

**NEWS HIGHLIGHTS**

**MCA gives 'start-up' a legal definition under Companies Act**

**Retailers working overtime to be GST-ready, rule out sales hit**

**Flipkart aims to bag Snapdeal for \$400 m**

**Online grocery delivery start-up Grofers gets government nod for FDI in food**

**Today's View**

**Pay in Style**

Wearables are making technology ubiquitous by intertwining it into our daily lives. The developers in these fields have often attempted to enhance or extend the functionality of clothing, and creating devices with the ability to provide data on activities such as movement, steps and heart rate.

According to International Data Corporation (IDC) Worldwide Quarterly Wearable Device Tracker, the wearables market across the globe reached a new all-time high as shipments reached 33.9 million units in the fourth quarter of 2016, growing 16.9% year over year. Shipments for the entire year grew 25% as new vendors entered the market and incumbents refreshed their product line-ups. The year came to a close with 102.4 million devices shipped!

With such massive uptake of wearables in the market, the role of these devices is evolving. Wearables now aren't just for checking our smartphone notifications or tracking our fitness levels. They are also being used for paying for things without taking out the wallet or having to search for cash or card.

We already have Android Pay, Apple Pay and Samsung Pay for contactless payments through watches and wrist bands and there are host of interesting activities happening in this space.

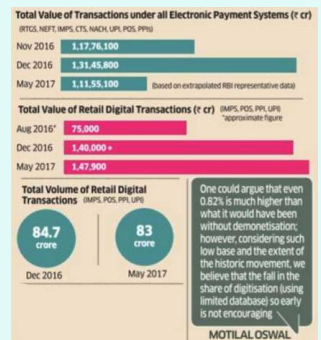
**Visa** has been a sponsor of the Olympic Games for the last 30 years. Last year for Rio Olympics, a team of 45 athletes who were members of 'Team Visa', were given special NFC-enabled payment rings for the Games to ensure efficient transactions. The ring was designed not only to be subtle, but also to be water resistant to 50 metres and does not ever require to be charged. Instead, the ring draws power from the payment terminal. These rings are now available to the public for pre-order.

Another contactless payment ring, called **Kerv** was launched in the UK recently. The product, which allows users to transact via NFC technology, will be connected to a

**OTHER INTERESTING NEWS**

**Digital payments triggered by demonetisation have declined**

The firm Motilal Oswal observed that the aggregate value of all transactions under electronic payment systems failed to witness significant increase even six months post demonetisation, while cash withdrawals from ATMs have moved back to pre-demonetisation levels.



Source- The Economic Times

[READ MORE](#)

Date- 22<sup>nd</sup> June 17

Mastercard prepaid account, which can be managed via SMS or email, and does not need to be charged or paired with a smartphone.

If you are heading to a beach and don't want to carry the wallet with you, Visa has something tailor made for you - payments enabled sunglasses! A pilot run was done at the Quicksilver Pro and Roxy Pro surf competition in Gold Coast, Australia where Visa was one of the sponsors. Google glasses and Snap glasses already offer contactless payments apart from a host of other features available through the device.

So, are the customers game for it? We believe customers are interested in wearable payments but wary of buying a new product, like a ring, for the express purpose of using it for transactions, especially if the product is expensive. According to a survey data from Barclaycard in UK, it shows that consumers, there, are more interested in refitting existing jewellery and wearables for contactless products.

Jeweller-tech, hmm. Anybody listening?

## Today's News

### HDFC, ZineOne come together to provide better digital banking experience

HDFC Bank has tied up with ZineOne, a Silicon Valley headquartered startup, to provide a rich digital banking experience to its customers across various digital channels.

This will enable HDFC Bank to interact with its customers in real time while they are engaging with the bank via any of its platforms. For instance, if a customer has left a half-filled out auto loan application, the next time the user logs into his account, he'll get a prompt asking if he'd like to finish filling the form.

Source- *The Economic Times*

[READ MORE](#)

### MSMEs will be indispensable stakeholders in India's journey towards a cashless economy: BCG Report

According to a report by the Boston Consulting Group (BCG) titled 'Enabling MSMEs for A Cashless Future', to make demonetisation sustainable, Micro, Small & Medium Enterprises (MSMEs) are key stakeholders that need to be enabled.

According to the ministry of MSME, there are about 50 million MSMEs contributing to over a third of India's GDP. MSMEs also contribute to about 40 percent of India's exports, 45 percent of its manufacturing output and employ 20 percent of the workforce.

Source- *Forbes*

[READ MORE](#)

### Flipkart aims to bag Snapdeal for \$400 m

Flipkart's acquisition of Snapdeal could come through in July, at a valuation that is much less than had been initially envisaged. While Snapdeal is gunning for \$1 billion from Flipkart, the latter is only willing to pay \$350-400 million.

Sources said that Snapdeal, on its part, will only agree to the much-diminished amount only for its marketplace alone, minus its two growing logistics businesses — Vulcan Express and Unicommerce eSolutions. The two together are valued at \$200 million.

Source- *Business Line*

[READ MORE](#)

### Mswipe raises \$31 million in Series D funding

Mswipe Technologies, a Mumbai-based independent merchant acquirer and network provider, has raised \$31 million in Series D funding.

The company will use the funds to develop a network of merchants accepting digital payments in the country. Mswipe has a payment network of 2,46,000 terminals across 550 cities. The annualised value of total transactions enabled by Mswipe stands at Rs. 9,560 crore.

Source- *Business Line*

[READ MORE](#)

This News Letter has been prepared with the assistance of Pankaj Tadas and Aparna Anand

## MCA gives 'start-up' a legal definition under Companies Act

The Centre is focused on maintaining the excitement around start-ups, going by the Ministry of Corporate Affairs' (MCA) latest effort to give a leg-up to the start-up ecosystem in the country.

For the first time ever, the concept of "start-up" has been introduced in the company law by the MCA, which is the administrative ministry concerned. The MCA has not only defined "start-up" through an executive order under the Companies Act, 2013, but has also given few operational and compliance relaxations for a "start-up company".

Source- Business Line

[READ MORE](#)

## Start-ups can now raise deposits from shareholders

Easing the process of raising funds for start-ups, the ministry of corporate affairs has allowed these companies to raise deposits from their shareholders. This will be over and above the stake one holds in the start-up.

The deposit could go up to stakeholders' contribution to the paid-up capital. Since deposits are loans, these would not impact shareholders' stake.

Source- Business Standard

[READ MORE](#)

## Retailers working overtime to be GST-ready, rule out sales hit

Organised retailers do not expect the Goods and Services Tax (GST) to impact their sales despite general fears that it could disrupt businesses, and hope to be fully ready for the uniform tax regime in the next few weeks.

"As GST will be rolled out from July 1, we have to be prepared. It will lead to better compliance and an organised way of doing things," Ashwin Khasgiwala, chief financial officer at Reliance Retail told PTI.

Source- The Economic Times

[READ MORE](#)

## Bahrain announces regulatory sandbox for fintech start-ups

The Central Bank of Bahrain (CBB) has announced new regulations to create a regulatory sandbox that will allow start-ups and fintech firms to test and experiment their banking ideas and solutions.

The sandbox will provide an opportunity for fintech businesses around the world to expand and thrive in the Gulf and strengthen Bahrain's position as a fintech and financial services hub in the GCC. The CBB recently issued the Regulatory Sandbox Framework directive, which includes the eligibility criteria, filing requirements and timeline for the process.

Source- Business Line

[READ MORE](#)

## Online grocery delivery start-up Grofers gets government nod for FDI in food

Online grocery delivery start-up Grofers India has received the government's nod for foreign direct investment (FDI) to undertake retailing of food products, which are manufactured or produced in India.

The company would have to spin off a new entity to start this business since 100% FDI is only applicable for food products manufactured or produced in India whereas currently Grofers sells other household products such as soap, shampoos, etc through its e-commerce channel.

Source- Financial Express

[READ MORE](#)

## TrueLayer raises \$3M Series A to provide fintech companies with easy access to bank APIs

TrueLayer, a London startup that's built a developer platform to make it easy for fintech companies to access bank APIs — and ride the PSD2 gravy train — has raised \$3 million in Series A funding.

The round was led by Anthemis Group, with participation from existing investor Connect Ventures, and will be used by TrueLayer to expand its team and increase coverage of supported banks before opening up beyond beta testers later this year.

Source- Tech Crunch

[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.