

11:57 AM 08 AUG LIVE	சென்செக்ஸ் 37,831 ▲ 165.53	நிஃப்டி 50 11,431 ▲ 41.65	கோல்டு (எம்சிஎக்... 29,658.00 ▲ 61.00	யுஎஸ்டி/ஐஎ... 68.65 ▼ -0.03	CREATE PORTFOLIO	ஈ-டி மார்க்கெட்ஸ்...	CHOOSE LANGUAGE TAM
-------------------------------------	-------------------------------	------------------------------	--	--------------------------------	------------------	-------------------------	------------------------

High street Indian banks are riding the blockchain wave for efficiency

BY ANJALI VENUGOPALAN, ET BUREAU | AUG 08, 2018, 07.26 AM IST

Post a Comment

Some of the large Indian banks already use blockchain and the technology is now finding buyers among all high-street lenders that are seeking to thwart competition from fintech firms.

Blockchain is like the “Whatsapp highway for payments,” says Navin Gupta, managing director, Southeast Asia, the Middle East & North Africa, Ripple, a global blockchain firm. Just like messages on Whatsapp, transactions on its platform are encrypted and can only be seen peer-to-peer.

Ripple recently partnered with [Kotak Mahindra Bank](#) to provide near-instant cross-border remittances.

Right now, remittances take anywhere between half a day and three days to execute, depending on the mode of transfer. Deepak Sharma, chief digital technology officer at Kotak Mahindra Bank, estimates that costs too will reduce by 10-40%. Unlike NBFCs abroad, Ripple doesn’t make use of cryptocurrencies, since the Reserve Bank of India (RBI) has banned it.

It’s an important caveat, because cryptocurrencies were what enabled NBFCs to corner the remittances market that is touted to be worth \$616 billion in 2018, according to [World Bank](#). NBFCs, which do not have huge reserves of fiat currencies, made use of cryptocurrencies that would then be converted to make remittances possible. “Bankers were losing to fintech companies, who could provide much faster remittances,” says Ripple’s Gupta.

RELATED COMPANIES

EXPAND

Kotak Ma...

Infosys

ICICI bank

Big Change:
[The end of Five-Year Plans: All you need to know](#)

“We are expecting newer corridors in APAC and Africa to be able to leverage this network and push for small value payments, which were not costeffective earlier,” says Sharma.



Worried about your family's security in your absence?

Coverfox.com



1 अद्भुत तरीका उगाए घने बाल (बिना ट्रांसप्लांट)

Nutralyfe Regain

Recommended By Colombia

In India, Ripple has partnered with Axis Bank, Yes Bank and IndusInd. These banks will be able to offer payments with 100-odd banks that are also using the Ripple platform.

The other big advantage blockchain has is that it is decentralised. Instead of having a single place where data is stored, “hashed” files are created and stored on several different “nodes”, which can be hosted in any number of places, like with banks themselves.

“Blockchain is taking off because it dramatically reduces the cost of coordination,” says Raunaq Vaisoha, co-founder and CEO of blockchain company Elemential.

Elemential, which makes app servers for blockchains, recently partnered with the Central KYC (C-KYC) registry to transfer data on to the blockchain.

In 2015, Sebi mandated that all KYC information from various KYC registration agencies (KRAs) in India must be held on the C-KYC registry. But the problem was that these KRAs couldn't communicate with each other easily, or fast.

Vaisoha estimates it took 18 days for one person's KYC information to travel across all KRAs. And having a single KYC registry meant that the number of requests it could handle were limited. The costs of backup were also massive.

What about privacy and security concerns? To access the hash from these nodes, a “private key” (a sort of password) is needed. Every time a request is made using this key, the NSE gets to know, because that data get recorded on the blockchain. This creates an audit trail through which potential illegal downloads of data can be flagged.

The hash can't be tampered with because blockchain works on the principle that information that is consistent across a majority of nodes is the only one that is accepted. To tamper with data, more than half of the nodes would have to be compromised.

BANKCHAIN

Right now, there are several hundred blockchains existing across the world. Think of these as different operating systems like Android and iOS. Firms like Primechain step in to make communication between these blockchains possible. Primechain operates Bankchain, a group of 37 banks in India and the Middle East that can license Primechain's API (application program interface) and applications.

These blockchain applications are used for everything from cross-border remittances to vendor on-boarding, to KYC. It is also used for managing NPAs and selling stressed assets among banks.

FINACLE TRADE CONNECT

B Madhivanan, chief digital technology officer at [ICICI Bank](#), says that trade is an area where blockchain has huge potential. International trade payments are currently time-consuming and labour-intensive. The main "pain point" is ensuring authenticity of documents like letters of credit. By using blockchain, the process not only goes digital, but payments also have a guarantee of not getting stuck.

Unlike current digital payment methods like e-wallets, where a wrong payment can take a few days to get reversed, blockchain eliminates an intermediary and ensures that the money either goes straight to the receiver, or stays in the sender's account.

[Infosys](#) has partnered with ICICI Bank and several other lenders, including Axis Bank, Yes Bank and Kotak Mahindra Bank, to develop a blockchain network for trade called Finacle Trade Connect. The platform will be able to "amplify the existing messaging infrastructure such as SWIFT," Rajasekhara V Maiya, vice president of Infosys Finacle, told ET in an email. "Eventually, if all stakeholders agree, it can replace SWIFT."

Stay on top of business news with The Economic Times App. [Download it Now!](#)

Powered by

[Live Market](#)
[News](#)
[Portfolio](#)
[Mobile](#)
[Live TV](#)

[Industry](#)
[Newsletters](#)
[Commodities](#)
[Speed](#)
[Blogs](#)

[About Us](#)
[Create Your Own Ad](#)
[Advertise with Us](#)
[Terms of Use & Grievance Redressal](#)
[Privacy policy](#)

FOLLOW US

Download it from
APP STORE

Download it from
GOOGLE PLAY

Download it from
Windows Store

Other Times Group news sites

[इकनॉमिक टाइम्स](#) | [ईकीनोमिक्स टाइम्स](#) | [Pune Mirror](#) | [Bangalore Mirror](#) | [Ahmedabad Mirror](#) | [ItsMyAscent](#) | [Education Times](#) | [Brand Capital](#) | [Mumbai Mirror](#) | [Times Now](#) | [Indiatimes](#) | [नवभारत टाइम्स](#) | [महाराष्ट्र टाइम्स](#) | [ವಿಜಯ ಕರ್ನಾಟಕ](#) | [Go Green](#) | [AdAge India](#) | [Eisamay](#) | [IGN India](#) | [NavGujarat Samay](#) | [Times of India](#) | [Samayam Tamil](#) | [Samayam Telugu](#) | [Miss Kyra](#) | [Bombay Times](#) | [Filmipop](#) | [BrainBaazi](#) | [BrainBaazi APP](#)

Living and Entertainment

[Timescity](#) | [iDiva](#) | [Entertainment](#) | [Zoom](#) | [Healthmeup](#) | [Luxpresso](#) | [Gadget Reviews](#) | [Titanium & Platinum Credit Card](#) | [Online Songs](#) | [MensXP](#) | [Hotels](#) | [Travel Destinations](#) | [Cricbuzz](#) | [Recipes](#) | [Gaana](#) | [Happytrips](#) | [Getsmartapp](#)

Interest Network

[itimes](#)

Hot on the Web

[Share Market](#) | [GST](#) | [Income Tax Slabs](#) | [Aadhaar Card](#) | [IFSC Code](#) | [Mutual Funds](#) | [Top ELSS Funds to Invest](#) | [How to save Income Tax](#) | [Sensex Today](#) | [Nifty Bank](#) | [How to earn money](#) | [Income Tax Calculator](#)

Services

[Book print ads](#) | [Online shopping](#) | [Matrimonial](#) | [Astrology](#) | [Jobs](#) | [Tech Community](#) | [Property](#) | [Buy car](#) | [Bikes in India](#) | [Free Classifieds](#) | [Send money to India](#) | [Used Cars](#) | [Restaurants in Delhi](#) | [Remit to India](#) | [Buy Mobiles](#) | [Listen Songs](#) | [News](#) | [TimesMobile](#) | [Real Estate Developers](#) | [Restaurant Deals in Delhi](#) | [Car Insurance](#) | [Gadgets Now](#) | [Free Business Listings](#) | [CouponDunia](#) | [Remit2India](#) | [Techradar](#) | [AliveAR](#) | [Getsmartapp App](#) | [ETMoney Finance App](#) | [Feedback](#) | [Auto](#)

In Case You Missed It

[All about PNB Fraud](#)

[Home Loan Calculator](#)

[Reliance Jio](#)

[Education Loan Calculator](#)

[LIC IDBI Deal](#)

[Bank Fraud](#)

[Income Tax Calculator](#)

[How to file ITR](#)

[Tata Nexon](#)

[Income Tax](#)

[Jet Airways Pay Cut](#)

[IFSC Code](#)