



## NEWS HIGHLIGHTS

Uber in pact with Axis, HDFC Bank for UPI-based payments

With attacks soaring, India races to regulate cryptocurrencies

Ebiz buys money transfer business of YouFirst

Flipkart to let sellers sell products globally through eBay

Digital ad spend expected to grow at 33% by December 2017

## Today's View

### Differentiated Banking with FinTechs

"If you change nothing, nothing will change".

RBI has been trying to do just that. Amongst the different steps taken by the regulator, introduction of differentiated banks like small finance banks and payment banks aiming to fulfil credit and remittance needs of small businesses, low-income households, farmers and migrants, has shown progressive disposition.

Differentiated banks are leveraging technology to deliver efficient banking services to untapped customer segments. As per NASSCOM Report, India's internet users will multiply to over twofold – around 730 million by 2020, of which around 75% of the new internet users would be from rural areas.

One of the niche banks, **ESAF Small Finance Bank** is collaborating with FinTechs like **FIS Global Business Solutions** to provide an integrated banking platform offering analytics, risk management, treasury, and payment services. Similarly, **Suryoday Small Finance Bank** is running a pilot with FinTechs like **CreditVidya**, to offer higher ticket size loans in an attempt to venture into new portfolio segments.

Few niche banks are quickly tapping the power of collaborating with institutional bodies as well. **Capital Small Finance Bank** signed a MoU with SIDBI to provide concessional finance to MSMEs, including cluster-based interventions in the areas of technology for promoting digital financial inclusion initiatives.

Other type of differentiated banks i.e. Payment Banks are also riding on the FinTech wave. **Airtel Payments Bank**, the first payments bank to commence operations, launched a Merchant App for digital onboarding of its partners. It has also invested in FinTech firm **Seynse Technologies**, to improve its credit scoring algorithms backed by digital analytics and machine learning. **India Post**, venturing into the payments business, is planning to utilise biometric authentication and Aadhaar-based payments

## OTHER INTERESTING NEWS

### Do you make the cut in a blended workforce?

Strategy consulting, digital marketing and analytics are the key skills in demand as organisations switch to a blended workforce, according to a study conducted by Flexing It, an online marketplace for highly skilled and curated on-demand workforce.



The study was carried out among the Flexing It community of more than 50,000 experienced professionals.

Source- The Economic Times

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Date- 22<sup>nd</sup> August 17

to authenticate and settle transactions, especially for DBT (direct benefits transfer) beneficiaries, for as low as 5 paise per transaction.

With an aim to solve last mile challenges in financial inclusion, differentiated banks possess the potential to become financial services gateways by rebundling a host of innovative services at an affordable cost. This calls for meaningful collaborations with regulators like RBI and new age FinTech disruptors.

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## Today's News

### Uber in pact with Axis, HDFC Bank for UPI-based payments

The worldwide cab hailing firm Uber has tied up with Axis Bank and HDFC Bank for UPI (Unified Payments Interface)-based payments. The announcement is expected in a couple of days.

Apart from payments via credit/debit cards, cash and Paytm, this will be yet another payment option available to customers. Uber's chief competitor in the Indian industry, Ola had incorporated UPI this year in April.

Source- *The Economic Times*

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### Equitas brings some fun elements to staid banking

Chennai-headquartered Equitas Small Finance Bank has embarked on a journey to inject some fun element to make it enjoyable.

From punching in mobile banking PIN from floating bubbles containing numbers and printing Sudoku puzzles on the back of bank statements, to setting up 'high five' standees in branches for customers to express their satisfaction and employees wearing T-shirts (a different colour from Monday through Friday) to work, the bank is trying to make banking a tad less boring.

Source- *Business Line*

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### With attacks soaring, India races to regulate cryptocurrencies

Policy makers in Asia's third-largest economy, wanted to weigh their options to regulate virtual money. A presentation to the meeting -- also seen by Bloomberg -- flagged concerns about rising, unregulated exchanges trading bitcoins. Anonymity of ownership and surging value, the presentation noted, had made it the favorite currency of cyber criminals increasingly targeting Indian systems.

Bitcoin last week soared past \$4,000 for the first time on growing optimism that faster transaction times will hasten its spread.

Source- *The Economic Times*

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This News Letter has been prepared with the assistance of Pankaj Tadas and Manish Kulkarni

### Nasdaq-listed Ebix buys money transfer business of YouFirst

Nasdaq-listed Ebix Inc on Monday announced that it has acquired the money transfer service scheme (MTSS) business of YouFirst Money Express Private Ltd.

This is Ebix's second acquisition over the last few days and comes on the heels of the acquisition announcement of MTSS assets of Wall Street Finance Ltd on August 17. The acquisition of YouFirst and Wall Street MTSS inward remittance assets gives Ebix about 25 per cent of the inward international remittance market in India, Bhavik Vasa, Chief Growth Officer, ItzCash told.

Source- *Business Line*

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### Flipkart to let sellers sell products globally through eBay

Flipkart, India's largest e-commerce firm, will now sell products to customers in over 190 countries through a new programme that is launching through its eBay India subsidiary.

The new programme, called Flipkart Global, will allow the over 100,000 sellers on Flipkart's platform to sell their products online in over 190 countries. The initiative will leverage the export capabilities of eBay India, which was bought over by Flipkart as part of a \$1.4 billion funding round in April.

Source- *Mint*

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## Regulatory policy must help digital growth: Manoj Sinha

Telecom minister Manoj Sinha has said India's regulatory policy should facilitate growth of digital technologies, in wake of a changing telecom landscape and more focus on making India digital.

"Regulatory framework should come up with policy recommendations to ensure growth of digital technologies," Sinha said, adding that digitisation promotes efficiencies and is a driver of inclusive economic growth.

Source- *The Economic Times*

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## Digital ad spend expected to grow at 33% by December 2017

The digital advertising spend in India is expected to grow at the rate of 33% to touch Rs. 9,700 crore by December 2017. The market was estimated to be around Rs.7,300 crore at the end of 2016, growing at a rate of 40% over 2015, said a report titled 'Digital Advertising in India', published by the Internet and Mobile Association of India (IAMAI) and IMRB Kantar.

According to the report, the digital advertising spend is about 14% of the total advertising spends in the country.

Source- *The Economic Times*

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## How Artificial Intelligence will reform organisational strategies, for good!

Tata Consultancy Services' (TCS) global report states that 68% of companies use artificial intelligence (AI) for IT functions. However, 70% believe AI's greatest impact by 2020 will be in functions outside of IT such as aspects of customer service and marketing.

AI is the next big disruptor and the Indian start-up ecosystem is evolving to adapt and use these insights to sharpen business operations and strategies.

Source- *Financial Express*

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## Govt lens on Alibaba's UC Browser for sending user data abroad

A government lab in Hyderabad is probing how Alibaba-owned UC Browser can send user details and location data to a remote server.

UC Browser sends user and device identifiers such as IMSI (international mobile subscriber identity) and IMEI (international mobile equipment identity) numbers and location data to a remote server based in China, a source said. UC Browser has a share of nearly 50 per cent of India's mobile browser market, according to latest data from StatCounter.

Source- *Business Standard*

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## Paytm Mall to put \$35 million in tech to strengthen logistics

Paytm Mall, which is run by Paytm Ecommerce, will invest \$35 million in technology and infrastructure to strengthen its logistics network.

The company also plans to shorten delivery timelines by servicing demand with local supply to provide same-day and next-day deliveries in electronics and appliances categories across 25 cities.

Source- *The Economic Times*

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## Capital Float raises Rs 293 crore in Series C

Digital lending startup Capital Float has raised Rs 293 crore in its Series-C round led by US-based fintech investor Ribbit Capital. Existing investors Sequoia Capital, SAIF Partners and Creation Investments also participated in the round.

ET was the first to report last week that Capital Float was in advanced talks with Ribbit to raise \$45 million. Following this round, the company's total equity funding comes to \$87 million. Capital Float, which lends to small and micro businesses, has also raised debt of \$67 million since the last round.

Source- *The Economic Times*

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