



NEWS HIGHLIGHTS

P2P players seek RBI clarification on permissibility of institutional lenders

SBI to set up country's largest innovation centre at Mumbai

Mastercard innovation lab to focus on growing digital payments

Digital payments: India lags China in e-transactions

Today's View

Fintechs are Gold

Gold is an excellent passive investment in India. Not only is buying gold considered equivalent to sowing seeds for prosperity but it is also believed to be an armour plate in bad times. Every Indian household, affluent or not, buys gold to the extent affordable, making an investment that is easily bought and easily liquidated. Indeed, a friend in need, gold can be quickly converted into cash in dire circumstances.

Every year, India imports around 900 tonnes of gold for consumption and posts the largest gold stock of close to 22,000 tonnes; this enormous stock of gold is privately held by domestic households and temples. Courtesy sizable demand for gold by Indians, the loan against gold industry in India is the largest in the world. Low income households being majority customers, the century-old practice of lending against gold has continued in unorganized India.

However, this scenario has changed with the entry of organized players such as Banks and NBFCs that are now commanding a significant pie of the market. NBFCs have been a major driving force behind this growth given their extensive network, faster turnaround time, higher loan-to-value ratios and the ability to serve non-bankable customers. Banks, not very far behind, have started working extensively on improving their gold loan product features and services.

Since gold loan neither requires a credit score nor a salary slip, it is a lucrative credit option for individuals of modest means. To ease the anxiety of such credit-challenged customers, a Fintech start-up **Gold Uno** created an online marketplace for Gold Loans. The platform allows customers to compare Gold loan ROI, rate per gram, processing charges etc., finally aiding selection of the best suited option. The customer can then conveniently apply online followed by gold valuation and processing at a nearby Branch.

INTERESTING NEWS

Govt works on a roadmap for emerging tech

The government is looking at forming a comprehensive strategy to encourage and adopt emerging technologies such as Blockchain, artificial intelligence (AI) and Big Data Analytics.

Global View

Blockchain

- The UAE plans to make all government documents secured on Blockchain by 2020
- Sweden plans to implement Blockchain for speeding land sale deals
- Is pegged to be a \$2-billion opportunity by 2022

Source- The Economic Times

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Date- 11th Oct 17

Another Fintech called **Rupeek**, an asset-backed online lending platform, especially deals in gold loans. The start-up offers valuable and creative lending solutions at affordable rates of interest. They offer zero processing fee, personalised support, on demand pickup and return of the valuables.

Fintechs are now getting their hands dirty with what was historically considered to flourish in the unorganized sector. It will be interesting to see what more these Fintechs have got to offer to disrupt the century-old practice

Today's News

P2P players seek RBI clarification on permissibility of institutional lenders

After the Reserve Bank of India (RBI) released guidelines for entities engaged in peer-to-peer (P2P) lending last week, an association of such entities is planning to ask the central bank to clarify whether institutions will be allowed to lend through P2P platforms.

According to sources, the industry group, called Association of P2P Platforms, is comprised of five entities and will write to RBI after getting itself registered this month.

Source- *Financial Express*

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SBI to set up country's largest innovation centre at Mumbai

The nation's largest lender State Bank of India is creating a 15,000-sqft innovation centre in Navi Mumbai investing around Rs 100 crore. The centre, to be built at its Global IT Centre in Belapur in Navi Mumbai, will be the largest innovation centre by any financial services company in the country.

SBI's innovation head Sidon Baraokar said it will be a 15,000-sqft centre that will have 40 dedicated zones for each technology like blockchain, artificial intelligence and machine learning, among others.

Source- *The Economic Times*

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Now, quicker remittances with blockchain push

Indians working in the Gulf will have a more efficient method for transferring money from bank accounts to India with UAE-based RAKBANK and several others joining Ripple's network. Ripple, a currency network and a real-time gross settlement system (RTGS), enables instant money transfers by plugging banks into the RippleNet — the world's first blockchain-based remittance system.

In India, Axis and Yes Bank have signed up with Ripple providing a landing point for all remittances to India.

Source- *The Economic Times*

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AI-based solutions start-up Parallel Dots raises \$1.4 million from Multipoint Capital

Parallel Dots, a three-year old start-up developing artificial intelligence-based solutions for different industry verticals, has raised \$1.4 million from US-based Multipoint Capital, the company.

Parallel Dots, which has offices in Gurugram and Delaware, US, is an applied AI research firm that licenses its technology to enterprise clients. Co-founder Angam Parashar said that the solutions are used by companies in financial technology, insurance, healthcare, and market research. Its clients are spread across India, Europe and the US.

Source- *Mint*

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

Mobile wallet industry likely to grow 150% in 5 years: Capgemini

As per Capgemini's World Payment Report 2017, India's drive to become a less-cash economy will help the mobile wallet industry grow to \$4.4 billion by 2022.

The projection of a compound annual growth rate (CAGR) of 148 per cent over five years comes despite several industry watchers writing off the digital wallet model. They have said e-wallets would be overshadowed by the government-backed Unified Payments Interface (UPI) that allows for easy inter-bank transactions.

Source- Business Standard

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Mastercard innovation lab to focus on growing digital payments

Mastercard on Tuesday launched its first innovation lab in India in Pune to work on new commerce, payment and technology ideas for the rapidly growing digital economy in the country.

Mastercard Labs in India is the company's ninth lab in the world and the second in Asia Pacific (following Singapore). In India, Mastercard Labs will work with financial institutions and merchant partners and the fintech community to identify and experiment with future technologies.

Source- Business Line

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Global digital spend crossed over \$470 billion in 2017, likely to touch \$1.2 trillion by 2022: Study

Zinnov, a management consulting firm announced its annual rating 'Zinnov Zones for Digital Services 2017'. The study estimates that enterprises worldwide will spend over \$470 billion on digital in 2017 and digital spending is likely to increase at a CAGR of over 20% to reach \$1.1-1.2 trillion by 2022.

Enterprises in banking, financial services and insurance, retail, manufacturing, hi-tech and telecom continue to be the top spenders jointly contributing over 60% of the total global digital spending.

Source- The Economic Times

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Digital payments: India lags China in e-transactions

Despite a major push in digital payments following demonetisation, China is expected to be ahead of India both in share of digital payments and in average growth rate from 2016-2020.

According to the World Payments Report 2017 by Capgemini and BNP Paribas, China is expected to see stable growth of 36% in digital transactions during 2016-20 while India is expected to grow at an average of 26.2% during the same period.

Source- The Economic Times

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NSE plans data centre at Fintech Valley in Vizag

Andhra Pradesh IT Minister Nara Lokesh said that the largest bourse NSE is planning to open a data centre in Vishakhapatnam.

The country's third largest software exporter Wipro is also thinking of building its blockchain practise in the coastal city, which the state government wants to develop into a hub for financial technologies. The government has earmarked 200 acres in its newly built capital Amaravati for the infotech sector.

Source- India Today

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US tech major Conduent to invest Rs 300 cr in Fintech Valley

American technology major Conduent will be investing up to Rs 300 crore to put up a development centre at the Fintech Valley here over the next three years.

State IT minister Nara Lokesh said that we signed an agreement under which Conduent will be putting up a development centre in Vishakhapatnam and create 5,000 jobs here.

Source- Money Control

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