



NEWS HIGHLIGHTS

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Today's View

Banking Beyond User Interfaces

Banks, especially large scale financial institutions, with complex structures and legacy systems are not well known for providing seamless user experience. In fact, abandonment rates for online banking applications are around 97%, due to poor User Interface (UI), as per research by **LetsTalkPayments**. Identifying this concern, multitude of innovative firms, especially fintechs, have gone a step ahead of UI, by providing dedicated products and services built around great User Experiences (UX). It goes beyond designing user interfaces, by taking holistic approach around digital platforms, financial services, marketing, and even human psychology.

As per survey from **MIT Technology Review**, 91 per cent of companies that maintain highest levels of User Experience (UX) deploy advanced technologies like artificial intelligence (AI), predictive analytics and Internet of Things (IoT) to craft a pleasant user experience by matching user needs on a deeper level. Thanks to these advanced technologies, **Robinhood**, a fintech firm, has managed to develop an app that provides seamless trading experience, enabling it to become the first financial app to win Apple Design Award. Similarly, fintechs like **Venmo** are improving User Experience by adding social element to otherwise tedious financial management tasks.

Identifying the need for proving better UX even banks are leveraging the tie-ups with dedicated UX firms. Banks like **Standard Chartered Bank**, **Shanghai Rural Commercial Bank** and **IOOF** are collaborating with UX design firm **ThoughtWorks** to improve the consumer's User Experience. Some UX design

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Record nine start-ups get unicorn status amid shift in investor sentiment

India's startup ecosystem created a record nine unicorns in 2019, despite sentiments turning cautious in the December quarter, according to a report from startup data tracker Tracxn.

The billion-dollar club

The unicorns of 2019 include fantasy gaming platform Dream11, e-commerce logistics firm Delhivery, eyewear retailer Lenskart and data management firm Druva.

| Company | Valuation (\$ bn) | Investors | Funding amount (\$ mn) |
|--------------|-------------------|--------------------------|------------------------|
| Dream11 | 1.1 | Tencent, Multiples PE | 100 |
| Lenskart | 1.5 | SoftBank, Kendra Capital | 350 |
| Delhivery | 1.6 | SoftBank, Carlyle | 413 |
| Druva | 1 | Viking Global, Nexus VP | 130 |
| Ola Electric | 1 | SoftBank, Tiger Global | 250 |

Source – Live Mint

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Date – 31st December, 2019

firms like **Clay** specialise in providing UX solutions to fintech firms like bill payments app **Prism** and even Bitcoin wallets.

UX design space in India is also emerging quite well. E-commerce giant **Flipkart** and fintechs like **Perfios** are leveraging the services of dedicated UI/UX design firms like **INKONIQ** to combine design thinking, technical mastery and innovation to deliver streamlined customer experience for Mobile, Web and IoT.

Offering unique and satisfying User Experience is not just about money and resources. It is all about rethinking the whole customer journey: Digital, physical and emotional.

Today's News

Venture Catalysts invests ₹500 crore in 63 deals this year, looks at bets in AI

Startup incubator Venture Catalysts has invested ₹500 crore across 63 deals, including in 54 new startups, in 2019, the Mumbai-based firm said on Monday. Its co-founder and president, Apoorva Ranjan Sharma, said over the phone that out of the 63 deals, Venture Catalysts backed 54 new startups and nine were follow-on rounds across multiple stages (Series A, B, C) in its portfolio companies. "In 2019, we did a good number of deals in fintech, supply chain/logistics, deep-tech and FMCG (fast-moving consumer goods). We experimented with a few new sectors as well," he added. He added that Venture Catalysts had achieved 30 successful exits in four years. The firm typically invests \$250,000 to \$1.5 million in early-stage startups and has a network of over 5,000 angels across Tier-2 and Tier-3 cities. It has closed 171 deals so far with portfolio investments reaching \$1.7 billion in valuation, the company said in a statement.

Source – Live Mint

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Centre may provide tax incentives for startups in Budget

The Government of India is expected to provide tax incentives to startups in the forthcoming budget to support the growth of budding entrepreneurs, sources said. The Department for Promotion of Industry and Internal Trade (DPIIT) has suggested several measures to the finance ministry for startups in the budget. The recommendations include an extension of tax incentives to incubators supported under Atal Innovation Mission, reduction in GST (Goods and Services Tax) rates on AIF (alternate investment fund) management fees, and tax benefits on ESOPs, they said. Startups need a talented workforce, and ESOPs are one of the best options to attract skilled people as giving just high cash payout add to the burden on cash-starved enterprises, industry players said. Tiger Global-backed, tea cafe chain Chaayos Founder Nitin Saluja said that there should be less tax on ESOPs. Further fees charged by the fund manager of AIF domiciled in India is liable to 18 percent GST as it qualifies as a taxable supply. Sources said that reduction in GST rates will help India to become an investment hub. Startup India initiative of the Government aims at fostering entrepreneurship and promoting innovation by creating an ecosystem that is conducive to the growth of budding entrepreneurs.

Source – YourStory

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This News Letter has been prepared with the assistance of Preeti Patil and Manish Kulkarni

Urban livelihood mission: Flipkart to partner with govt

Flipkart has partnered with the Deendayal Antyodaya Yojana — National Urban Livelihoods Mission (DAY-NULM) under the Union Ministry of Housing and Urban Affairs, to empower skilled yet under-served sections of society by inducting them into e-commerce. A press statement from the company said, under the MoU between it and the Ministry on Monday, Flipkart will collaborate with State missions under the DAY-NULM to establish the Flipkart Samarth programme in 22 States initially. Flipkart and the State missions will work with self-help groups, including local artisans, weavers and crafts persons and producers of raw and organic food items to provide them market access, training and support.

Source – The Hindu Business Line

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Quicko gets Rainmatter's Rs 2 crore as seed funding

Online income tax return filing platform Quicko has raised Rs 2 crore in seed funding from Rainmatter Capital, a fund that incubates innovative fintech ideas created by online stock trading startup Zerodha. The investment in Quicko will be the fifteenth such fund infusion for Rainmatter. The startup will utilise the capital to build out its income tax return filing service for the online trading community, with an integration that allows Zerodha customers to upload their P&L data and file their income tax returns.

Source – The Economic Times

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As robots take over warehousing, workers pushed to adapt

Guess who's getting used to working with robots in their everyday lives? The very same warehouse workers once predicted to be losing their jobs to mechanical replacements. But doing your job side-by-side with robots isn't easy. According to their makers, the machines should take on the most mundane and physically strenuous tasks. In reality, they're also creating new forms of stress and strain in the form of injuries and the unease of working in close quarters with mobile half-ton devices that direct themselves. "They weigh a lot," Amazon worker Amanda Taillon said during the pre-Christmas rush at a company warehouse in Connecticut. Nearby, a fleet of 6-foot-tall roving robot shelves zipped around behind a chain-link fence. Taillon's job is to enter a cage and tame Amazon's wheeled warehouse robots for long enough to pick up a fallen toy or relieve a traffic jam.

Source – *The Economic Times*

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Regulatory curbs may slow Blockchain innovations in India

India may lag US and Chinese firms in blockchain innovations in the coming year, founders and promoters of Indian blockchain startups said. This is because regulators continue to focus on "only one part of blockchain technology — distributed ledger systems," they said. "The (Indian) regulatory ecosystem is...not (focusing) on decentralised systems like smart contracts, so innovation will not happen at the same pace as in those countries who do allow for experimentation in such aspects of the technology," said Nitin Sharma, founder of Incrypt Blockchain. The Indian blockchain developer or entrepreneur will lack the exposure to the truly cutting-edge work in decentralisation, distributed systems and cryptography, he added. However, "there will be a few gems in the Indian blockchain ecosystem where founders are able to build products frugally and serve the global digital assets market," Sharma said. The market for blockchain technology will shift to the private permissioned and hybrid categories, analysts said.

Source – *The Economic Times*

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Companies cautious after WeWork, Uber hiccups

WeWork's IPO debacle and Uber's below-par listing had a perceptible impact on overall sentiment in the startups space, injecting a note of caution after nine months of a funding deluge, according to a majority of India's top technology investors and founders. In a survey on The State of Startups conducted by The Economic Times, as many as 37% of the respondents said the Masayoshi Son-led SoftBank, a leading investor in WeWork and technology firms globally, had negatively affected India's startup ecosystem over the past 4-5 years, ever since the Japanese group began plowing billions of dollars into the country's emerging sector. ET had asked a select group of around 80 investors, entrepreneurs and executives from across the startup ecosystem to respond to the emailed survey over the course of this month. The perception change means the focus for 2020 will be on improving unit economics and driving sustainable growth, with 73% of the respondents saying aggressive discount-led growth will take a backseat.

Source – *The Economic Times*

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RIL gears up to take on Amazon, Flipkart with JioMart launch

Billionaire Mukesh Ambani took the first step to challenge global e-commerce giants Amazon and Walmart in India's fast-growing market with the soft launch of his "new commerce" venture. Reliance Retail Ltd, the retail arm of Reliance Industries Ltd, on Monday began sending invites to Jio telecom users for registering on the new venture named JioMart. Calling itself "Desh Ki Nayi Dukaan", JioMart will currently cater to online shoppers in the suburban Mumbai areas of Navi Mumbai, Thane and Kalyan. A Reliance Retail official confirmed the launch, adding that the company would gradually scale up its presence.

Source – *Live Mint*

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MDR waiver to hit fintechs, payments companies' business model

Raising strong concerns over the government's move to scrap merchant discount rate (MDR) charges on the transactions done via UPI and RuPay payment systems, the Payments Council of India (PCI) has said the move will have a catastrophic effect on payments companies and make their business model unviable. According to the PCI, if the government wants to promote digital payments in the country, then a lower controlled MDR along with added tax benefits to merchants would be the solution.

Source – *Business Standard*

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