I’ll quickly talk about the market situation. There is a growing awareness that the blockchain is going to be the backbone for banking infrastructure going forward, ala R3 and their massive consortium <https://en.wikipedia.org/wiki/R3_(company)>. What has happened in India is that the government has been trying to solve a couple of problems for a while. One is of financial data not leaving the country, hence rupay and adhaar based payment systems(at a detrimental cost to visa mastercard). So they’ve come up with UPI(united payments interface). So now the banks(and all PSPs, payment service providers), have to rehaul their systems to make use of UPI, which essentially makes any wallet created(under UPI) to be inherently interoperable(rather than closed, like a paytm wallet).

This is where the opportunity is. The wallet for mobile banking for any of these PSPs has to be cryptographic and has to follow certain scalability guidelines. Which makes the blockchain a natural choice because it’s an inherently cryptographic database. We’d talked briefly about the distributed nature of the ledger, which means that the way to add transactions to the ledger can take a number of network paths, depending on the network topography. With the Intelliledger I think they saw numbers like 500-800 transactions per min(Visa does 2000 per min as a reference).

The dev cycle for UPI is over 2 years anyway, so by the end of this year they are going to go live with limited functionality and release more as time goes on. But can’t be sure on that.

So the market I want to target is both these big players who need to develop a new mobile banking solution anyway as well as smaller financial institutions who need a transactional protocol to carry out their transactions.

So for bigger players they would require the financial information to remain within their own servers, so for them a product has to be supplied. For smaller players who don’t care for their data being on other servers I want to provide a SaaS model. For instance there was a company I talked to recently which did corporate disbursements. They used Visa as a transactional protocol. Which is expensive for them, not just per transaction but also for buying the protocol security standard. In cases like these the SaaS model becomes more compelling.

Quick note, in all scenarios that I’ve charted out above, there is absolutely minimal interaction with regulatory bodies. So no fundamental change is required to deploy the blockchain as a transactional protocol for these PSPs because the UPI exists beyond the PSPs and we will exist between the PSPs and the customer. The same cannot be said for the trading/smart contracts implementation which involves massive institutional reform.