



## NEWS HIGHLIGHTS

**Xiaomi looking to invest \$1 billion in Indian startups**

**Govt may exempt crowdfunding from Companies Act**

**We were never in discussions for merger with BigBasket: Grofers**

**Bank e-wallets may die early death: Tie-ups with niche players more viable**

**Aadhaar may add security layer with dummy numbers**

## Today's View

### UPI is Catching Up

Unified Payments Interface (UPI), an elegant architecture in the world of payments, seems to be in a tearing hurry to move up the payments league table. As per RBI data, UPI has seen over 100% growth for the month of October at 76.9 million compared with September of this year at 30.9 million. However in terms of transaction value, UPI witnessed a 33% growth in transactions, reporting Rs 7,057 crore in cumulative value for October,17 compared to Rs 5,293 crore in September,17.

At its launch in August, 2016, 21 Banks adopted UPI and launched their own UPI apps. However, the major impetus came in by the launch of Government's **BHIM** app during the period of demonetization. The app now supports 59 major Indian banks, offers 13 languages and has been downloaded 20 million times. Through the revamped BHIM 1.4.1, users can invite others to use the BHIM app via social media platforms or messaging apps. The upgraded version also helps kirana store owners add their helpers or delivery persons as payment collection agents.

**PhonePe** has been a frontrunner responsible for proliferation of UPI. PhonePe, one of the first UPI platforms, has seen massive growth in its adoption. Recently, the company also launched its own PoS device, pocket friendly and easy to use device, enabled by Bluetooth technology, changing the whole ballgame for UPI.

The 100% growth in UPI users in the month of October can directly be attributed to Google's **Tez** app which has received over 7.5 million downloads in a period of just five weeks since its launch in September. Tez is riding high on its 'Rewards' and 'Cashback offers' and the ease of payment through its 'cash mode'. Tez also features a

## INTERESTING NEWS

**Telecom operators offer cashbacks to keep average revenue per user intact**

Telecoms are offering cashback options in the higher tariff range to sustain ARPU and encourage use of mobile wallets.



With Jio increasing data rates, the industry is trying new ways to increase ARPU while retaining and acquiring users.

Source – *The Economic Times*

[READ MORE](#)

Date – 20<sup>th</sup> Nov 17

technology called audio QR that allows users to transfer money using ultrasound to pair two devices.

The month of November promises new highs in the UPI journey with **PayTM's** integration of BHIM UPI on its platform. With PayTM's reportedly 280 mn registered users, this move would not only help widen its reach but also enhance its adoptability among Indian customers.

Further, **whatsapp**, with a subscriber base of over 200 million, plans to launch its in-app, UPI-based payment service in India. The messaging service is said to have already partnered with Indian banks to facilitate its payments service. Going by recent reports, even **Amazon** is examining its "platform stability" and testing user experience for the integration of UPI on the Amazon Pay platform.

With the UPI's omnipresence across various apps, the government's objective of achieving 2,500 crore digital transactions in 2017-18 could make this seemingly lofty target closer to reality. We recommend you follow this space to learn more about the various new features in the pipeline, collectively referred to as UPI 2.0.

---

## Today's News

### Xiaomi looking to invest \$1 billion in Indian startups

Xiaomi will invest \$1 billion in 100 startups in India over the next five years, seeking to create an ecosystem of apps around its smartphone brand. CEO Lei Jun said Xiaomi and its sister company Shunwei Capital have purchased stakes in six Indian internet companies...and will invest in businesses such as content, fintech, and hyperlocal services in order to increase the adoption of mobile internet in the country.

"In the next 5 years, we will invest in 100 companies in India. We will basically replicate the most successful ecosystem business model of China in India. We will have all types of services and products and integrate them." he said.

Source – Livemint

[READ MORE](#)

### Govt may exempt crowdfunding from Companies Act

The government may exempt crowdfunding activities from provisions of the Companies Act as it seeks to bring such fund-raising under the regulatory ambit of SEBI. The government may invoke Section 462 of the Companies Act to ease the way for start-ups to raise funds through this route.

Hurdles in the Companies Act include no more than 50 investors in a private placement in one go and 200 in a year or compulsorily make a public offer and list the securities on a recognized stock exchange if it exceeds.

Source – Livemint

[READ MORE](#)

This News Letter has been prepared with the assistance of Sadhika Agarwal and Aparna Anand

## From Kotak Mahindra to ICICI, banks looking to steal a march on wallets

Even as non-bank wallet players go all out to win the battle, banks have been quietly tailoring digital offerings to create more customers for their products.



Lenders are now working to capitalize on the users they garnered then in order to give retail credit growth a push.

Source – Financial Express

[READ MORE](#)

## Tie-ups and innovation to drive mobile wallet growth

After demonetization, there has been a decline in mobile wallet transactions lately. As the mobile wallet market gets more crowded, service providers are looking at innovation and tie-ups to stay ahead of competition.

For Paytm, some of the significant product launches include Paytm Inbox and Paytm BHIM UPI. The rationale behind the new products is to allow users multiple payment options and enable them to transfer money seamlessly.

Source – Business Standard

[READ MORE](#)

## We were never in discussions for merger with BigBasket: Grofers

Grofers has denied holding merger talks with BigBasket, saying “just one meeting about business” last year between the two had been blown out of proportion. Grofers founder and CEO Alibinder Dhindsa said the company is focusing on growing its business.

Grofers and BigBasket had reportedly been in talks for a merger that would have created one of the largest online grocery players. “It was not (merger) talks, there was just one meeting about how the business is going and it just got blown out of proportion...” Dhindsa said.

Source – Livemint

[READ MORE](#)

## Bitcoin emerges as crisis currency

It’s becoming the preferred way for residents of failing economies to transfer money without dealing with banks, protecting their savings from political turmoil, and avoiding the local currency when its value declines due to inflation.

There’s no data on how much digital money leaves industrialized nations for the developing world. Part of the allure of electronic cash is the ability to transfer it anonymously. But as events in Zimbabwe have confirmed, bitcoin is most attractive when confidence in institutions falls.

Source – Livemint

[READ MORE](#)

## Bank e-wallets may die early death: Tie-ups with niche players more viable

Accelerated digital adoption and demonetization have scripted the success of mobile wallet companies. Banks also jumped on the bandwagon and launched their own e-wallets. Now, with their wallet customer base, user interface and innovation not up to the mark, banks are struggling.

With a number of banks partnering niche mobile wallet players, there is a fear that banks’ own wallet products might die. It is more lucrative for banks to partner existing mobile wallet players than building their own wallets.

Source – Business Standard

[READ MORE](#)

## Aadhaar may add security layer with dummy numbers

Amid the privacy and protection concerns voiced by various groups, the top team of UIDAI is exploring the possibility of introducing dummy numbers that would add an extra layer of security to every Aadhaar cardholder.

Such a framework would require an individual to share dummy or pseudo numbers to government agencies, private utilities, banks under the Aadhaar-enabled payment system. Besides the cardholder, the original Aadhaar number would be known only to UIDAI.

Source – The Economic Times

[READ MORE](#)

## 65% consumers in Bangladesh for adopting digital payments, shows study

A recent study shows that 65% consumers in Bangladesh are in favor of digital payments. The millennial are more likely to use digital payments than other generations. The inclination towards embracing digital payments is higher amongst those from a higher income household.

TR Ramachandran, group country manager, India and South Asia, of Visa, said: “The study shows that while consumers are steadily embracing digital payments, they are also seeking secure payment forms.

Source – Dhaka Tribune

[READ MORE](#)

## Bitcoin soars past \$8,000 as technology shift concern vanishes

Bitcoin topped \$8,000 for the first time, as investors set aside technology concerns. It’s now up over 700% this year. It’s becoming too big for many on Wall Street to ignore. The digital currency is gaining acceptance of professional investors, with CME Group Inc., poised to start offering futures trading on bitcoin next month.

New cryptocurrency iterations are springing up as disagreements over bitcoin’s design persist and opportunities for making a quick buck prove hard to pass up.

Source – Livemint

[READ MORE](#)

**Disclaimer:** The views expressed in this newsletter are personal views of the author and do not necessarily reflect the views of Bank of Baroda. Nothing contained in this publication shall constitute or be deemed to constitute an offer to sell/ purchase or as an invitation or solicitation to do so for any securities of any entity. Bank of Baroda and/ or its Affiliates and its subsidiaries make no representation as to the accuracy; completeness or reliability of any information contained herein or otherwise provided and hereby disclaim any liability with regard to the same. Bank of Baroda Group or its officers, employees, personnel, directors may be associated in a commercial or personal capacity or may have a commercial interest including as proprietary traders in or with the securities and/ or companies or issues or matters as contained in this publication and such commercial capacity or interest whether or not differing with or conflicting with this publication, shall not make or render Bank of Baroda Group liable in any manner whatsoever & Bank of Baroda Group or any of its officers, employees, personnel, directors shall not be liable for any loss, damage, liability whatsoever for any direct or indirect loss arising from the use or access of any information that may be displayed in this publication from time to time.