



NEWS HIGHLIGHTS

RBI: Digital transactions' value rose by 2.4% in June

Why messaging apps may be a key prong in India's digital payments push

Amazon crosses \$2-billion mark in India investments

PolicyBazaar parent may get Rs 500 crore cover

Funding troubles hit startups' CXO hiring

Today's View

UPI 2.0 – Refreshed and Restored

Just one year following the launch of Unified Payment Interface (UPI), the payments platform is all set for a major upgrade. The National Payment Corporation of India (NPCI) is expected to release new specifications for UPI 2.0 by early July for banks to comply with.

NPCI, with the support of Reserve Bank of India (RBI) and the Indian Banks' Association (IBA), created UPI 1.0 allowing customers to pay safely and instantaneously for goods and services and transfer funds to others via their smartphones, almost as effortlessly as sending a text message. As per NPCI, UPI transaction volume has sprinted to over 10 million in June 2017 in just 11 months from less than 1 million in August 2016. The value of transactions has also experienced a major uptick, posting a growth from Rs.0.9 billion in November 2016 to Rs.22.0 billion in April 2017. All this growth albeit from a very low base. For comparison, the total number of digital transactions in June 2017 were 858mn.

Among other UPI integrated payment applications and utilities, such as Samsung Pay, Razorpay, Chillr, even mobile messaging service Hike cooly integrated the UPI framework for its recently launched P2P payments system. Whatsapp is exploring the opportunity of a UPI-powered payments platform for its 200 million user base and possessing a huge potential for enterprise solutions.

Among the new specifications for UPI 2.0, the most significant is an electronic mandate, instrumented to allow customers to preauthorize transactions. An e-mandate facilitates authorizing certain billers to draw the billed amount automatically before the due date. The new and refreshed UPI 2.0 will also focus on integrating UPI with Aadhaar and the Bharat Bill Payment System (BBPS). The bill payment system can also be used for EMI collection making the process hassle-free for borrowers and lenders. Additionally, the UPI 2.0 features would also entail use of ATM PIN authentication instead of the current mobile PIN based authentication. This is speculated to allow UPI to outstrip the current limit of Rs.1 lakh per transaction since the framework would directly authenticate the user with his bank account.

OTHER INTERESTING NEWS

Amazon crosses \$2-billion mark in India investments

Seattle-based online retail major Amazon has crossed \$2 billion in India investments, as it has infused another Rs 1,680 crore in its main local unit Amazon Seller Services, taking the total capital invested to over Rs13,800 crore (\$2.1billion).

The Big League
OTHER BIG INVESTORS IN INDIA'S INTERNET ECONOMY

- Softbank \$4 billion**
Paytm, Snapdeal, Ola, OYO, InMobi, Grofers, Hike
- Tiger Global Management Less than \$2 billion**
Flipkart, Ola, Quikr, Delhivery, ShopClues, NestAway
- Naspers - Over \$1.6 b**
Flipkart, MakeMyTrip, PayU India, Oix, Swiggy

PORTFOLIO

The fresh capital infusion made last month will make it the second largest global investor in India's digital economy.

Source- The Economic Times

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Date- 06th July 17

Continuously advancing security and privacy features being the need of the hour, the UPI 2.0 is also working on velocity check aimed at checking authenticity of UPI transactions and directly alerting the bank and the customer in the event of suspicious or ambiguous transactions.

Implementation of the reinvigorated UPI can safely be expected to give India an edge over other countries like the U.S. and China and move our payments systems to greater maturity. In the words of Mr. Nandan Nilekani, former chairman of UIDAI, “with UPI, anyone can build on top of it and innovate—it’s open and inclusive. It’s almost like being on a highway without any tollgates.”

Today’s News

RBI: Digital transactions’ value rose by 2.4% in June

Digital transactions rose in June in terms of value from the previous month, according to the Reserve Bank of India (RBI).

Total digital transactions rose 2.36% to Rs 113.73 trillion, from Rs 111.11 trillion in May. The number of digital transactions, however, declined marginally to 831.7 million in June from 858.5 million in May.

Source- Mint

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UPI transactions value rises 11 pct in June over May

The Unified Payments Interface (UPI) channel grew 11% month-on-month (m-o-m) in terms of the aggregate value of transactions in June.

The aggregate value of UPI transactions during June stood at Rs 3,070 crore, according to representative data released by the Reserve Bank of India (RBI). The worst slip was in the wallets and other prepaid payment instruments (PPIs) category.

Source- Financial Express

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Cashless payments: Just 4 pct of BHIM target met so far; sees 16 mn downloads since launch

The National Payments Corporation of India (NPCI) has so far met only 4% of the targeted number of downloads of the Bharat Interface for Money (BHIM) app for FY18, according to a presentation made by the company’s managing director and chief executive officer, AP Hota.

The target for BHIM downloads for the year ended March 2018 is 400 million. From 2.54 million downloads in December, BHIM went on to log 6.76 million downloads in January.

Source- Financial Express

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This News Letter has been prepared with the assistance of Pankaj Tadas and Manish Kulkarni

Flipkart-Snapdeal deal: Negotiations on for higher offer

After Snapdeal’s board reportedly rejected Flipkart’s \$850 million takeover offer, the two parties are now holding parleys over the \$150-200 million valuation gap.

Flipkart had initially offered \$1 billion for the deal but post the due diligence, it made an offer for \$800-850 million. The offer was rejected by Snapdeal’s board as it felt the amount undervalues the company as the due diligence report is clean.

Source- The Economic Times

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PolicyBazaar parent may get Rs 500 crore cover

Wellington Management, one of the world’s largest asset management companies with \$1 trillion under management, is in advanced talks to invest in ETechAces Marketing and Consulting, which owns online financial services marketplaces PolicyBazaar and PaisaBazaar.

The transaction, if successful, will be the first investment in a private technology company by Wellington in India.

Source- The Economic Times

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Why messaging apps may be a key prong in India's digital payments push

Many of the cash transactions — like person-to-person (P2P), person-to-merchant (P2M) or consumer payments — could be done on digital platforms such as chat rooms or messaging apps. Accelerating the shift from cash to digital is the government's push for a digital payments economy with a lofty target of 25 billion such transactions this fiscal year.

That thrust is attracting a diverse set of tech players — none of them traditional banks—from Google, WhatsApp TrueCaller and Amazon, to Hike and Quattro BPO, among others.

Source- *The Economic Times*

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Funding troubles hit start-ups' CXO hiring

According to Start-up Deal Report Q1 CY2017, published by News Corp VCCEdge in May 2017, start-up funding dropped by 46% in the quarter ended March compared with the preceding three months, with the number of deals slipping 31% quarter-on-quarter.

Most companies are searching for profitable business models and trying to cut costs to rein in mounting losses. The power balance, the head hunters add, has shifted to the candidates.

Source- *Mint*

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Paytm bullish on 'Digital Gold'

Alibaba and SoftBank-backed Paytm aims to sell a tonne of gold through its platform this year, buoyed by an increasing number of consumer turning to digital avenues to invest in the yellow metal.

The company claims to have already sold over 100 kgs of gold through its platform in two months since the launch of the service in May this year.

Source- *The Economic Times*

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India pips China to become top retail investment destination: Study

India has overtaken China to top AT Kearney's Global Retail Development Index (GRDI), a study which ranks the top 30 developing markets for retail investment, riding on the back of favorable foreign investment environment, strong economic growth and a consumption boom that are expected to double organized retail and expand online retail by 30 percent a year to reach \$48 billion by 2020.

India managed to score 71.7 points leaving China in the process which got 70.4 points. Malaysia, Turkey and UAE constitute the top 5 countries in the GRDI.

Source- *The Economic Times*

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Espark-Viridian accelerator invites applications for July cohort

Espark-Viridian is a joint venture between Entrepreneurial Spark, a Europe-based dynamic business accelerator for early-stage and growing ventures and Viridian Ventures, a venture catalyst in the startup and SME space.

Espark is one of the Europe's most dynamic business accelerators for early stage and growing ventures which claims to have an 88% success rate.

Source- *Inc 42*

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Bitcoin-Friendly Japan will open a FinTech testing hub

Japan's financial regulator will establish a FinTech hub to provide a framework enabling industry startups to test new innovative financial services.

Established by the Japanese Financial Services Agency (FSA), the hub will help enable developers and regulators to understand hurdles in the way of the FinTech industry's growth and identify legal concerns that need to be adhered to.

Source- *Cryptocoins News*

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