GIFT City FinTech hub: Fostering a robust financial services ecosystem

As part of Union Budget 2021, Finance Minister Nirmala Sitharaman announced the development of a world-class FinTech hub at the International Finance Service Centre (IFSC) in the Gujarat International Finance Tec-City (GIFT City). Such a hub would provide further momentum to India’s FinTech potential and the GIFT City’s envisioned role as a global financial and IT services hub. Read more.

The RBI’s monetary policy on digital payments

The RBI made a few key announcements in its Statement on Developmental and Regulatory Policies in April 2021. These measures would impact the operations of payments banks, prepaid instruments (PPIs) and membership to the centralised payment systems (CPSs). The proposals come in the wake of the COVID-19 pandemic and aim to encourage digital payments and boost the economy. Additionally, the RBI issued certain amendments in the Know Your Customer (KYC) guidelines, with a view to further leverage the Video-based Customer Identification Process (V-CIP) and simplify and rationalise the process of periodic updation of KYC. Read more.

From around the web

June 2021 was an exciting month for the global FinTech ecosystem. A few curated and handpicked developments in the FinTech sector from the last month are outlined below:

Global

- Payment startup Mollie raises US$800m at a $6.5bn valuation. Read more.
- Amazon Rolls Out Dubai-Based FinTech Lab. Read more.
- El Salvador: The first country to make Bitcoin legal tender. Read more.
- EU wants to create ‘digital wallet’ for all its citizens. Read more.
- One third of the 100 UK Tech Unicorns are FinTech. Read more.

India

- Centrum-BharatPe to take over PMC Bank. Read more.
- Navi General Insurance launches monthly EMI-based insurance products. Read more.
- Cashfree receives strategic investment from State Bank of India. Read more.
- UK based remittance company Wise launches India operations. Read more.
- Yatra Angel Network announces Angel Fund for Indian FinTech startups. Read more.
- Visa May Soon Start Offering Cross-Border Payments In India. Read more.

Regulatory developments

The FinTech industry witnessed a few important regulatory developments in June. A few key developments in the Indian FinTech sector are highlighted below:

- FinTech companies with tripartite pacts under GST scanner. Read more.
- NACH payments to be available on all days of the week. Read more.

FinTech tales

Investments

The Indian FinTech ecosystem received a significant amount of funding in the month of June as well. FinTech investments in Indian start-ups from June 2021 are highlighted below.

<table>
<thead>
<tr>
<th>Start-up</th>
<th>Sector</th>
<th>Amount raised</th>
<th>Lead investor</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>RenewBuy</td>
<td>InsurTech</td>
<td>USD 45 million</td>
<td>Existing investors and others</td>
<td>Read more</td>
</tr>
<tr>
<td>FamPay</td>
<td>Payments</td>
<td>USD 38 million</td>
<td>Venture Highway, YCombinator and others</td>
<td>Read more</td>
</tr>
<tr>
<td>Jai Kisan</td>
<td>Lending</td>
<td>USD 30 million</td>
<td>Altara Ventures and others</td>
<td>Read more</td>
</tr>
<tr>
<td>MobiKwik</td>
<td>Payments</td>
<td>USD 20 million</td>
<td>Abu Dhabi Investment Authority</td>
<td>Read more</td>
</tr>
<tr>
<td>Plum</td>
<td>InsurTech</td>
<td>USD 15.7 million</td>
<td>Tiger Global</td>
<td>Read more</td>
</tr>
</tbody>
</table>
Slice  
Enabling Tech  
USD 15.5 million  
Gunosy Capital  
Read more.

Instadapp  
Enabling Tech  
USD 10 million  
Standard Crypto, DeFi Alliance  
Read more.

KreditBee  
Lending  
USD 8 million  
Premji Invest, Motilal Oswal Private Equity and others  
Read more.

Unbound Finance  
Blockchain  
USD 5.8 million  
Led by Pantera Capital and others  
Read more.

Flexmoney  
Lending  
USD 4.8 million  
Led by Pravega Ventures  
Read more.

WealthDesk  
WealthTech  
USD 3.2 million  
Matthew Cyriac  
Read more.

Bueno Finance  
Lending  
USD 3 million  
Goat Capital, JAM Fund and Olive Tree Capital  
Read more.

Vital  
InsurTech  
USD 3 million  
BLinC Invest  
Read more.

Upside AI  
WealthTech  
USD 1.1 million  
Led by Endiya Partners  
Read more.

Junio  
Neobanking  
USD 0.68 million  
Venture Catalysts, HNI Investors, and Rajiv Dadlani Group  
Read more.

BimaPe  
InsurTech  
USD 0.545 million  
Lightspeed India Partners, Titan Capital, iSeed and Gemba Capital  
Read more.

Intellewings  
RegTech  
USD 0.1 million  
Friends of PadUp, Vinners and SucSEED Indovation Fund  
Read more.

Cashfree  
Payments  
Undisclosed  
State Bank of India  
Read more.

DigiSparsh  
Lending  
Undisclosed  
GoAhead Ventures  
Read more.

Partnerships
The FinTech ecosystem saw a diversified set of partnerships built across different sectors. A few handpicked partnerships that developed in the Indian FinTech space in June 2021 are listed below.

<table>
<thead>
<tr>
<th>Financial Firm</th>
<th>Partnered with</th>
<th>Sector</th>
<th>Purpose</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Google Pay</td>
<td>SBI, IndusInd Bank, Federal Bank and HSBC India</td>
<td>Payments</td>
<td>To expand its network of bank partners offering cards tokenisation on the Google Pay app</td>
<td>Read more.</td>
</tr>
<tr>
<td>SBI cards</td>
<td>Fabindia</td>
<td>Payments</td>
<td>To launch a co-branded contactless credit card – Fabindia SBI Card</td>
<td>Read more.</td>
</tr>
</tbody>
</table>

Acquisitions

<table>
<thead>
<tr>
<th>Acquirer</th>
<th>Acquiree</th>
<th>Sector</th>
<th>Purpose</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Muthoot Fincorp</td>
<td>Paymatrix</td>
<td>Payments</td>
<td>Acquisition (54%) will expand their product offerings and make a foray into new markets and customer segments</td>
<td>Read more.</td>
</tr>
<tr>
<td>BharatPe</td>
<td>Payback</td>
<td>Payments</td>
<td>To build a robust and engaged network of over 20 million SMEs by 2023</td>
<td>Read more.</td>
</tr>
</tbody>
</table>

Incumbent FinTech initiatives

Here are a few incumbent FinTech initiatives launched by Indian financial institutions (FIs) in June 2021.

- ICICI Bank launches ICICI stack for Corporates. Read more.