



NEWS HIGHLIGHTS

India's first fintech forum will help weather market storm

India's 4 metros can gain \$7.2 bn/year on digital payment boost

Digital wallets say RBI's new norms will pinch them

HDFC Bank experiments voice-activated banking with Amazon's Alexa

Paytm eyes 5x growth in gold sales on Dhanteras, Diwali

Today's View

B2B Payments

McKinsey & Co. reports that the global payments industry is set to be valued worth \$2.2 trillion by 2020. Hitherto most of the activity has been concentrated around the B2C Payments space. However that is now changing. Fintech firms are now giving the B2B Payments sector the attention it deserves. With four of the top 10 deals of the previous quarter landing in the B2B pie, angel investors and venture capitalists are clearly turning their head toward B2B Payments.

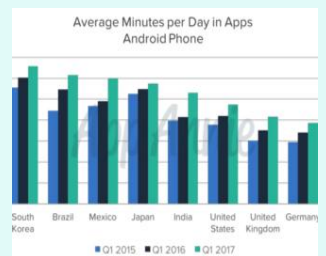
Realizing that streamlining settlements and reconciliation in the B2B payments space is much required, Fintechs are offering products based on emerging technologies like artificial intelligence, big data and cloud-based payments. A case in point is Taiwan's Fintech **Appier** that leverages artificial intelligence and big data to help its enterprise customers handle B2B payments more efficiently. Similarly, U.S. based Fintech firm **Taulia** provides a cloud-based invoice, payment and discount management solution for large corporates. It offers dynamic discounting while providing opportunities to quickly convert invoices into cash and improves supplier liquidity by automating early payments on all invoices.

Some Fintechs are simplifying B2B Payments with web based solutions. One such Fintech firm, **Hummingbill Collect**, has developed a chrome extension based application to enable and simplify on-time payments for services companies and product suppliers. The application does this through better organization of invoice data, automated payment reminders, and embedded payment links in invoices. On the other hand, technology firms like **Oracle, Accenture and SAP** are forging alliances with Fintechs like **Bottomline Technologies** to streamline, automate and manage B2B transactions involving global payments and document management.

INTERESTING NEWS

Android Phone Users Spending More Time in E-Commerce Apps

According to the latest report by App Annie, Android phone users used 2-4 e-commerce apps every month in the first half of 2017.



The increasing time spent in e-commerce apps by Android users in growing economies will result in 3.5 trillion hours of total time spent in e-commerce apps worldwide by 2021.

Source - DazeInfo

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Date - 13th Oct 17

Even banks and other financial institutions are teaming up with Fintechs to improve existing B2B Payments products. Recently, **National Australia Bank** invested in Fintech firm **Veem** which provides businesses a streamlined access to payments, data, and invoices across the globe. It has raised more than \$40 million in funding, with its presence in 60 countries worldwide. Similarly, leading U.S. banks such as **Bank of America** and **U.S. Bancorp** have partnered with B2B e-invoicing and payments firm **Viewpost**.

However, B2B payments isn't an easy market to get into. Companies need strong balance sheets, a proven regulatory record, and strong cybersecurity practices to win over customers- something banks with years of lineage can provide.

A win-win indeed.

Today's News

India's first fintech forum will help weather market storm

The Bombay Chamber of Commerce and Industry and Andhra Pradesh formed India's first Fintech Forum to deepen engagement among stakeholders to face evolving challenges and find remedies in a dynamic, technology fuelled market.

Fintech firms, banks and finance firms, bourses, regulatory and government agencies, market intermediaries and support entities like law firms are members of the Fintech Forum.

Source - ET Tech

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India's 4 metros can gain \$7.2 bn/year on digital payment boost

Four metro cities of Delhi, Mumbai, Bangalore and Chennai can reap benefits of \$7.2 billion annually by increasing payments through digital means, says a study by Visa. The study estimates that relying more on electronic payments could yield a net benefit of up to \$470 billion per year across the 100 cities studied-roughly equivalent to 3% of the average GDP for these cities.

As cities increase use of digital payments, the positive impacts can extend to consumers, businesses, and government. The shift to digital payments also may have a catalytic effect on the city's overall economic performance, including GDP, employment, wage, and productivity growth.

Source – The Economic Times

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This News Letter has been prepared with the assistance of Sadhika Agarwal and Manish Kulkarni

Flipkart invests \$500 mn in PhonePe

Flipkart has invested \$500 million for its group company PhonePe, claimed to be one of the largest investment commitments in Indian FinTech. The investment will be utilized to scale up technology, reach and offerings.

PhonePe's annual run rate has touched \$3.5 billion in terms of Total Payments Volume in September.

Source - ET Retail

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Bitcoin breaches the \$5,000 mark

The world's largest cryptocurrency, Bitcoin, rose as much as 8.4% and was trading 7.9% higher at \$5,209 as of 12:34 pm in London, resuming gains after a one-day break.

Recent reports that Goldman Sachs Group Inc. is exploring how it could help its clients trade cryptocurrencies are now helping sentiment.

Source - Business Standard

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India is now the fastest-growing market for Amazon Prime

Amazon Prime membership in India has grown 5x in 2017, making the country the fastest-growing market.

Amazon Prime was offered at Rs 499 and is expected to be hiked to Rs 999 soon.

The Economic Times

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HDFC Bank experiments voice-activated banking with Amazon's Alexa

Soon HDFC Bank's customers that own an Alexa-enabled device will be able to check balances, find out when bills are due, and even pay bills through Amazon's virtual assistant.

HDFC Bank is working to offer customers the ability to use their voice to get information and even handle transactions for their checking accounts, credit cards and other financial products. The bank is trying to look at other use cases across all kinds of devices whether it is a refrigerator or television or an automobile.

Source – ET CIO

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SBI's SME Assist to provide short-term loans to MSME clients

SBI launched a new product, called SME Assist, to provide short-term working capital demand loans to its MSME clients. It would offer loans to MSME customers on the basis of their input credit claims under Goods and Services Tax at a concessional rate of interest.

It would help SMEs manage their working capital requirements till the time they get input credit. The loan will be sanctioned outside Assessed Bank Finance (ABF) at 20% of the existing fund-based working capital limit or 80% of input tax claim due on purchases, whichever is lower.

Source - BusinessLine

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Digital wallets say RBI's new norms will pinch them

Digital wallet companies are aggrieved over new regulations that have increased both the complexity and cost of operations. They believe the new KYC norms will increase the cost of doing business.

RBI hiked the initial net worth requirement for firms offering prepaid payment instruments to Rs. 5 crore and has asked firms to ensure KYC compliance of existing users by year-end.

Source – ET Tech

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Paytm eyes five-fold growth in gold sales on Dhanteras, Diwali

Paytm expects a 5x in gold sales through its platform during Dhanteras and Diwali this year. Paytm, which had partnered with gold refiner MMTC-PAMP, also plans to invest Rs 10 crore in marketing to bring more customers.

The company has witnessed an initial surge in demand and expects this to grow further. The company is witnessing nearly 2 million monthly transactions for Paytm Gold. It is offering 3 per cent extra gold -- up to Rs 4,444 -- on a minimum purchase of Rs 10,000.

Source – Business Standard

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Policybazaar raises Rs. 500 crore from investors

Policybazaar raised Rs. 500 crore at a valuation of \$500 million. Among new investors, Wellington Management Group, True North and IDG have come on board.

Funds to be utilized for investment in customer service through technology and also invest in the Paisa Bazaar business.

Source - Livemint

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Swiggy partners with Indifi Tech for financing program

Swiggy partners with Indifi Technologies to offer F&B partners access to collateral-free loans without initial deposits at an interest rate, for working capital. Indifi will undertake the credit evaluation.

Since launching its pilot in mid-Sept, the program has received over 200 applications from partners across eight cities.

Source - ET Tech

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Over 5 million people download Google's 'Tez'

Google's digital payment app 'Tez', launched in India on September 18, has been downloaded five million times on Play Store.

Built on the Indian government-supported UPI, Tez allows users, to make direct bank transfers.

Source - ET Tech

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