

NEWS HIGHLIGHTS

**RBI may overhaul interchange fee for micro-ATMs to boost transactions**

**Digital payments to more than double to \$135.2 billion by 2023**

**Paytm rebrands its gaming platform Gamepind as FirstGames**

**Facebook gets big backers for its crypto-currency**

**Today's View**

**Fractional Equity Ownership**

Equity market, with a USD 77.7 trillion traded in 2017, is the largest in the world. For such a huge market where timely selling or buying of shares can make all the difference, the financial industry has adapted itself, integrating technology to speed up the trades and transfer of ownership and money.

With the general perception that investors need significant funds to start markets investing, some equity firms have started offering fractional share investing, bypassing the need to buy a whole share. Major stock exchanges like the New York Stock Exchange enable the individuals to buy at least one share at a time. For stocks like **Alphabet, Amazon or Eicher Motors**, which carry a high price tag even for a single share, many smaller investors are left out of the action.

Looking at the need for such innovative products, **Stockpile** has started offering fractional shares of over 1,000 stocks and ETFs. It also has a unique gifting feature. You can request stocks as gifts or give a share of stock (or part of one) to someone special.

**Motif** allows one to build a portfolio of multiple stocks based on a particular investment theme or theory. Once a target portfolio or 'Motif' set, investors can buy in and get fractional shares of the included securities.

Similarly, **Stash** offers an opportunity to invest by theme with a focus in a specific industry, cause, or strategy, like green investing, tech investing, global

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**Debit card ownership dips over the last six months**

Debit card ownership has been falling consistently over the last six months, at a time when the government is pushing banks to deploy more points of sale, or card terminals for faster adoption of digital payments. The number of debit cards in the country fell to 884.7 mn in April this year, down 11% from 998 mn as of October last year, according to data from RBI.



Source – The Economic Times

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Date – 17<sup>th</sup> Jun 19

entertainment, online media, and more. One can build a curated stock portfolio with fractional share support, along with a personalized guidance coach.

On the other hand, **Betterment** has developed robo-advisory services based on fractional investing. Investor just needs to fill out a questionnaire explaining investment goals and risk tolerance, and the robo advisor takes care of the rest investing the funds in a portfolio of ETFs in-line with the responses.

With continuous advancements in tech-based products, innovation will prove to be a key differentiator, especially when it comes to equity markets, considering the availability of numerous products and services and thereby this requirement of simplifying market access.

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## Today's News

### RBI may overhaul interchange fee for micro-ATMs to boost transactions

The Reserve Bank of India is looking to overhaul the interchange fee for micro-ATMs - a small Point of Sale type machine that is a mainstay for direct benefit transfer payments in the country. The move comes a week after the banking regulator reviewed ATM usage charges to boost digital transactions.

The regulator has written to the National Payments Corporation of India, an umbrella organisation for all retail payments, asking it to take a look at the interchange fee and ensure that smaller constituents do not get overshadowed by larger banks in micro-ATM steering committee meetings, people in the know of developments said.

Source – *The Economic Times*

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### Paytm rebrands its gaming platform Gamepind as FirstGames

Paytm is rebranding its gaming platform Gamepind as FirstGames, which claims to have garnered over 30 million registered users since launch in February 2018. With over 300 games and quizzes for gaming enthusiasts, the company is clocking a run rate Gross Merchandise Volume (GMV) of Rs 20 crore monthly, it said. The Fintech firm is also looking to raise \$30 million to expand its gaming platform and scale it with more games, according to people familiar with the matter.

Players can win Paytm cash, movie tickets, flight tickets, and physical goods such as two-wheelers, according to the company's blog post. The platform has also launched a fantasy cricket game, Paytm First Captains, in May, which aims to attract more than a million gamers during the ongoing Cricket World Cup. It has grown 5 times this month on the back of the global cricket event, the company claimed. Further, the company aims to clock a GMV of \$4-\$5 million during the world cup.

Source – *The Economic Times*

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This News Letter has been prepared with the assistance of G Balakrishna and Manish Kulkarni

## Facebook gets big backers for its crypto-currency

It sounds like Facebook has persuaded a suite of heavyweight companies to get involved in its secretive blockchain project. The Wall Street Journal reports that the Silicon Valley technology giant has enlisted a number of high-profile firms including Uber, MasterCard, Stripe, Visa, and Booking. Com to support its new crypto-currency.

For the last year or so, a team of dozens of Facebook employees have been working on applications for blockchain, the buzzy technology that underpins digital currency bitcoin and other crypto-currencies, to figure out how Facebook could utilize it. According to multiple reports, the company has been creating its own digital currency, and intends to officially announce it next week.

Source – *The Economic Times*

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## Amazon in talks with NinjaCart to put funds in fresh produce space

Amazon has held discussions with Bengaluru-based B2B fresh produce supply chain company NinjaCart for a potential investment, as the US-based technology leader looks to get a foothold in the sector. The talks, which are still at an exploratory stage, have been ongoing since NinjaCart was in the midst of closing its \$100 million equity financing round led by New York-based investment firm Tiger Global Management, according to three sources aware of the development, who spoke on the condition of anonymity.

Source – *The Economic Times*

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## Digital payments to more than double to \$135.2 billion by 2023

Digital payments in India will more than double to \$135.2 billion in 2023 from \$64.8 billion this year, according to an ASSOCHAM-PWC India study. "India is expected to clock the fastest growth in digital payments' transaction value between 2019 and 2023 with a compounded annual growth of 20.2%," said the study released on Saturday. The study also showed that India's share of worldwide transaction value of digital payments is also set to increase from 1.56% to 2.02% in the next four years.

Among factors which led to the exponential growth in digital transactions are demonetization and discounts on mobile wallets and UPI transactions. Funding from a diverse set of domestic and international stakeholders also contributed to the growth in digital payments. The study stated that regulatory efforts and the early successes of wallets of non-banking players (like Paytm) played a catalyst's role in enhancing the digital landscape in the country in the last three years, with heavy traction in the past one year.

Source – Mint

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## Flipkart cash burn at \$1 billion under Walmart

Walmart-owned Indian ecommerce company Flipkart has burned nearly \$1 billion since the US retail giant acquired a majority stake in it, regulatory filings showed, as it pushes aggressively to stave off rival Amazon for control of the country's online marketplace. Walmart last week disclosed in regulatory filings that Flipkart had \$1.2 billion in cash and cash equivalents on its books as of April 30, down from the \$2.2 billion the Indian company held in August 2018 when the US retail giant invested \$16 billion for a 77% stake.

Of the \$2.7 billion in cash globally that Walmart said was not freely transferable to the US, "approximately \$1.2 billion can only be accessed through dividends or intercompany financing arrangements subject to approval of the Flipkart minority shareholders," it said in the regulatory filing. This is essentially cash on Flipkart's books, which Walmart said would be utilised to fund operations at the lossmaking Indian entity.

Source – The Economic Times

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## Industrial IoT startup SwitchOn raises \$1 million in seed funding

SwitchOn, an Edge-AI enabled industrial IoT company, announced that it has raised \$1 million in seed funding led by pi Ventures, Axilor and members of The Chennai Angels.

The company graduated from the Axilor Accelerate Program in 2018. SwitchOn co-founder Aniruddha Banerjee, said, "SwitchOn is leveraging deep expertise in hardware and software design to create state-of-the-art edge solutions for increasing transparency, reducing turn-around, and improving quality on the shop-floor of manufacturing industries to ultimately achieve operational excellence. We are very excited about the new investment and the deep expertise of our investors in scaling IP-led hardware-software businesses."

Source – The Economic Times

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## Mobikwik scouts for investors

Digital payments provider Mobikwik is aiming to be profitable next fiscal and is looking to on-board an investor who will help it go public in the next three years, a top official said. The 2009-incorporated company is planning to report its first quarterly profit in March, and will be profitable from a full-year perspective from FY21.

"We are looking for an investor who will help the company go for an initial public offering (IPO) in three years," said co-founder and chief executive Bipin Preet Singh. Mobikwik already counts Sequoia Capital, Bajaj Finance and South African firm Net 1 UEPS Technologies among its major shareholders.

Source – BusinessLine

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## Hexaware buys Mobiquity for \$182 million

Hexaware Technologies said it has acquired US-based customer experience firm Mobiquity for \$182 million. Hexaware will pay \$131 million in cash and the balance \$51 million would be paid based on earn outs, the company said in a filing to the stock exchanges, adding that Mobiquity will remain an independent unit.

Mobiquity, which leverages Amazon Web Services and Amazon's Alexa to deliver services to clients, posted a revenue of \$71 million last year and has grown at a CAGR of 24% in the last three years.

Source – The Economic Times

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