



NEWS HIGHLIGHTS

India Post Payments Bank delivers Rs 452 crore to 23 lakh customers during lockdown

CAIT to launch ecommerce platform 'bharatemarket' soon

200 more mandis added to eNAM

Bullish Amazon, Flipkart to lease 3 million sq ft of warehousing

Today's View

Managing Employee Turnover-Role of Fintechs

Effectively managing human resources is one of the most crucial aspects determining the success of organisations. Incidentally, employee turnover costs are much higher for organisations operating in certain segments eg. IT, media etc. According to The **Centre for American Progress**, for more than 40% of jobs, the average cost of replacing an employee amounts to an estimated 20% of the person's annual salary. Another study by **Society for Human Resource Management (SHRM)** found that it can take 42 days to replace a single employee. Judging by these two studies, countless hours and resources spent on recruiting, training, outfitting and on boarding new employees can be staggering.

Human resource departments have tried everything from free lunches to flexible schedules to try to retain employees. When employees cannot pay bills on time, they feel stressed and might start looking for another job. Fintechs have come up with effective solution to this problem: Pay employees quicker. When employees get money quicker, they are less likely to find themselves in the situation where they are unable to pay a bill as they wait for a future payday.

Among the companies leading the movement are **Stripe** and **FlexWage**. Each provides slightly different offerings: Stripe, for example, is a payroll system that works particularly well with contractors, while FlexWage is a payroll debit card system.

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Cryptocurrency exchanges approach RBI seeking clarity on status and taxability

Cryptocurrency platforms that have seen a revival in the last two months have sought clarity from the Reserve Bank of India (RBI) around their status in India after lack of clear directions continued to limit their banking options while also creating uncertainty on the tax front.



Source – The Economic Times

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On the other hand, **DailyPay** is working on an app for employees integrated with their employers' existing payroll system. All these fintechs aim to help companies pay their employees faster.

Some other fintechs like **SalaryFits** have developed a platform which allows financial institutions to integrate its systems with payroll information of entities, companies, along with providing access to a new risk assessment tool. In India, the company is partnering up with mobile wallets in order to offer a low cost alternative to bank accounts and offering the first set of financial products to individuals who depend on cash-based transactions.

As these FinTech solutions continue to evolve, we can expect to see more instant payout solutions emerge to help make the operational implementation seamless for the payroll staff, thereby optimising employee turnover costs.

Today's News

YourNest Venture Capital launches fast-track funding programme SOAR

YourNest Venture Capital has launched a fast-track funding programme, SOAR, focused on early-stage technology startups, particularly those operating in the deep tech domain, the Gurgaon-based venture capital firm announced on Friday. The SOAR programme, applications for which are open from May 1-14, is being supported by the likes of Intel India Maker Lab, Amazon Web Services, technology giant Cisco, Indian SaaS unicorn Freshworks and JioNext, YourNest said in a prepared statement.

WS and Freshworks will be offering credits to the startups to utilise their services, while Cisco, Intel and JioNext will work with the VC firm to shortlist applicants, the official statement said. "Impact of the Covid-19 pandemic along with the global macroeconomic uncertainty is hard and will last a long time but we feel this is the right time to encourage committed entrepreneurs in India who will create not just life-changing solutions but also employment opportunities," Sunil K. Goyal, managing director of YourNest Venture Capital, said.

Source – The Economic Times

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India Post Payments Bank delivers Rs 452 crore to 23 lakh customers during lockdown

Indian Post Payments Bank delivered Rs 452 crore to its customers during a lockdown. In the month of April itself, IPPB made 23 lakh transactions by using Aadhaar Enabled Payment System (AePS). AePS allows IPPB to provide the banking service to the any customer of any bank. Any customer who has a bank account and linked with Aadhar can call the Dakiya/Postman from his village/area and withdraw the money by authenticating only with the thumb impression (biometric) on the IPPB app.

"We never thought obtaining money will be so easy. Due to lockdown, I could not visit the nearest ATM which was 15 km away. But my postman came to my home and helped me with the cash by using my thumb impression," said Jayant Kumar, a school teacher from a village in Sangli District. This service is beneficial for pensioners, daily wage workers, Mahatma Gandhi National Rural Employment Guarantee Act.

Source – The Economic Times

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Visa & Safaricom partner to enhance digital payments access for M-PESA customers

Kenya based Safaricom, a listed Kenyan mobile network operator has announced that the company has partnered with Visa, an American multinational financial services corporation to enable the development of products that will support digital payments for M-PESA customers.

According to the partnership agreement, over 24 mn M-PESA customers, more than 173,000 Lipa Na M-PESA merchants from Safaricom and more than 61 mn merchant locations throughout Visa's global network, and over 3.4 bn Visa cards in more than 200 countries and territories, will receive access to digital payments, subject to regulatory approval.

Source –IBS Intelligence

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CAIT to launch ecommerce platform 'bharatemarket' soon

Traders' body Confederation of All India Traders (CAIT) on Friday said it will soon launch a national ecommerce marketplace 'bharatemarket' for all retail traders, in collaboration with several technology partners.

The marketplace will integrate capabilities of various technology companies to provide end-to-end services in the logistics and supply chains from manufacturers to end consumers, including deliveries at home, CAIT said in a release.

Source – Your Story

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Grofers is in talks to raise \$60-70 million

Grofers is on track to rack up \$60-\$70 million in new funding, sources told ET, as the online grocer registers a major demand surge with more Indians shopping online for essentials amid a continued nationwide lockdown to stem the spread of the Covid-19 virus outbreak.

Separately, it is projecting Ebitda-level profitability in May. Ebitda refers to a company's earnings before interest, depreciation, tax and amortisation, and is a widely used measure of profitability. Existing investors SoftBank Vision Fund, and others including Apoletto Asia, Sequoia Capital and Tiger Global are expected to back the online grocery retailer. The discussions are, however, not yet final, the sources said.

Source – *The Economic Times*

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Logistics startup LoadShare raises Rs.100 crore led by BEENEXT, others

Logistics startup LoadShare Networks has raised a Series B funding round of Rs100 crore led by BEENEXT along with participation from CDC Group. Existing investors Matrix Partners India, Stellaris Venture Partners and venture debt providers Alteria Capital also participated in this round.

The company said the funds will be used to deepen clientele, invest in technology as well as look at geographic expansion. It also plans to utilise the proceeds to expand its network and foray into sectors such as pharmaceuticals, fast moving consumer goods, and grocery for delivery of essentials. "This investment is timely as it helps us deepen our engagement with clients and continue building capabilities through investments in technology, attracting the best talent, geographic expansion and undertaking new initiatives (especially, hyperlocal delivery and movement of essentials)," said Raghu Talluri, chief executive, LoadShare.

Source – *LiveMint*

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Bullish Amazon, Flipkart to lease 3 million sq ft of warehousing

Ecommerce majors Amazon and Flipkart will lease over 3 million square feet warehousing space across major consumption centres as they expect a major bounceback in demand once the Covid-19 crisis ends. Amazon's India unit has contracted 2 million sq ft while Walmart-backed Flipkart has contracted 1 million sq ft across Bengaluru, Mumbai Metropolitan Region, Hyderabad, Pune, Ahmedabad, Lucknow and Coimbatore, said multiple persons aware of the development.

These new facilities across major warehousing hubs will be up and running by end of this year under the built-to-suit model as the companies look to expand their India footprint. These contracts had been in works even prior to the pandemic and are part of both Amazon and Flipkart's India growth strategy.

Source – *The Economic Times*

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200 more mandis added to eNAM

The government has connected 200 new mandis across seven states to its national digital agricultural trading platform — eNAM — taking the total tally of eNAM enabled mandis to 785.

By the end of the month, 1,000 mandis would be connected with the platform, Agriculture Minister Narendra Singh Tomar said while launching the services on Friday.

Source – *The Economic Times*

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UPI transactions see biggest monthly plunge

Indians barely stepped out of home in April, except to buy groceries and medicines. The collective inactivity of a locked-down nation showed up in the digital payments data, with the value and volume of transactions registering record declines.

Data from the Unified Payments Interface (UPI), Immediate Payment Service (IMPS) and National Electronic Toll Collections (NETC), run and operated by the National Payments Corporation of India, told the story of little or no discretionary expenditure through the month. UPI transactions slumped more than a fourth to Rs 1.5 lakh crore, data released by NPCI showed. This is the highest monthly plunge since UPI's inception in 2016.

Source – *The Economic Times*

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