



ASHAPAY 

Payments for the People. Hope for the Future.

THE PROBLEM

Balram
MIGRANT WORKER



- From a small village in Uttar Pradesh
- Works in construction in Mumbai
- Sends little money he earns back home to his family each month
- Struggles to save up in Mumbai

Rushil
CONSTRUCTION EXEC



- Owns Mumbai construction company
- Needs to pay migrant workers
- Relies on cash for payment, but is limited by recent government mandates; must adapt methods



THE PROBLEM

120 MILLION+

PEOPLE MIGRATE FROM RURAL
AREAS TO URBAN LABOR MARKETS

Lack critical skills, info, bargaining power

Get loans at exorbitant interest rates in
times of need

Last to receive benefits of government
programs due to constant migration

**FINANCIAL
EXCLUSION**

86%

CASH WIPED OUT

BY GOVERNMENT DEMONETIZATION
MAKING CASH TRANSFERS MORE DIFFICULT

₹20,000

WITHDRAWAL LIMIT

vs.

₹50,000

AVG. SME WEEKLY PAYROLL NEEDS

OUR SOLUTION

VISION

- 1 Help migrant workers support their financially barred families
- AND
- 2 Allow employers to make direct deposits
- VIA

Reliable electronic money transfers

FEATURES

- Secure account for viewing bank balance and transactions
- User profile enabling transfer payments to added family members
- Notification for the confirmation of transfers and payment requests
- Business options to make direct deposits into employee accounts
- Business options to manage employee payroll system

Introducing our mobile app

ASHAPAY



DEMO



MARKET OPPORTUNITY

THE GOVERNMENT



- Digital India: Improve digital infrastructure, increase access to online services, boost the nation's technological empowerment
- People's Wealth Plan: Intends to offer bank accounts to 75 million households in India by 2018
- "Black Money" Crackdown: Recent move to erase 86% of nation's cash

THE PEOPLE



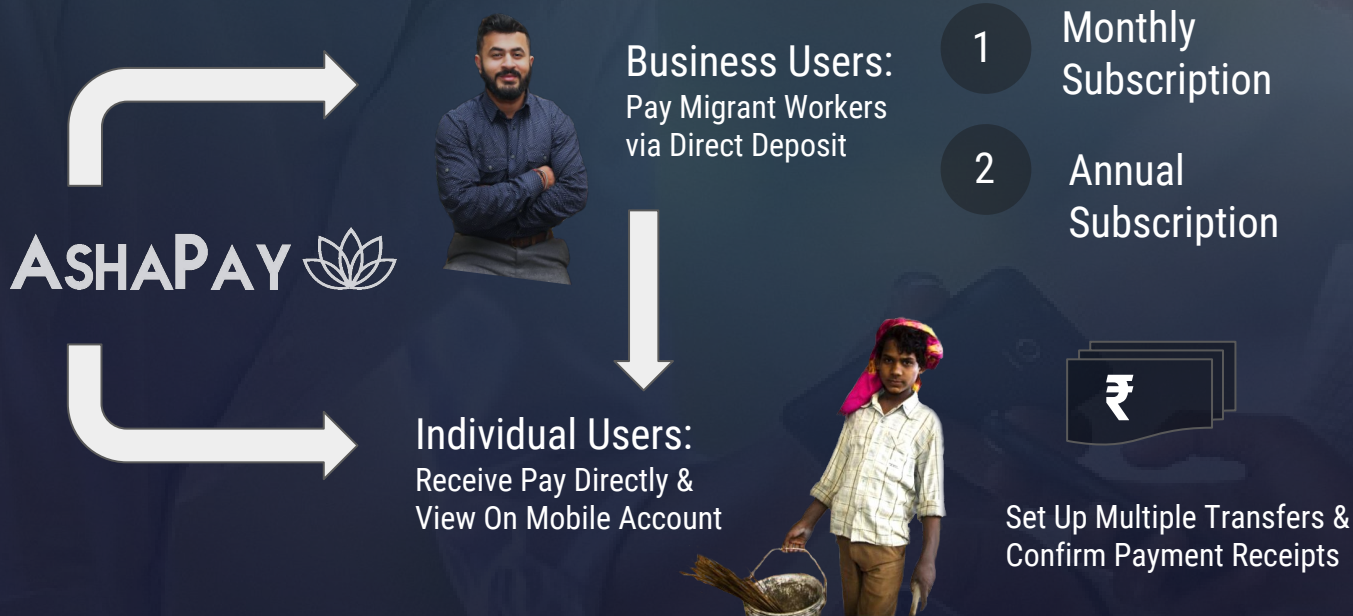
- Digital India impact: Plans to connect rural areas with high-speed Internet networks
- People's Wealth Plan impact: 15+ million accounts opened less than a year and half ago, via enrollment drives across states
- Smartphone use penetration and rapid growth

THE BANKS



- People's Wealth Plan impact: Provide (via government) account holders with debit card, accident insurance, cover
- Technological growth: more incentives to move towards online payment/wallet financial systems
- Policy Regulation: Mandated by RBI to have plans for financial inclusion

OUR BUSINESS MODEL



Banks:
Earn Interest Rates

Our Goal:
20% INCREASE
In Financial Inclusion

Government:
Build Cashless Society

FINANCIAL PROJECTIONS

User Price

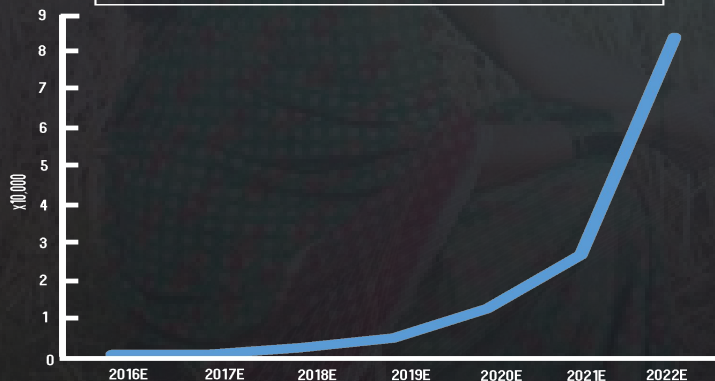
Free

Business Price

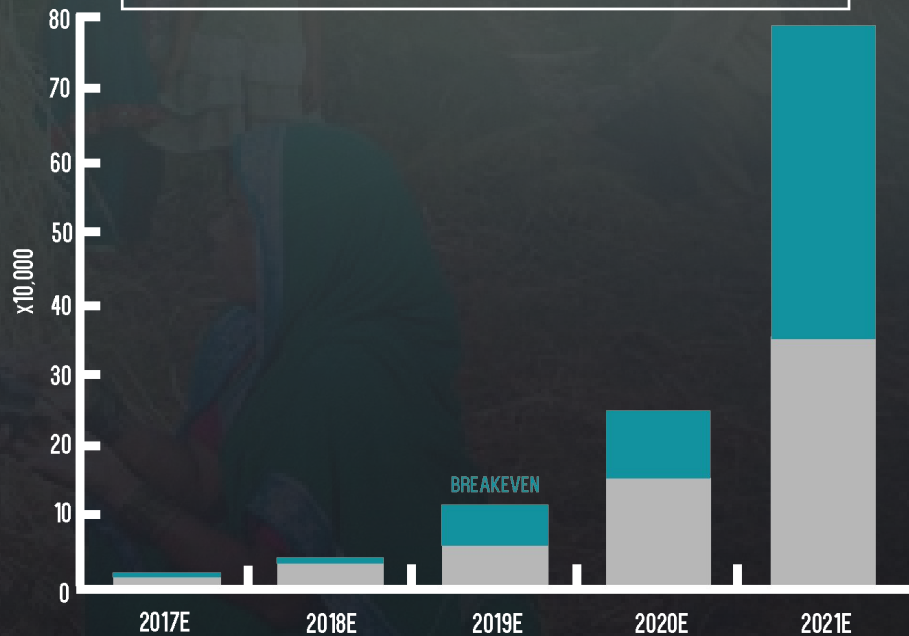
\$1 Monthly Service
\$11 Annual Subscription

Investment Needed: \$115,579.44

USER BASE GROWTH POTENTIAL (2016 - 2022)



OPERATING INCOME VS. NET REVENUES (2017 - 2022)



IMPLEMENTATION

AND ADOPTION



SUMMARY

AND TEAM

OUR ASK:

Partner's Network Expansion Opportunities
\$100K Investment



SOO
SONG

MARKETING



JENNY
JIANG

PRODUCT DESIGN



PATRICK
BURDEN

PRODUCT DESIGN



JESSIE
WU

FINANCIAL ANALYSIS



MALLIKA
ASHANI

RESEARCH & DEV

APPENDIX

AND TABLE OF CONTENTS

Title Slide

The Problem

Our Solution

Market Size and Opportunity

Our Business Model

Financial Projections

Implementation and Adoption

Summary and Team

Migration Trends

Mobile Market Trends

Competitor Analysis - UPI

Competitor Analysis - IMPS

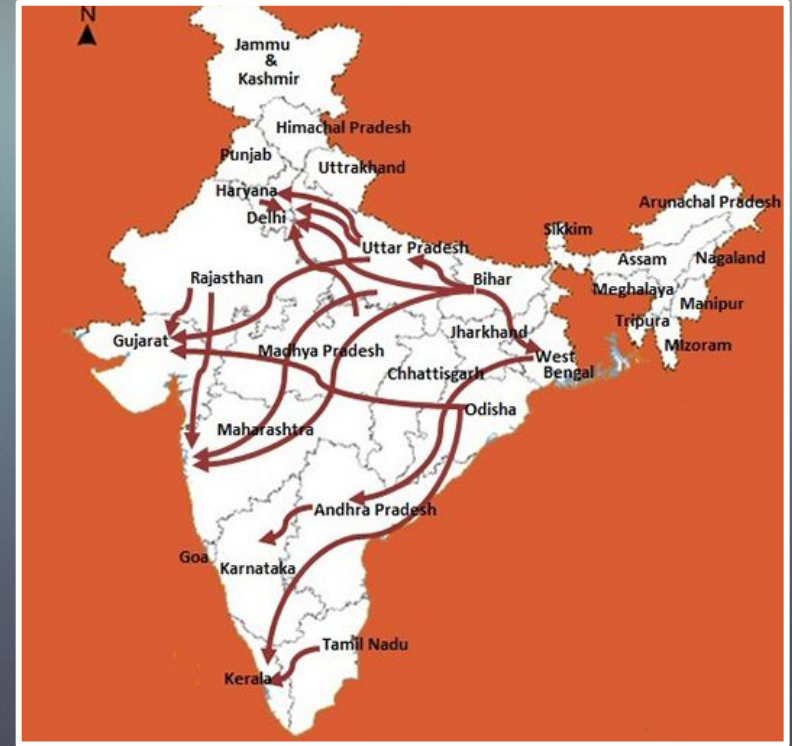
Projected Income Statement

Percentage Adoption Estimates

Operating Expenses Estimates

MIGRANT WORKER TRENDS

- Some regions like UP and Bihar have been known to demonstrate rural migration for decades
- Newer corridors like Odisha, Madhya Pradesh, Rajasthan and recently even North East have become major sources of manual labour for more affluent states
- ◆ Migrant workers are typically employed in:
 - Construction sector (**40 million**)
 - Domestic work (**20 million**)
 - Textile (**11 million**)
 - Brick kiln work (**10 million**)
 - Transportation



Internal Migration Flows, 2001 (Source: IIPS, Mumbai)

MOBILE MARKET TRENDS

Expanding Mobile Ecosystem

- Second-biggest smartphone market
 - ◆ Over 220 million users
 - ◆ In 2015, smartphone shipments increase by around 30% to reach 103.6 million
- Penetration of the total potential population around 30%
- Rural wireless subscribers increased 71% in 2009-10, while the urban subscriber base increased 40.5% → in billions, currently

Mobile Phone* and Smartphone** Users in India, 2014-2019

	2014	2015	2016	2017	2018	2019
Mobile phone users* (millions)	581.1	638.4	684.1	730.7	775.5	813.2
—% of population	47.0%	51.0%	54.0%	57.0%	59.8%	62.0%
—% change	10.7%	9.9%	7.2%	6.8%	6.1%	4.9%
Smartphone users** (millions)	123.3	167.9	204.1	243.8	279.2	317.1
—% of mobile phone users	21.2%	26.3%	29.8%	33.4%	36.0%	39.0%
—% change	62.1%	36.2%	21.5%	19.5%	14.5%	13.6%

Note: *individuals of any age who own at least one mobile phone and use the phone(s) at least once per month; **individuals of any age who own at least one smartphone and use the smartphone(s) at least once per month
Source: eMarketer, July 2015

193900

www.eMarketer.com

COMPETITOR ANALYSIS - UPI



1. Simplicity/Convenience of Single Interface:

- UPI allows one to send and receive money to anybody directly from one's bank account(s) **using only their mobile numbers/unique identifier/virtual address**
- Any bank account can be linked with UPI enabled apps like Mypoolin and TruPay

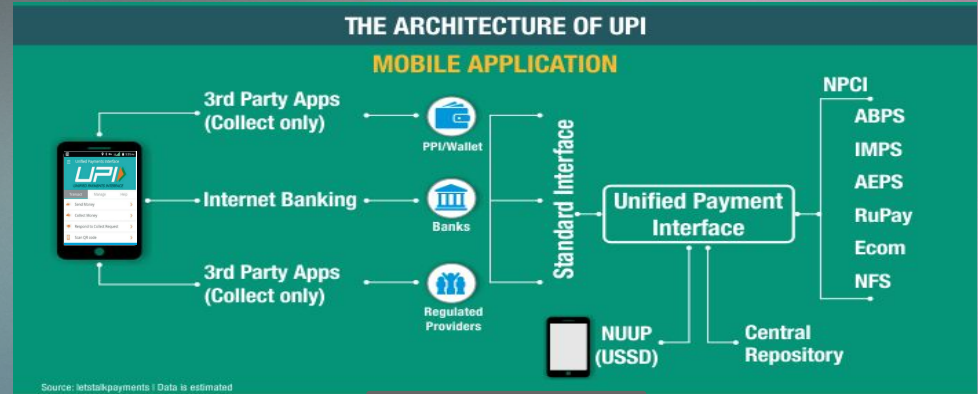
2. Low Cost for Consumer:

- Transaction costs are the lowest since UPI **cuts out all the intermediaries** from the system
- Continue to earn interest while the money is in the bank

3. Efficient:

All transactions are in real time hence the recipients get the money directly in their bank account in a few seconds.

- Typical settlement times of 2-7 days in legacy systems of credit/debit cards etc.



OUR OPPORTUNITIES

1. Minimal competition:

- UPI just went live on July 31, 2016, and is backed by the Reserve Bank of India
- 29 banks are in partnership with the UPI
 - Hoping by March 2017, all remaining banks will be on board
 - (There are 120 banks in the IMPS - all these banks need to be included in digital for digital revolutionization to work)
 - Banks will **need to update their mobile banking apps** in order for UPI to work on them (*we adopt a model similar to Venmo*)
 - NPCI believe new payment system will take 1-2 years to stabilize this payment system; others estimate up to 5 years

2. Transaction Charge:

- a. The cost of sending money ranges between Rs 2.5 and Rs. 5, depending on the amount
- b. Upper limit for UPI has been set at Rs. lakh

3. Advertising:

- a. NPCI states that the partner banks will be responsible for marketing UPI to their customers

COMPETITOR

ANALYSIS - IMPS



1. First Venture into Real-Time Transactions:

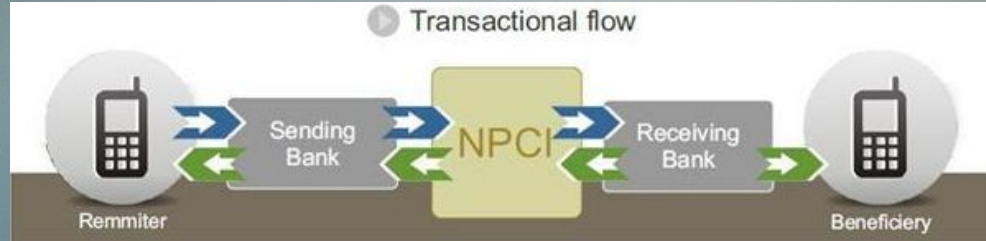
- Previous systems, such as NAFT, would only work during working hours and prevent users from making instant, 24/7, electronic fund transfer services through mobile phones

2. Enables Banks to Expand Mobile Services:

- Facilitates mobile payment systems already introduced to the Indian public in 2008, per Reserve Bank of India's Payment Guidelines
- Offers safe and secure transition into the world of mobile

3. Easy Process for Receiving End:

- Beneficiaries have a very simple process of linking their mobile numbers to their account in the respective bank
- Can keep track of bank account via Mobile Money Identifier



OUR OPPORTUNITIES

1. **Limitations on Transfers:**
 - Users can only reference their registered bank
 - Only allowed to transfer; collection capabilities are not currently built-in
 - Extensive approval process for beneficiary before completion of transfer
2. **Transaction Charge:**
 - a. The cost of sending money is about Rs 10,000 when using mobile number
 - b. Costs are higher for transfers that use account number
3. **Barrier to Adoption:**
 - a. The process relies on users to understand mobile banking, registration, and personal information in-depth
 - b. Transactions take approval and draw on specific, inflexible input and information -- can feel like an intimidating and complicated process

INCOME STATEMENT

Income Statement	2017E	2018E	2019E	2020E	2021E	2022E
Net Revenues	0.00	217,158.87	454,234.69	1,187,643.81	2,513,885.41	7,885,766.00
Operating Expenses:						
Sales and Marketing	108,579.44	136,270.41	237,528.76	251,388.54	788,576.60	788,576.60
Product Development & Maintenance	7,000.00	21,715.89	68,135.20	178,146.57	377,082.81	1,577,153.20
General and Administrative	0.00	21,715.89	59,050.51	178,146.57	377,082.81	1,182,864.90
Total Operating Expenses	115,579.44	179,702.18	364,714.47	607,681.68	1,542,742.22	3,548,594.70
Operating Income	(115,579.44)	37,456.69	89,520.21	579,962.12	971,143.19	4,337,171.30

% ADOPTION

ESTIMATIONS

% BUSINESS ADOPTIONS	2017E	2018E	2019E	2020E	2021E	2022E
Construction	0.100%	0.5%	0.7%	1.0%	5.0%	10.0%
Domestic Hirers	0.025%	0.1%	0.2%	0.5%	1.0%	3.0%
Textiles	0.100%	0.5%	0.7%	1.0%	5.0%	10.0%
Brick Kiln work	0.100%	0.5%	0.7%	1.0%	5.0%	10.0%
Transportation, Agriculture and Mining	0.100%	0.5%	0.7%	1.0%	5.0%	10.0%
Other	0.100%	0.1%	0.2%	0.5%	1.0%	4.0%

Remark: Business Size - 1,500 workers (on average)

OPERATING EXPENSES

ESTIMATIONS (% OF SALES)

Operating Expenses ⁽¹⁾	2017E	2018E	2019E	2020E	2021E	2022E
Sales and Marketing ⁽²⁾⁽³⁾	50%	30%	20%	10%	10%	10%
Product Maintenance ⁽⁴⁾	10%	15%	15%	15%	20%	20%
General and Administrative ⁽⁵⁾	10%	13%	15%	15%	15%	15%

Remarks:

- (1) Excluded fixed product development cost from table: \$7,000
- (2) Determined as a percentage of the next year's sales projections
- (3) Expected to decrease with higher user adoptions
- (4) Expect to increase more after the few years due to new feature rollouts
- (5) Expected to increase in the first few years but taper due to a stabilizing organization structure