



NEWS HIGHLIGHTS

e-NAM platform onboards 1,000 mandis in 21 states/UTs: Centre

PayU empower merchants to do offline-to-online transactions with EFT Payment Option

Fintech SME lenders hope banks loosen purse strings after new government scheme

Today's View

Disclosures, Streamlined

Transparency in disclosure of information plays a crucial role to ensure fairness and efficiency, especially in stock exchanges. However, disclosure delivery methods have not kept pace with changes in market scenarios and there is huge scope, especially in terms of tech-enabled solutions, to improve the delivery of information to modern marketplace.

Incomplete or selective transmission of information may lead to insider trading and stock price rigging. In 2017-18, around 185 fresh cases of market manipulation and 34 cases of insider trading were under investigation by market regulator **SEBI**. This is more than double the number of such cases in 2016-17, as per the research done by **BusinessLine**, based on SEBI data.

Identifying the need for technology in real-time monitoring of insider trading cases, SEBI is setting up 'system-driven disclosure regime' for listed companies and their top officials. The new system would use technology for automatic gathering and integration of information from diverse sources. Leveraging Big Data capabilities, such a system will enable SEBI to automatically gather and integrate shareholding information from stock exchanges, depositories and '**Registrar and Transfer Agents**' (RTAs) in a timely and accurate manner.

Akhil Handa
+91 22 6759 2873

Manish Kulkarni
+91 22 6759 2885
Manish.Kulkarni@bankofbaroda.com

Startups have reasons to cheer with less punishing Companies Act

The government's move to bring in an Ordinance to decriminalise various sections of the Companies Act will help local startups and entrepreneurs in raising funds and attracting more riskaverse capital, experts and investors said.

Tweaks to Act

- Minor technical and procedural defaults will be decriminalised
- Penalties for smaller cos and startups would be lower

• TO DROP SEVEN COMPOUNDABLE OFFENCES UNDER ACT

Source—The Economic Times

[READ MORE](#)

18th May 2020

Apart from SEBI, other securities agencies are also working on automated disclosures. For example, in the US, **Securities and Exchange Commission (SEC)** has internally-developed Corporate Issuer **Risk Assessment tool** to aggregate and organize financial data filed by issuers enabling SEC to detect anomalous patterns in financial statements. Similarly, it has employed text analytics solution to identify discrepancies between narrative and numeric disclosures to discern norms, outliers and patterns in huge data sets.

Even various consulting and audit firms have developed similar solutions to support automated disclosure mechanisms. For example, **Price waterhouse Coopers (PwC)** has developed **Automated Disclosure Checklist (ADC)**, which streamlines checklist preparation in accordance with **IFRS, US, Australian and Canadian GAAP** financial reporting norms. This cloud-based tool provides real-time content updates which alert users in case of updated disclosure rules.

Automated disclosure of information in the equities market is one major area where both investors as well as companies can benefit from greater utilization of emerging tech-based solutions. However, it may take some time before market participants and policymakers can realise the benefits to justify initial implementation costs.

Today's News

e-NAM platform onboards 1,000 mandis in 21 states/UTs: Centre

The Centre on Friday said it has achieved integration of 1,000 wholesale mandis, located in 21 states and union territories, with the electronic-National Agriculture Market (e-NAM). While 585 mandis were integrated in the first phase, 415 mandis were integrated in the second phase. The deadline for second phase was May 15.

Right now, farmers auction their agriculture produce at 6,900-odd APMC (Agriculture Produce Marketing Committees) mandis spread across the nation. Some of them are also using online bidding through e-NAM platform. "38 additional mandis were integrated with the e-NAM platform today, thus achieving a milestone of integration of 415 mandis as per the planned target (for the second phase)," the Agriculture Ministry said in a statement.

Source – *Business Standard*

[READ MORE](#)

PayU empower merchants to do offline-to-online transactions with EFT Payment Option

Online payment solutions provider PayU has introduced an EFT payment option to cater to organizations' need for fast and seamless high-value transactions. It is also driven to empower merchants by accessing them in offering a wide variety of payment options to their customers and increase reach to customers who lack digital access or are reluctant to engage digitally.

The EFT payment option will help merchants drive demand from Tier-2 and Tier-3 towns and cities where customers rely more on banks for payment transactions. The customer can now avail this facility for the NEFT/RTGS option listed on the merchant's checkout page and generate a one-time use challan which will initiate the payment. Now, either the customer can visit the bank to complete the payment or add bank account details from the challan as a beneficiary to use net banking/mobile banking app to complete the payment.

Source – *The Economic Times*

[READ MORE](#)

FM Nirmala Sitharaman's major announcements for BFSI sector

In one of the big decisions, the government has suspended the Insolvency and Bankruptcy Code (IBC) for the next one year. Any debt situation occurring due to coronavirus for a company will not be included as default as per reforms being made to IBC. No fresh insolvency proceedings will be initiated to 1 year.

Collateral free automatic loans will now be available for MSMEs. This facility is of a total amount of Rs 3 lakh crores. Those MSMEs whose turnover is 100 crore and have 25 crores outstanding loan exposure are eligible for this facility.

Source – *The Economic Times*

[READ MORE](#)

Why the best time to build a new startup is during a recession

Pallav Nadhani is no stranger to being an entrepreneur during a recession. He launched his first startup as a 17-year-old in 2002 when the global economy was reeling from the dotcom bust and 9/11, then rode out the 2008 financial crisis as he bootstrapped FusionCharts into a profitable, global business.

Its data visualisation product had 28,000 customers, including most of the Fortune 500 companies, when Nadhani sold it to US-based Idera in March this year on the day that WHO declared the coronavirus outbreak a pandemic.

Source – *LiveMint*

[READ MORE](#)

5Paisa brokerage launches new p2p lending platform

5Paisa.com, a fintech firm, on Thursday announced the launch of its peer-to-peer (P2P) lending platform — 5Paisa Loans. The lending platform will function as a subsidiary of its listed parent, 5Paisa.com, and will have a separate application as well as website.

In its statement, the company said 5Paisa Loans would enable individuals to lend between Rs 500 to Rs 50 lakh to multiple borrowers and the lenders could earn an interest rate of up to 36% per annum. 5Paisa loans, which acquired an NBFC licence from the Reserve Bank of India (RBI) in December 2019, intends to solve short-term cash requirements of borrowers from all walks of life while giving an opportunity to lenders to earn on their idle money, the company stated.

Source – *Financial Express*

[READ MORE](#)

Insurers gear up to roll out eKYC facilities as COVID-19 curbs mobility

The Insurance Regulatory and Development Authority's (IRDAI) recent nod to allow paperless Know your Customer (KYC) formalities using Aadhaar card data has evoked a cheer from insurers. In the first phase of the timely order, which comes amidst the COVID-19 pandemic, twenty-nine insurers have been allowed to have an eKYC process using the Aadhaar Authentication Service of the Unique Identification Authority of India (UIDAI) including Bajaj Allianz Life Insurance, Kotak Mahindra Life Insurance, IDBI Federal Insurance, SBI Life Insurance and SBI General Insurance, amongst others.

Rikhil Shah, CFO, SBI General Insurance said it planned to offer the facility to consumers by late Q2 of FY21. He's confident that the facility was a big enabler from both the KYC as well as from a customer experience perspective. SBI General Insurance also said that eKYC would help to "identify our Customers uniquely, building their persona and offer them right protection solutions," The insurer added that in the future, it believed that eKYC, and full KYC for all General Insurance sales would become a norm.

Source – *The Economic Times*

[READ MORE](#)

Fintech SME lenders hope banks loosen purse strings after new government scheme

Even as fintech startups that lend to small and medium enterprises welcomed the government's move to boost the banking system's liquidity, they have expressed concern over poor monetary transmission by banks and capping of interest rates. Non-bank lenders have seen cost of capital increase over the last two years, including fintech startups. Flexiloans, Lendingkart, Indifi Technologies and Capital Float are hoping for monetary transmission by banks to ease after the recent measures.

In a series of recent measures, the government has tried to solve the liquidity issue facing the banking system and lenders' reluctance to lend to non-bank peers. The government has extended an emergency credit line to micro, small and medium enterprises, provided credit guarantee, and capped interest rates for existing borrowers, although it has yet to announce details of the package.

Source – *The Economic Times*

[READ MORE](#)

How this startup is using tech to transform retail experience for clients like OYO, FedEx

Furniture and fixtures play a crucial role in the expansion of any retail business. Each time a retailer wants to expand to a new geography, they need to work with several contractors to build the entire set-up.

That's where the operations team should watch out because costs can spiral out of hand when you work with multiple vendors. In retail, money in hand is money that can be given back in the form of shareholders' return because it is a low-margin business.

Source – *Your Story*

[READ MORE](#)

Lockdown: Farmers rush to agri-tech platforms to sell produce

Indian farmers have been turning to tech-enabled platforms to sell produce like never before as the covid-19 pandemic and the resultant lockdown has traditional agriculture physical markets.

"We have seen farmers coming to our platform in bulk as an alternative supply chain is not available for product pickup," said Atul Kumar, co-founder and chief executive of FreshVnF, the company that runs Fraazo. The platform has seen a three times surge in customers and has hence had to reach out to more farmers.

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.