



NEWS HIGHLIGHTS

Facebook moves closer to WhatsApp payment service debut in India

OYO buys co-working venture Innov8

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Blockchain tech of big three tech firms at work in client projects

Today's View

Hedge funds with Blockchain

Hedge funds have long been a popular choice for risk-averse investors and they rely on the team of expert analysts to guide their investments in the right direction. As per **Preqin**, institutional investors have allocated over \$2 trillion to hedge funds, and represent 58% of capital invested in the industry. Top-performing hedge funds strongly prefer institutional investor capital, given their long-term investment horizons and 'sticky' capital. This makes it highly unlikely to get access as an individual investor, even as an ultra-high net worth investor.

Blockchain technology and Smart Contracts provide a solution to this problem. Applying this emerging technology to hedge fund investing, enables access and liquidity for affluent investors. Investors can own a Security Token in a hedge fund, which represents a digital certificate of ownership similar to a stock in a company. Through Security Token Exchanges, investors can freely trade these Tokens for immediate liquidity. This allows affluent investors to have even a small exposure to top-performing hedge funds, and exit as the need arises without being subject to the often years-long lock-in periods of most top hedge funds.

At present, there are two kinds of crypto-currency hedge funds. Those that manage portfolios containing exclusively crypto-currency, and those that have added some crypto-currency to a mix of other asset types.

Akhil Handa
+91 22 6759 2873

Manish Kulkarni
+91 22 6759 2885
manish.kulkarni@bankofbaroda.com

US hedge fund Steadview to step up investments in Indian start-ups

American hedge fund Steadview Capital plans to invest \$500 million in growth-stage companies in India over the next two years, two people aware of the matter said. The fund is looking to invest \$20-40 million per deal, the people said.

Steady flow
After exiting Flipkart in 2018 following its sale to Walmart, Steadview made six fresh investments in India totalling about \$200 million, besides investing \$4 million more in Ola.

Company/other investors	Date	Round size (\$ mn)
Unacademy	Jun 2019	50
Sail Partners, Nexus, Blume Ventures	Jun 2019	100
Hilacart	Jun 2019	100
Tiger Global	Apr 2019	100
Dreamtix (Horn)	Apr 2019	100
Unacademy Capital	Nov 2018	50
IndWealth (Horn)	Oct 2018	30
Ola Cabs	Jan 2019	111
Hill Partners, Lyrr Asset Management	Jan 2019	111
Lenskart	Aug 2018	Undisclosed
Till Capital		Undisclosed

Source – Mint

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Date – 17th Jul 19

Looking at potential use cases of blockchain around Hedge funds, multiple fund houses, including even stock exchanges have started exploring the possibility of implementing the technology in hedge funds. For instance, in 2013, **NASDAQ** initiated a study on crypto-currencies to get an understanding of how they operate, with an eye toward considering involvement in the early stages of crypto-currency development in hedge funds.

On the other hand, organizations like the **Blockchain Terminal (BCT)** combines essential market data from major crypto-currency exchanges, as well as social media news and details about new ICOs. The technology has been tried, tested, and used in twenty existing hedge funds. The platform features include a transparent audit trail monitored and time-stamped on the platform's immutable ledger, real-time monitoring, and complete where BCT transactions are transaction visibility and a business logic rule where alerts adhere to pre-trade and post-trade compliance regulations.

For hedge funds to progress with blockchain technology, providers need to work hand in hand with regulatory authorities to ensure streamlined implementation.

Today's News

Facebook moves closer to WhatsApp payment service debut in India

Facebook Inc. is moving a step closer to launching its long-delayed WhatsApp payments service in India after wrapping up an audit of related data practices, according to people familiar with the matter. The payments offering has been in beta mode in India since early 2018 for a million users, but the nationwide debut has been delayed, in part because of government regulations. WhatsApp is moving into a crowded and competitive field, where local start-ups and global players are already slugging it out. Amazon Pay and Paytm, the country's most popular digital payments service, have already complied with the Reserve Bank's data localization guidelines.

Source – *The Economic Times*

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Aditya Birla Group launches BizLabs FinTech 2019, collaborate with start-up ecosystem

Aditya Birla Group has launched BizLabs Fintech 2019 that will enable innovative start-ups to solve real business challenges of its financial service arm. Aditya Birla Capital is one of India's largest financial conglomerates with assets under management of over Rs 3 trillion, a consolidated lending book of more than Rs 630 billion and total insurance premium of over Rs 80 billion. ABC serves over 10 million active customers, including about 15,000 SME and MSME clients through 2 lakh channel partners across 400+ cities. This is not the first start-up focused initiative of the Group under BizLabs, but the first time it is doing something around Fintech. There has been a tangible proliferation of B2B focus Fintech firms in recent years and it is clear that ABG felt it as important to actively collaborate to address problems specific to the problem statements in its credit business.

Source – *The Economic Times*

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

Data analytics start-up Near raises \$100 million

Near, a software-as-a-service (SaaS) startup, which collects real-life data on consumers and merges it with online data to create a wholesome profile, has raised \$100 million (Rs 686 crore) from London-based private equity firm Greater Pacific Capital (GPC).

Started in 2012, Near collects consumer data from various sources including telecom players, apps and Wi-Fi providers to build real life-based data profiles that throw up consumer insights for its clients such as WeWork, MetLife and MasterCard. Based out of Bengaluru and Singapore, Near plans to sell its services in India, while it scales up core markets like Australia, New Zealand, and the US.

Source – *The Economic Times*

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OYO buys co-working venture Innov8

OYO Hotels & Homes has formally announced its acquisition of co-working venture Innov8, while also stating that the SoftBank-backed hospitality chain was planning to expand the business to 50 centers by the end of the current calendar year.

"Work spaces are a natural extension for us. The skill-sets, and capabilities are quite common. We have the people, talent, technology and a great customer base to leverage, who are accessing multiple services," Rohit Kapoor, chief executive - new real estate business at OYO, said.

Source – *The Economic Times*

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TikTok parent eyeing content start-up deals in big push into India

ByteDance Ltd, which owns the popular TikTok video-sharing app, will invest in Indian content start-ups to create a bouquet of apps to target new audiences, borrowing from its successful China playbook, two people familiar with the plans said. ByteDance, the world's most valuable start-up, has set up a team to scout for companies in content, social commerce and education technology, they said, requesting anonymity.

The move comes at a time when several Chinese funds are turning their attention to start-ups in India, as its domestic consumer internet market slowly hits saturation. ByteDance invested \$25 million in local language Indian news aggregator DailyHunt in 2016. "They (ByteDance) have been toying with this for a while and have had a lot of people come from China to meet Indian start-ups," said the first person. "It has an ecosystem in China, and they want to create something similar in India—an ecosystem of different content platforms."

Source – Mint

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Monsoon CreditTech becomes part of Mastercard's Start Path program, secures new funding

Monsoon CreditTech has become one of the seven Fintech companies from across the world and the only one from India selected by MasterCard Start Path, part of MasterCard Labs, to be part of its start-up engagement program. Start Path is designed to help later stage start-ups scale their business. This puts Monsoon in an elite club of companies and will give Monsoon access to MasterCard's global network of customers and subject matter experts, bringing Monsoon's machine learning technology to global markets outside India.

Monsoon says it has also recently closed a new round of undisclosed amount in funding from strategic institutional and individual investors from across the globe. As the volume of data available for analysis grows and computational power becomes cheaper, banks and FIs are beginning to realize the potentially transformational benefits of embracing Artificial Intelligence.

Source – The Economic Times

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Payment companies want Centre to reimburse losses due to zero MDR

The Payments Council of India, an industry body that represents non-banking payment service providers, is seeking compensation from the government for losses incurred while processing online payments, in its attempt to escalate the debate on "zero" charges on digital payments. The PCI, in letters addressed to the union finance ministry, the Ministry of Electronics and Information Technology (MeitY) and the country's banking regulator, has mooted the establishment of a designated fund that will reimburse the losses that could arise out of the government's mandate to waive the merchant discount rate (MDR), a charge borne by merchants on digital payments, according to three people in the know of the matter.

Source – The Economic Times

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Blockchain tech of big three tech firms at work in client projects

Clients of IBM, TCS and Wipro are starting to use blockchain solutions of these big technology firms in live projects, in a shift away from using them for proof of concept or pilot projects. These technology leaders have patented and developed blockchain services for the banking, financial services and insurance (BFSI), telecom and energy verticals, in a bid to capture a share of increased spending in blockchain technology.

Spending on blockchain solutions has been forecast at \$2.9 billion globally in 2019. In the Asia-Pacific excluding Japan it is pegged at \$523.8 million, according to industry tracker International Data Corporation.

Source – The Economic Times

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MyMoneyMantra secures \$15M funding from Netherlands-based IFSD-BV

MyMoneyMantra, a New Delhi-based platform which helps consumers access loans from banks and NBFCs, has raised its first round of external funding of \$15 million from IFSD-BV, a Netherlands based fund backed by multiple high net worth individuals and family offices.

The company which operated as a direct sales agent connecting prospective borrowers with lenders, now intends to scale up its technology play and take the marketplace online as well.

Source – The Economic Times

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