Our insights

The impact of the RBI's guidelines on card-on-file transactions

Over the last couple of years, India has seen tremendous growth in online retail, apparel, travel, over-the-top (OTT) media, food delivery, online medicine and e-consultation services. Growth in these areas has, in turn, helped online payments to grow significantly in India. While multiple payments options are offered by these merchants to customers, cards are one of the preferred modes. Merchants and their payments processors are trying to achieve convenient experiences by offering faster checkouts and one-click payments to customers. Read more

From around the web

May 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

- Fintech startups raised record $22.8 billion in Q1 2021. Read more.
- Visa builds new online marketplace. Read more.
- WealthTech funding hit a record $6.6bn in the first quarter. Read more.
- African FinTech OPay is set to raise $400M at over $1.5B valuation. Read more.
- Revolut to garner $10bn valuation from new funding drive. Read more.
- Wayflyer raises $76M to provide 'revenue-based' financing to e-commerce merchants. Read more.
- FinTech Paysend closes $125 million funding deal. Read more.
- Brex raises $425M at a $7.4B valuation. Read more.

India

- Zerodha co-founder launches True Beacon Global, the first AIF in GIFT City. Read more.
- INDMoney adds crypto trading amid market boom. Read more.
- Airtel deepens FinTech super app offering by launching gold investment platform DigiGold. Read more.
- Choice group launches fintech aggregator platform to address low insurance penetration. Read more.
- Eroute receives RBI nod to offer prepaid instruments. Read more.
Regulatory developments

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

- GST Council to bring FinTech firms into e-invoicing zone. Read more.
- IRDAI moots ‘Model Insurance Village’ concept to boost insurance in rural India. Read more.
- RBI relaxes KYC norms, Video-KYC to be counted as Full KYC for new accounts. Read more.
- RBI directs wallets like Paytm, PhonePe to offer interoperability by April 2022. Read more.
- NPCI refuses to ban crypto, leaves it to banks. Read more.

FinTech tales

Investments

The Indian FinTech ecosystem received a significant amount of funding in the month of May as well. FinTech investments in Indian start-ups from May 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>Pine Labs</td>
<td>Payments</td>
<td>USD 285 million</td>
<td>Duro Capital, Marshall Wace and existing investors</td>
<td>Read more</td>
</tr>
<tr>
<td>Kodo</td>
<td>Payments</td>
<td>USD 8.75 million</td>
<td>Brex, Y-Combinator</td>
<td>Read more</td>
</tr>
<tr>
<td>Finnable</td>
<td>Lending</td>
<td>USD 5.4 million</td>
<td>MEMG family office</td>
<td>Read more</td>
</tr>
<tr>
<td>Avail Finance</td>
<td>Neobank</td>
<td>USD 3.25 million</td>
<td>Alteria Capital</td>
<td>Read more</td>
</tr>
<tr>
<td>Stockal</td>
<td>WealthTech</td>
<td>USD 3 million</td>
<td>Aroa Ventures and Cadenza Capital Management</td>
<td>Read more</td>
</tr>
<tr>
<td>FypMoney</td>
<td>Payments</td>
<td>USD 2 million</td>
<td>Angel Investors</td>
<td>Read more</td>
</tr>
<tr>
<td>Nivesh</td>
<td>EnablingTech</td>
<td>USD 1.6 million</td>
<td>IAN Fund</td>
<td>Read more</td>
</tr>
<tr>
<td>RuleZero</td>
<td>WealthTech</td>
<td>USD 1.3 million</td>
<td>Rainmatter Capital, IndusLaw and Reddy Futures</td>
<td>Read more</td>
</tr>
<tr>
<td>Karbon Card</td>
<td>Neobanking</td>
<td>USD 1.2 million</td>
<td>Orios Venture Partners</td>
<td>Read more</td>
</tr>
<tr>
<td>Arthya Wealth and Investments</td>
<td>WealthTech</td>
<td>USD 1 million</td>
<td>Bagla Group</td>
<td>Read more</td>
</tr>
<tr>
<td>BankSathi</td>
<td>FinTech enabler</td>
<td>USD 0.2 million</td>
<td>Angel investors</td>
<td>Read more</td>
</tr>
<tr>
<td>Pickright Technologies</td>
<td>WealthTech</td>
<td>USD 0.2 million</td>
<td>JITO Angel Network</td>
<td>Read more</td>
</tr>
<tr>
<td>GoalTeller</td>
<td>WealthTech</td>
<td>Undisclosed</td>
<td>Rainmatter and individual investors</td>
<td>Read more</td>
</tr>
</tbody>
</table>

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 May 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>NPCI</td>
<td>PayCore</td>
<td>Payments</td>
<td>To drive contactless payments in Indian shops</td>
<td>Read more</td>
</tr>
<tr>
<td>FlexiLoans</td>
<td>Vivriti Capital</td>
<td>Lending</td>
<td>To disburse loans worth INR 300 crore to MSMEs</td>
<td>Read more</td>
</tr>
<tr>
<td>ZipLoans</td>
<td>Incred</td>
<td>Lending</td>
<td>To roll out microloans between INR 1 lakh and INR 10 lakh to MSMEs</td>
<td>Read more</td>
</tr>
<tr>
<td>SBM Bank India</td>
<td>CredAvenue</td>
<td>Lending</td>
<td>To facilitate the accessing of funds at an affordable cost for NBFCs and FinTechs, catering to their respective visions of financial inclusion</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>KFin Technologies</td>
<td>Artivatic.ai</td>
<td>InsurTech</td>
<td>KFin Technologies acquired 17% stake in Artivatic to diversify investments into the InsurTech space</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 May 2021:

- ICICI Bank links UPI ID facility to its ‘Pockets’ digital wallet.  
  Read more.
- ICICI Bank launches digital banking platform for SMBs.  
  Read more.

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