



NEWS HIGHLIGHTS

Government launches 'Aaykar Setu' to enhance e-access of taxpayers

Government may hike BHIM referral bonus from Rs 10 to Rs 25

Paytm Mall in talks to invest \$200 million in BigBasket

Amazon gets govt nod for \$500-million FDI in food business

Today's View

Augmenting Experiences

Nokia got its start in 1865 as a paper mill – the original communications technology.

Nintendo between 1963 and 1968, set up a taxi company, a hotel chain, a TV network, and a food company.

Companies often do things which are removed from their core area of expertise - some to succeed, some not so much.

The Indian Fintech space is forecasted to touch \$2.4 billion (as per a joint report by 'NASSCOM 10000 Start-ups' and KPMG), while the e-commerce industry is predicted to be worth an astounding \$63.7 billion (as per Worldpay's research), in the year 2020. In fact the e-commerce business in India is expected to overtake the U.S. by 2034, which will open up considerable opportunities for online marketplaces, including in the Fintech space.

Possessing convenient access to rich e-commerce data, in conjunction with third-party financial data, the e-commerce firms can outpace others in building proprietary credit scoring models and consequently expanding their consumer reach for financial services. Bolstered by these factors, **Amazon** has originated over US\$3 billion in loans to more than 20,000 small enterprises since 2011. Trailing behind, **Flipkart** launched Flipkart Growth Capital, directed at creating a platform for sellers to compare and avail loans. It will compete with the likes of **EarlySalary**, **Capital Float**, **Lendingkart**, **FlexiLoans**, among others offering similar financial services. Looking to leverage the power of sticky products to build a one-stop shop for customers, e-commerce players are also exploring mutual fund and insurance products.

Flipkart, in fact has also established a technology centre in Silicon Valley called the F7 Labs and has acquired a talent pool with expertise in areas such as computer vision, image sciences and natural language processing (NLP).

OTHER INTERESTING NEWS

Paytm Mall in talks to invest \$200 million in **BigBasket**

Alibaba-backed online marketplace **Paytm Mall** has initiated discussions to pick up a stake in **BigBasket**.

Building Muscle

THE DEAL, if successful, will help Paytm Mall take on Amazon India & Flipkart

BIGBASKET has been exploring financial and strategic options for raising capital

IT HAS held talks with Amazon for a sale & local rival Grofers for a merger

GROCERY, WHICH has the largest share of retail market, is considered a strategic category to help drive growth and repeat purchase



Online grocery has also seen interest from conglomerates like the Tata Group

The deal will help Paytm Mall strengthen its online-to-offline strategy (using BigBasket's partnerships with corner stores), helping them take on Amazon.

Source- The Economic Times

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Date- 11th July 17

Acknowledging the enormous value waiting to be unlocked in the Fintech space, it is no surprise that the likes of Flipkart & Amazon are strengthening their hold on e-commerce through establishing their presence in the FinTech space. However, the success of this move will depend upon their ability to quickly adapt to the dynamic FinTech universe. So on one hand payments processing, lending, et al are propositions which offer stickiness of consumers and merchants, they are not core to the strengths of these platforms.

But then sometimes that is exactly what is required.

Today's News

Government launches 'Aaykar Setu' to enhance e-access of taxpayers

The Income Tax Department has launched an online facility that will enable payment of taxes, tracking of tax deducted at source and filing of applications for permanent account numbers (PAN).

The facility known as 'Aaykar Setu,' launched by finance minister Arun Jaitley, will also help people link their 12-digit biometric identifier Aadhaar with PAN.

Source- *The Economic Times*

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Government may hike BHIM referral bonus from Rs 10 to Rs 25

Banks and the National Payments Corporation of India have asked the finance ministry to increase the referral bonus on payments app BHIM (Bharat Interface for Money) since it has failed to attract consumers.

Any person who refers BHIM to another gets Rs 10 as an incentive and the person who starts using it gets Rs 25 as an initiating cashback. "BHIM referral bonus is Rs 10, which we feel is too low to be attractive for consumers. We have suggested the government increase it to Rs 25," said AP Hota, MD, NPCI. "The government is positively considering it and is expected to launch it soon."

Source- *The Economic Times*

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Amazon gets govt nod for \$500-million FDI in food business

In a move that is expected to attract top dollar, the government on Monday allowed Seattle-headquartered online giant Amazon to open fully-owned brick-and-mortar stores to sell food products in India.

This is the first foreign direct investment (FDI) proposal for setting up "food-only" retail outlets that the government has permitted.

Source- *Business Standard*

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Mindtree's digital practice, expertise to drive growth

Mindtree has built up an impressive digital practice over the past few years. Digital business is scaling up nicely with wins of large integrated digital transformational programs. To drive profitability and focus, the company has picked up a few interesting bets.

Mindtree's deep-rooted product engineering expertise, well-established ecosystem including multi-dimensional experts, partnership with ecosystems and breadth of capabilities combined with its collaborative approach and investments in industry-specific IPs and platforms, position it well for growth.

Source- *Financial Express*

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

Mergers and Acquisitions in Indian banking sector not threat for fintech players: FIS-India official

The mergers and acquisitions (M&A) that may happen in the Indian banking sector may open up more opportunities for financial technology companies, said a top official of FIS-India.

The M&A may impact companies having CBS as their main product, but it is no longer the only source of truth for banks. Mergers in the banking sector will open up huge vista of opportunities for companies like FIS with end-to-end offerings for banks.

Source- Indian Express

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Uber, Amazon join UPI. Google, WhatsApp in line

Uber and Amazon will be the latest global players to adopt the unified payment interface (UPI), with the global cab-booking company expected to go live this month through integration with the BHIM app, according to the National Payment Corporation of India (NPCI).

NPCI is also set to launch multi-bank UPI partnerships for global players such as Google and WhatsApp soon.

Source- The Economic Times

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PM asks States to maximise use of Aadhaar for good governance

Prime Minister Narendra Modi on Monday asked States to maximise the use of Aadhaar for good governance and also work to attract investments through better business practices.

“The Prime Minister said that Aadhaar should be used across sectors so that the country can benefit and leakages can be plugged,” said Amitabh Kant, CEO, NITI Aayog.

Source- Business Line

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Digital transactions slowing down after initial demonetisation rush

The growth in cashless transactions, doubling in the aftermath of demonetisation, seems to have hit a new normal of 27 per cent in May and June.

By the time this financial year draws to a close, growth in digital modes of payment may stabilise at 30 per cent to 40 per cent higher than last year.

Source- The Economic Times

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TruPay expects at least 1 lakh merchants to use its new kit

Fintech start-up TruPay expects at least one lakh merchants to adopt its recently launched merchant kit, its co-founder Vivek Lohcheb said.

The kit is a unique ‘plug and play’ solution, enabling merchants to accept payments both via UPI-BHIM and Bharat QR code, the world’s first interoperable payment acceptance solution.

Source- Business Line

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UBS raises \$325 million for Bono-backed impact investment fund

UBS has raised \$325 million for a private equity impact investment fund, as the world’s biggest private bank looks to meet wealthy clients’ growing appetite to combine philanthropy with money making.

The Rise Fund, which counts Irish rock star Bono among its co-founders, aims to achieve “measurable, positive social and environmental outcomes alongside competitive financial returns”, UBS said in a statement on Monday.

Source- Reuters

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