



## NEWS HIGHLIGHTS

**UPI, BHIM, USSD transactions cross 10 Mn mark In June 2017 – NPCI**

**Payment cos want fee to be finalised soon**

**MYbank deepens push for businesses big banks won't touch**

**GST impact on e-commerce: Marketplaces put an embargo on non-compliant merchants**

## Today's View

### Split That Bill

How so often a group of friends' evening revelry ends up being foot by one member, who subsequently struggles and tries every polite trick to square it with the friends. Splitting the check has been a social pain point - be it splitting regular utilities and household bills with housemates, splitting meals with colleagues or vacation expenses among a large group of friends.

A customer research conducted by DiviPay (a popular bill splitting app in Australia), suggested that as time elapses, so does the likelihood of recovering funds owed. Over time, the owing party tends to become more averse to repaying their debt failing to associate the cost of purchase weeks or months earlier, with the tangible benefit received from the transaction. Fortunately, Fintechs are stepping up to help you avoid such uncomfortable conversations.

**Venmo** (now owned by PayPal), is possibly, one of the most popular splitting tools for day-to-day use in the U.S.. What makes Venmo so cool is the app's social media-like interface where users can leave a comment or emoji after every transaction, making it more appealing to millennials.

**Splitwise** is another such popular solution which keeps a running total of who owes who and how much. When the user is ready to pay up, a simple fund transfer is all it takes to settle the debts. In India, Splitwise is allowing users to settle dues with friends through a simple wallet transaction facilitated by a large digital payments provider. While in Australia, the Splitr app is letting users pay up through uploading snaps of bills and subsequently adding friends to split with. Later, the app splits the bill evenly or by item, tracks who has paid for what, and collects payments via card, finally depositing the funds into the nominated user's bank account.

Interestingly, a team at a hackathon, using the APIs of MasterCard and U.S. Bank, created a video game called **Undutchy**, effectively engaging dining companions, and

## OTHER INTERESTING NEWS

**FMCG companies resume stock supply post GST shift break**

After a four-day shutdown to migrate to the new goods & services tax (GST) structure, consumer behemoths such as Hindustan Unilever and Coca-Cola have resumed dispatches to their stockists and distributors, easing concerns of retail point availability.



Reckitt Benckiser, HUL, Dabur, Coca-Cola, Marico and Parle Products said they have started sending fresh stocks to trade channels after ensuring GST-compliant invoicing.

Source- The Economic Times

[READ MORE](#)

Date- 04<sup>th</sup> July 17

making the losing player foot the bill. The app also allows restaurant owners to customize the game to engage customers with their brand.

Back in India, **Walnut** which is a personal finance management app provides the splitting feature to users, while **Chillr**, a mobile payment app, lets users request and pay money post splitting of bills.

But in the deluge of various payments, personal finance, and banking apps on our phones, will a standalone bill splitting app find its feet? We believe the mighty split feature will have to be coupled with a payments app or a personal finance management app to add tangible value to users and make it more widely usable.

---

## Today's News

### UPI, BHIM, USSD transactions cross 10 Mn mark In June 2017 – NPCI

The National Payments Corporation of India (NPCI) has claimed to cross the 10 Mn mark in Unified Payments Interface (UPI) transactions in June 2017. The transactions count was 1 Mn in August 2016.

As per an NPCI report for the last three months – April to June 2017- the UPI volume which includes UPI, BHIM app, and USSD 2.0 -\*99# transactions were about 7.20 Mn, 9.36 Mn, and 10.35 Mn respectively. Of the total transactions, 22% is merchant-based.

Source- Inc 42

[READ MORE](#)

### GST impact on e-commerce: Marketplaces put an embargo on non-compliant merchants

Online marketplaces such as Flipkart and Amazon India have made it mandatory for their merchants to register on their platforms with their new Goods and Services Tax Identification Numbers (GSTIN) by July 1, as the new tax became effective.

But several vendors haven't been able to obtain GSTINs yet for various reasons. While this could reduce availability of products in certain categories, online marketplaces insist overall sales would not be affected.

Source- The Economic Times

[READ MORE](#)

### For fund transfer, use UPI, wallets and escape higher bank charges

Many bank charges have increased post GST. These charges that attracted 15 per cent service tax, will now be charged 18 per cent GST, pinching customers more.

While you cannot escape the additional charges on these transactions, you can avoid shelling out extra on fund transfer by going the UPI (Unified Payment Interface) way. While banks charge for fund transfers, sending and receiving money through UPI is free, for now.

Source- Business Line

[READ MORE](#)

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

### Amazon India kirana store link up I Have Space scheme fulfilled 28 pct shipments

In 2014, Amazon India started alternative supply chain initiative with Kirana stores – I Have Space (IHS) Programme to enhance last-mile fulfilment. In January-March, the share of Amazon's total shipments fulfilled by IHS jumped to 28%, according to a report by RedSeer Consulting.

In the first half of 2016, 15% of the total deliveries were fulfilled by kirana store with a network of 4,000 stores across India. Amazon IHS has reported a steady rise from 1% deliveries with 400 stores in H1 2014 to 5% with 1,100 stores in H1 2015.

Source- Financial Express

[READ MORE](#)

### Nandan Nilekani, Helion's Sanjeev Aggarwal launch \$100-million fund Fundamentum

Aadhaar architect Nandan Nilekani and Helion Venture's Sanjeev Aggarwal have launched an investment fund called Fundamentum with a corpus of \$100 million to back startups looking for growth capital.

The corpus may be extended to \$200 million if the fund sees more opportunities, the two founders said.

Source- The Economic Times

[READ MORE](#)

## Start-ups struggling with costs vs growth dilemma

As investors demand that start-ups show they can build profitable businesses, many of India's Internet companies are struggling to strike the right balance between chasing sales growth and cutting spending on marketing, discounts and other areas.

Flipkart Internet Pvt. Ltd, India's most valuable Internet firm, has been showing strong monthly sales growth since October even as monthly spending hasn't increased at the same pace.

Source- Mint

[READ MORE](#)

## Payment cos want fee to be finalised soon

Amid the federal push to enhance digital transactions in India, payment firms are struggling to acquire new merchants for their services until the central bank's finalisation of the fees processors could charge to facilitate non-cash purchases.

The current guidelines have capped service charges for debit card transactions until Rs 1,000 at 0.25 per cent of the transaction value, until Rs 2,000 at 0.5 per cent, and 1 per cent for any transaction above Rs 2,000.

Source- The Economic Times

[READ MORE](#)

## Digital payments rose 55% in FY'17: Niti Aayog

Digital payments recorded a 55 per cent increase in 2016-17 and the trend is likely to continue in the coming years indicating that India is at 'the cusp of revolution' in this area, Niti Aayog Principal Advisor Ratan P Watal said today.

"Due to innovations in digital payment technologies and increasing consumer satisfaction, the growth trends in digital payments are positive and will continue to dominate the payments landscape in India," he said.

Source- Business Line

[READ MORE](#)

## BARC India ropes in Nielsen for digital measurement

The Broadcast Audience Research Council of India (BARC India) has appointed Nielsen India as its primary digital measurement partner.

Nielsen will merge its global experience with India-specific adaptations to meet unique needs of the Indian market. The joint industry body's digital measurement service will be launched in a couple of years under the brand EKAM.

Source- Business Standard

[READ MORE](#)

## MYbank deepens push for businesses big banks won't touch

MYbank, the two-year-old Chinese online lender that already has 3.5 million small-business customers, plans to push deeper into a segment that's long been shunned by the country's largest banks.

MYbank wants to capitalise on its links to billionaire Jack Ma's Alibaba Group Holding by offering loans to the more than 10 million smaller merchants that use the company's e-commerce platforms.

Source- Business Standard

[READ MORE](#)

## India-China to account for 50% Of new mobile subscribers by 2020: Report

India and China will account for almost half of all new mobile subscribers expected to be added globally by the end of 2020, a new study has found.

According to the 2017 edition of 'Mobile Economy: Asia Pacific' report published recently at the 'Mobile World Congress Shanghai', forecasts that India will account for 27 per cent (206 million) and China 21 per cent (155 million) of the approximately 753 million new mobile subscribers by the end of the decade.

Source- NDTV

[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.