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Razorpay to tap B2B payments

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Zeta launches Rupay-enabled digital payment service

Today's View

Aadhaar Pay: Security over Convenience?

On the occasion of mega draw of Lucky Grahak Yojana and Digi Dhan Vyapar Yojana, President Pranab Mukherjee hailed the Aadhaar initiative as a "watershed event" in India's development story. Leveraging on Aadhaar's unique biometrics, now we have Aadhaar-linked cashless payment system called "Aadhaar Pay".

It is a payment system empowering an individual to use Aadhaar as the unique identity to access one's respective Aadhaar linked bank account and perform basic banking functions like balance enquiry, cash deposits, cash withdrawals and remittances. Aadhaar Pay also has great potential to help small merchants go cashless. The merchant only requires a smartphone and a current account with a bank. To promote Aadhaar Pay, banks are directly approaching merchants to open a zero balance current account by doing merchant's eKYC.

It is generally accepted Aadhaar Pay provides higher security as compared to existing payment wallets or in some cases, even credit and debit cards. Also, in case of payment wallets, there is a risk of losing our mobile.

But this security can come at the cost of convenience. Time taken to enter the Aadhaar number, bank name and authenticate our finger print using sensor could be more than the time taken by other modes of payments. Additionally, it is easier to remember a four digit PIN number rather than a 12 digit Aadhaar number.

In today's world of instant gratification, customers tend to prefer convenience over security.

Will Aadhaar Pay break this mould? We believe it could take more time than expected.

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Value of card transactions at PoS falls for 2nd month in row

According to the Reserve Bank of India (RBI) data, the value of transactions through the debit card and credit card used at the PoS fell to Rs 64,200 crore in February against Rs 81,712 crore in January.

TRANSACTION REGISTER

Month	Credit and debit cards at PoS		Pre-paid instruments		Mobile banking	
	Value (₹ cr)	Volume mn	Value (₹ cr)	Volume mn	Value (₹ cr)	Volume mn
Nov '16	58,734	334	5,074	169	1,36,570	87
Dec '16	89,180	532	9,770	261	1,49,818	111
Jan '17	81,712	441	11,001	296	1,38,301	106
Feb '17	64,286	346	9,628	280	1,27,993	95

Source: Reserve Bank of India

The peak was in December at 65.07 per cent which fell to 55.76 per cent in February from about 60 per cent in January.

Source-Business Standard

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Date- 11th April 17

Digital payments: Central Bank of India customer wins Rs 1 crore in lucky draw

A transaction of Rs 1,590 has bagged a Central Bank of India customer lucky bounty of Rs 1 crore under the government's promotional scheme to popularise digital payments.

In the consumer section, the first mega prize of Rs 1 crore went to a customer of Central Bank of India, while the second prize of Rs 50 lakh went to a Bank of Baroda customer. A customer of Punjab National Bank is the winner of third prize of Rs 25 lakh.

Source-The Times of India

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State Bank looking to scale up merchant acquiring business

India's largest bank is seeing a huge opportunity in merchant acquiring business (MAB) in the wake of the government's push for digital and card payments to build a 'less cash' economy following demonetisation.

State Bank of India is planning to form a joint venture company to ramp up its merchant acquiring business. This comes in the backdrop of the bank setting an ambitious target of scaling up its point-of-sale (PoS) terminal network from over 5.50 lakh now to 10 lakh in the next two-three years.

Source-Business Line

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Cyber attack on Union Bank of India similar to Bangladesh heist: Report

The Wall Street Journal reported that a cyber attack on Union Bank of India last July began after an employee opened an email attachment releasing malware that allowed hackers to steal the state-run bank's data.

The opening of the email attachment, which looked like it had come from the Reserve Bank of India (RBI), initiated the malware that hackers used to steal Union Bank's access codes for the Society for Worldwide Interbank Financial Telecommunication (SWIFT), a system that lenders use for international transactions.

Source-Mint

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WhatsApp's first digital payment service

The world's most popular messaging app Whatsapp - with over 1.2 billion users - is branching out into digital payment service, and India is being targeted as the first country to use this service.

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

Razorpay to tap B2B payments, global markets for growth

Fintech company Razorpay is keen on exploring verticals like oil and gas, logistics and education for smoothening the process of business-to-business payments.

Razorpay's online payment gateway allows Indian businesses to collect payments online through credit/debit cards, net banking and wallets like JioMoney, Airtel Money, FreeCharge and others.

Source-CIO

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In biggest-ever fund-raising by an internet start-up in India, Flipkart raises \$1.4 bn

E-retailer Flipkart announced on Monday that it had raised \$1.4 billion from three new investors, Tencent, eBay and Microsoft, in what is the biggest ever fund-raising by an internet start-up in India.

The funds will give Flipkart the much-needed financial muscle to fight global e-commerce giant Amazon in India.

Source-Financial Express

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In India, the platform will be geared toward small businesses employing less than 10 people, who may be able to use the app to manage customer contact lists or multi-agent support.

Source-Daily Trust

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Mobile-based payment systems raise privacy issues

Rahul De, Chairperson, CSITM, and faculty at IIM Bangalore said that the study found serious privacy concerns with all the mobile-based payment services.

Potential for confidentiality breaches was a problem observed in all the mobile payment methods, except USSD. A recurring security concern was that many of the apps do not automatically log the users out, and anyone having access to the phone can make financial transactions through these apps.

Source-Business Line

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IoT to get a boost from digitisation drive

IoT, which allows a set of connected devices running on software and sensors to exchange data, is considered to be one of the enablers that would benefit from this digitisation drive.

The process where customers can pay their bills through any of the multiple acquirers via banks' POS to the merchant or brand is possible with help of IoT.

Source-Indian Express

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Platform aimed at helping corporations meet disruption challenge to go live today

A platform set up by a British-Indian venture GrowthEnabler that intends to help large corporations across the world identify start-ups involved in cutting edge technology is set to go live on Tuesday.

GrowthEnabler uses an algorithmic process to analyse and score over half a million start-ups across the world — will help corporations avoid the pitfall that many across the world have fallen into, which is failing to recognise the disruption due to take place in their industry, and avoid “creative destruction.

Source-Business Line

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Naspers-owned PayU India raises Rs 802 crore

Eying a bigger slice of the digital payments market pie in the country, Naspers-owned fintech company PayU India has raised Rs 802 crore from its parent MIH India (Mauritius) Limited and PayU Global

Fintech companies are riding on the government's drive towards a digital economy. Recently, payments firm Paytm registered 200 million users for its digital wallet.

Source-Financial Express

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Zeta launches Rupay-enabled digital payment service for corporates

The two-year-old start-up Zeta has tied up with the National Payments Corporation of India (NPCI) platform RuPay to provide services to the corporate sector through its Super Card and an Android app.

The company caters to diverse industries, including the services sector. Zeta's major clients include GIFT City, Adani Group, Arvind, Harsha Engineering, and Kunverji.

Source-Business Line

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