



NEWS HIGHLIGHTS

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Today's View

Mandarin Corner: Crowdfunding

Crowdfunding also known as equity-based crowdfunding allows individuals and professional investors to invest in unlisted entities, which is particularly suitable for start-ups and small and medium-sized enterprises (SMEs). With changes in the economy, equity-based crowdfunding has experienced dramatic growth in recent years.

According to the **World Bank**, in its **Crowdfunding's Potential for the Developing World report**, China is estimated to generate US\$50 billion, or 52 percent of the global total by 2025.

AngelCrunch, which functions as an Angellist for Chinese companies, is one of the first crowdfunding platforms to interconnect start-up companies and business angels in China. Till now, the total registrations on the platform has over 50,000 entrepreneurs, 10,000 startup companies and 8,000 angel investors among which 1200 are accredited.

Renrentou, a Chinese equity crowdfunding portal that has established a reputation in raising funds for all kinds of physical shops in the lines of consumer business, is among the first group of eight equity crowdfunding platforms that were granted with the membership of **Securities Association of China (SAC)**. A great advantage of Renrentou is that it allows one to download the deal agreements of the projects after being recognized as a qualified investor which provides a great opportunity to understand how its

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Share trading via mobiles hits a record high

Retail investors are buying and selling shares through their mobile phones like never before. Average daily turnover through mobile trading in shares on the NSE jumped to a record 10.15% of the total turnover or nearly 3,700 crore a day in March 2019 from 3.6% two years ago and 1.1% five years ago.



Source – The Economic Times

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Date – 10th Apr 19

deals are legally structured, how the rights and obligations are distributed among the relevant parties.

Youke Tou, is the first platform in China to focus on cross-border equity crowdfunding, with most investment opportunities in US and Australia. Priority sectors include cultural and creative industries, real estate, technology and education. The minimum fundraising target is typically more than CNY 10 million. The platform targets high net worth domestic accredited investors who are looking for overseas investment opportunities.

Similarly, large technology and e-commerce companies such as **Alibaba, JD, and Xiaomi** have established their own equity crowdfunding platforms namely **Antsdaq, JD Dongjia, Mic Finance**. These companies leverage their brand and existing user base to support entrepreneurs looking to raise funds.

Crowdfunding can be a good financial alternative especially for start-ups and entrepreneurs who have difficulties in accessing loans, both from commercial banks and institutional investors. With a significant focus from regulators and government authorities, the eco-system is about to reach an inflection point.

Today's News

Fintech firms see big pie in online investment theme

After digital payments and lending, the online investment market has emerged as a big theme in the buzzy domestic financial technology sector. Fighting it out are the established payments companies like PhonePe, Paytm and Mobikwik and specialised players including ETMoney, Zerodha, and Scripbox. Even as the hyper-competitive space starts to gain traction among consumers, industry executives say that making money from direct selling of mutual funds alone would be difficult. But with economies of scale kicking in and opportunities to cross-sell and charge advisory fee, these companies are looking to sharpen their business models with the intent to monetise going forward.

Source – *The Economic Times*

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Qualcomm aims to take on Nvidia, Intel with new AI chips

Qualcomm has unveiled a new chip for speeding up artificial intelligence work, aiming to diversify beyond its stronghold in mobile phone chips and into a fast-growing market now dominated by Nvidia and Intel. At an event in San Francisco, Qualcomm said it plans to begin testing its new Cloud AI 100 chip with partners such as Microsoft later this year, with mass production likely to begin in 2020. Qualcomm's new chip is designed for what artificial intelligence researchers call "inference" - the process of using an AI algorithm that has been "trained" with massive amounts of data in order to, for example, translate audio into text-based requests.

Source – *The Economic Times*

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This News Letter has been prepared with the assistance of **G Balakrishna and Hema Kumar**

WhatsApp plans third-party audit for its payment system

WhatsApp has identified a third-party company to audit its payments system for data-localization compliance here, the popular messaging platform has told the Supreme Court in response to Reserve Bank of India's (RBI's) affidavit last month.

In its response to the apex court on Tuesday, reviewed by TOI, WhatsApp said it has also submitted a 'confidential revised data-localization plan' to all stakeholders. WhatsApp did not name the auditor it has chosen for compliance check.

Source – *The Economic Times*

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PhonePe eyes to become Super App like WeChat in China

In 2017, Sameer Nigam, founder and CEO of digital payments company PhonePe, flew to China with his team. He visited the office of WeChat, China's ubiquitous messaging and payments platform, owned by technology giant Tencent. He also roamed around Shenzhen in China to see how offline market was adopting the QR codes.

"It is so surreal. Everywhere you go, there are QR codes. WeChat and (Alibaba-backed Ant Financial's) Alipay are accepted everywhere," Nigam told Business Standard. WeChat has 1.1 billion monthly active users and it has over one million apps as part of its 'mini programme' initiative, which allows users to access services within WeChat quickly and easily.

Source – *Business Standard*

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Paytm targeting \$100 billion in GTV for FY 20

Digital payments firm Paytm is targeting \$100 billion in Gross Transaction Value (GTV) this fiscal, on the back of its thriving ecommerce platform with a revamped business model strategy, payments and other allied businesses. At present, the company boasts of \$6 billion in GTV every month.

Speaking to ET on the sidelines of AIMA's 5th National Leadership Conclave in the capital, Vijay Shekhar Sharma, Founder and CEO, Paytm debunked reports of the e-commerce business not doing well and consequently scaling down. "In the last six months, our e-commerce has been profitable and grown three times. We have moved forward from a business model which was mainly centred on warehouse-led distribution to a store-led one for consumers. That has changed the texture of the company. We have about 600 more people recruited," he highlighted.

Source – *The Economic Times*

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Real digital transformation starts with staff for India Inc

Employees are now front and centre when it comes to championing India Inc's digital transformation agenda. With technology increasingly becoming a core part of business, employees across companies such as Accenture, KPMG, ITC Infotech and RPG Group are playing a crucial role in steering this change in mind-set. Last year, RPG Group rolled out 'digital academy,' a programme to increase the tech quotient across its businesses. Company leaders have taken the course and about 150 employees will participate in sessions and projects focused on analytics and smart products.

ITC Infotech started workshops to give employees practical experience in managing new technology. At ThoughtWorks, a software company, the focus is on employee communities who concentrate on technological trends and explore the intricacies of platforms powered by blockchain, machine learning and Internet of Things (IoT).

Source – *The Economic Times*

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Social Commerce Platform GlowRoad Raises \$10 million Led By CDH

Bengaluru-based social commerce platform GlowRoad has raised \$10 million in a Series-B round of funding led by China-based CDH Investments with participation from Accel Partners and two other international and Asian funds. Kunal Sinha, cofounder and CEO of GlowRoad said that the company plans to use the funds for growth which include growing business, marketing, loyalty programmes, technology stack, and product development and also strengthen the supply chain.

Founded in June 2017 by Sonal Verma, Kunal Sinha, Nitesh Pant, Shekhar Sahu and Nilesh Padariya is a social commerce network which enables suppliers to sell their products to end customers through resellers across more than 400 cities globally.

Source – *Ink42*

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Vayana hits \$2B in loan disburseals

Vayana Network, which lends to small and medium enterprises, has doubled loan disburseals to \$2 billion (Rs 15,000 crore) by end-March, helped by rapid growth in the last three quarters. "We expect to cross an exposure of \$5 billion over the next few years," said Vinod Parmar, head - global sales and marketing at Vayana Network. The company took four years to hit the \$1-billion mark in July last year.

Vayana works with large companies, or what it calls 'anchor corporates', to give trade financing against invoices, either to suppliers or distributors. This helps SMEs meet working capital needs since typical credit cycles extend for about 120 days.

Source – *The Economic Times*

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China wants to ban bit-coin mining

China's state planner wants to eliminate bit-coin mining in the country, according to a draft list of industrial activities the agency is seeking to stop in a sign of growing government pressure on the crypto-currency sector. China is the world's largest market for computer hardware designed to mine bit-coin and other crypto-currencies, even though such activities previously fell under a regulatory grey area. The National Development and Reform Commission (NDRC) said on Monday it was seeking public opinions on a revised list of industries it wants to encourage, restrict or eliminate. The list was first published in 2011.

Source – *The Economic Times*

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