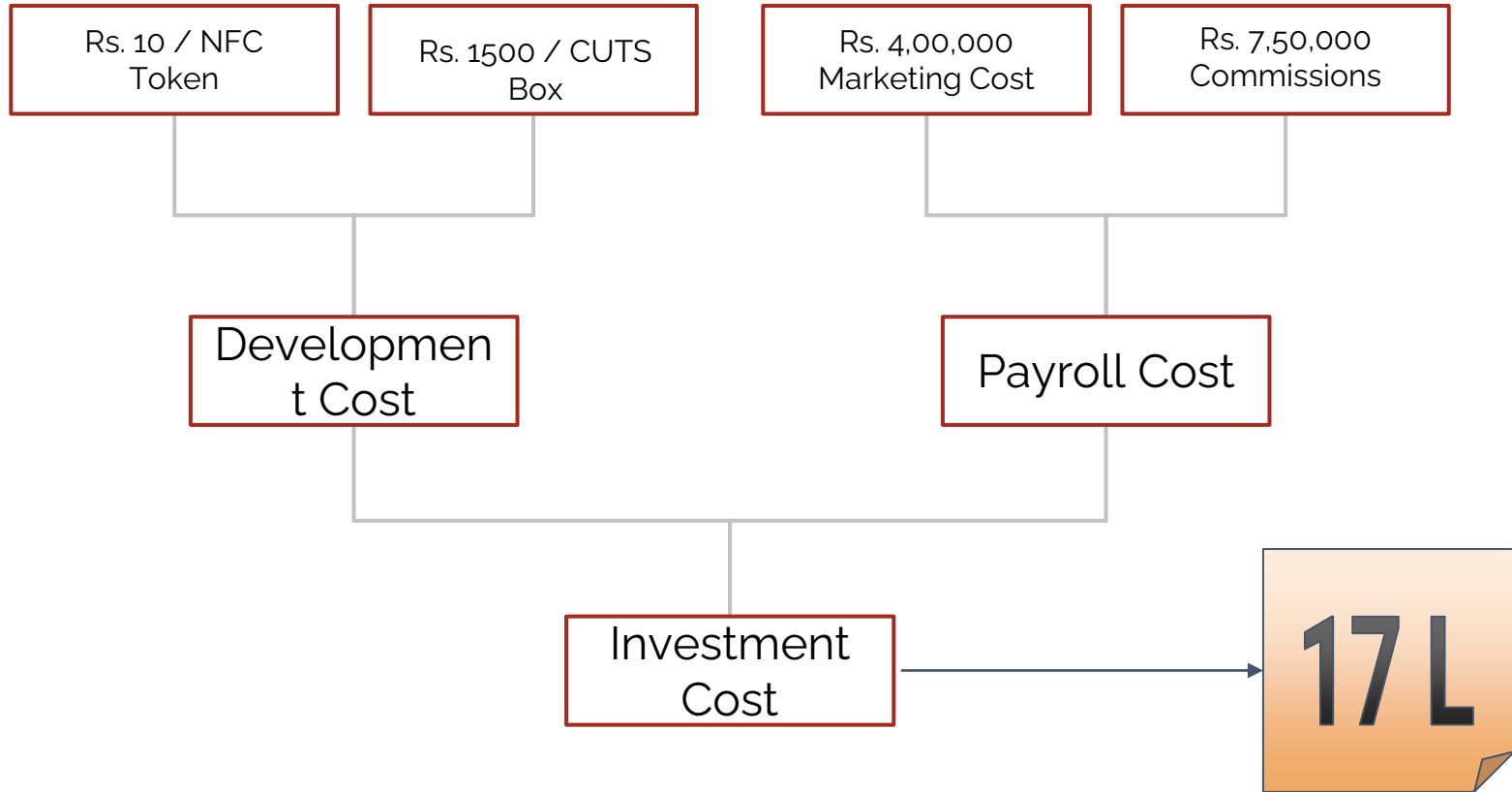
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Phase III - Rapid Growth And Mass Implementation

Advert Runs + App / Online Integration For Certain Cases + New Location Runs

Challenges And Obstacles

Market Shrink
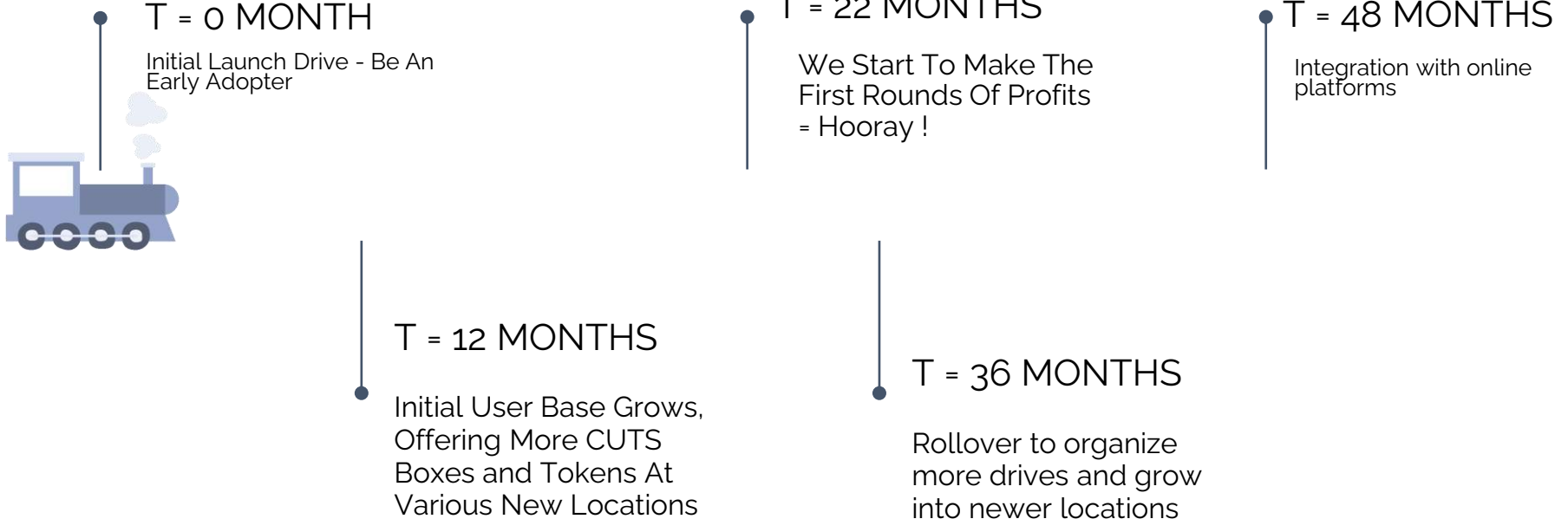
Retain Customers By Marketing Boosts.

Sudden Increase In Demand

SCALABLE SYSTEM: Backup Workers & Investment Funds

The Numbers Game

Rs. 10 / NFC Token

Rs. 1500 / CUTS Box

Rs. 4,00,000 Marketing Cost

Rs. 7,50,000 Commissions

Development Cost

Payroll Cost

Investment Cost

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The Road Ahead - How We Expect To Grow And Develop

A Small Roadmap Of Good Things To Come

T = 0 MONTH

Initial Launch Drive - Be An Early Adopter

T = 22 MONTHS

We Start To Make The First Rounds Of Profits = Hooray !

T = 48 MONTHS

Integration with online platforms

T = 12 MONTHS

Initial User Base Grows, Offering More CUTS Boxes and Tokens At Various New Locations

T = 36 MONTHS

Rollover to organize more drives and grow into newer locations

Expected User Share After 10 years- Sorted By Age And Area
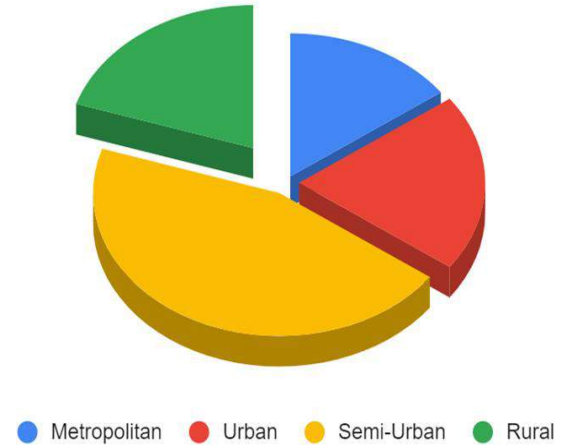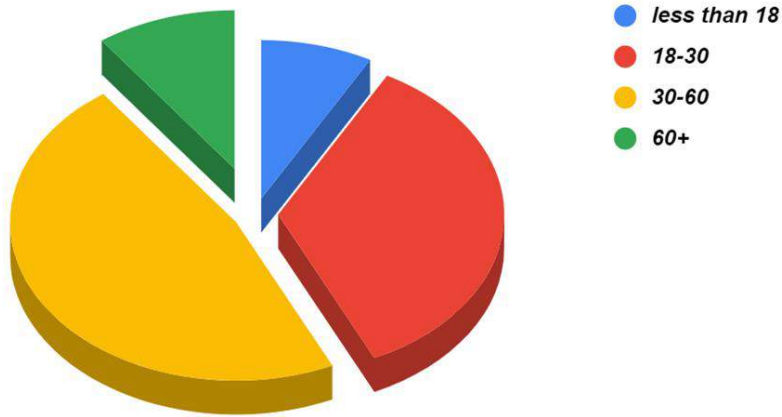
Prototype Development Costs

Electronics

Casing, Misc

Software

Testing

Overhead

Deployment, Miniaturization

Development Cost

20K
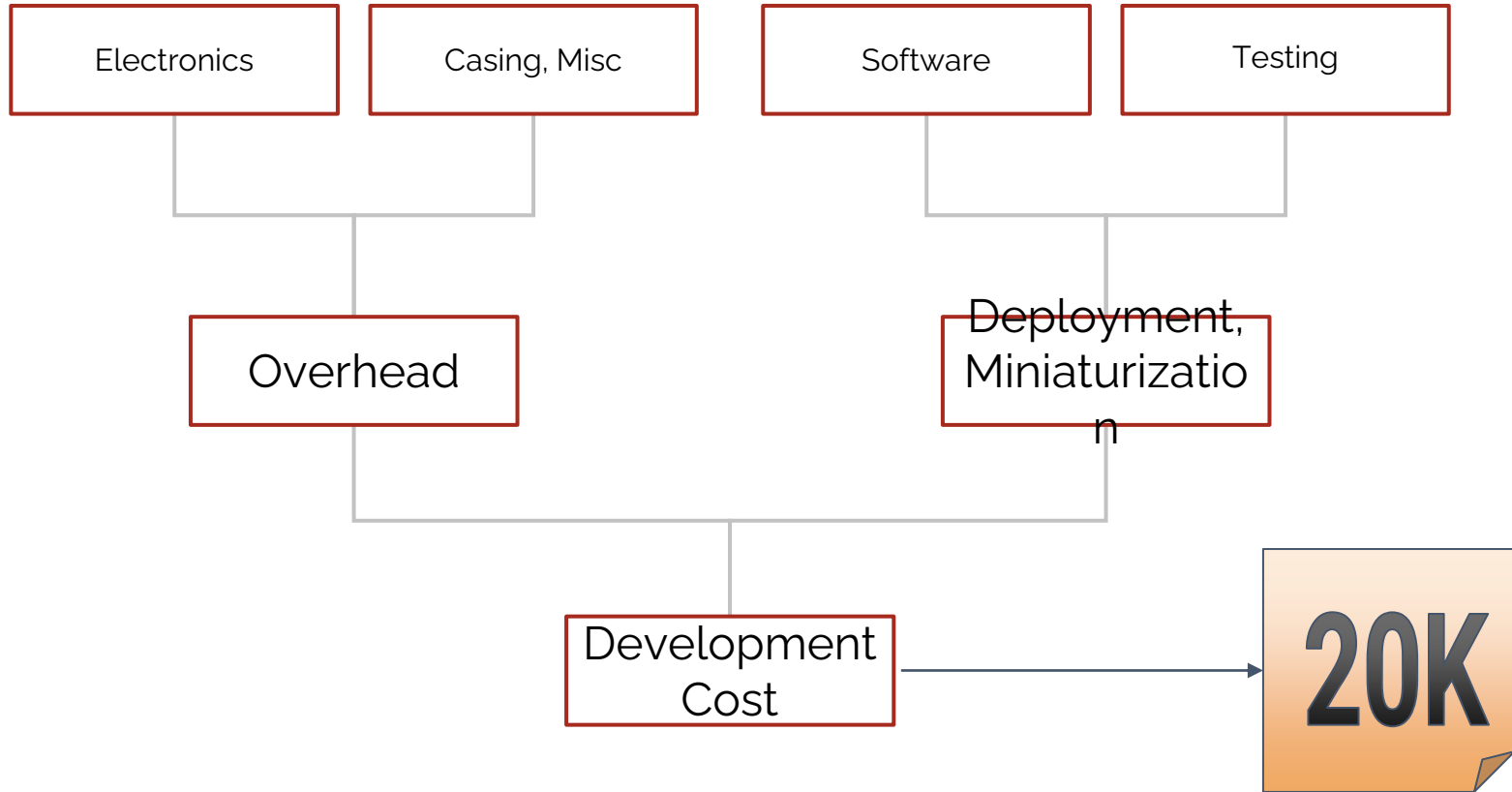
The Team

Team **No Deadlines** - NSEC

Abhishek Paul |
CSE | 3rd Year

Rudraneel Bhattacharya |
ECE | 3rd Year

Abhijoy Shirov
Mukherjee | IT | 3rd Year

Aparupa
Chatterjee | ECE | 3rd
Year