



NEWS HIGHLIGHTS

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Zoho adds a new range of services to its business operating system

Today's View

Trade Finance with Blockchain

For the past few years, the buzz around blockchain has grown to a crescendo. Long regarded as a technological novelty, blockchain is quickly evolving and is on the way to become a viable financial tool on a global scale. One of the more interesting areas that blockchain is seeking to address is Trade Finance and Global Trade.

Such trade finance based transactions make up an enormous portion of global trade – approximately 80% to 90% of world trade relies on trade finance. As per **PRNewswire**, the global trade finance market is growing at a CAGR of over 4%. While the **World Economic Forum survey** suggested that 10% of global GDP will be stored on blockchain by 2027.

Digitization has been difficult as cross-border trade involves a large number of variables when communicating information such as country of origin or product details and transactions generate high volumes of documentation – making some deals uneconomical. It is for this reason that distributed ledger technologies (DLT) – such as blockchain that uses a consensus formation among participants to enable transactions to take place in the absence of a trusted central authority – is seen as a possible solution.

Nine European banks have taken a crucial step to make blockchain available to their corporate clients, creating a legal entity for the expansion of **we.trade** platform. **HSBC** has financed its first transaction on we.trade, a blockchain-

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Digital transaction volumes soar; BHIM gains currency

There has been an increase in digital payments across the country since 2016. The number of digital transactions in 2016-17 was 1,013 crore, which increased to 3,134 crore in 2018-19. This year, till September 11, 1,527 crore digital transactions have taken place.

On a steady growth path

Financial Year (FY)	Total digital transactions (in crore)	Year-on-year growth of digital transactions in %
FY 2016-17	1,013.00	---
FY 2017-18	2,070.39	104.38
FY 2018-19	3,133.58	51.35
FY 2019-20 (till Sept 11, 2019)	1,527.00	---

Source – *BusinessLine*

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Date – 13th Sept 19

based platform for open account trade in Europe. The platform provides Hyperledger Fabric-powered solution for managing, tracking and protecting open account trade transactions between SMEs in Europe.

Similarly, **UniCredit** completed its first Italian transaction through **we.trade**, facilitating trade between metal packaging producer Gruppo ASA and its supplier, Steelforce.

While **Voltron** is a cooperative that uses Corda to speed up the process of creation, approval, and exchange of Letters of Credit (LC). The latest **Voltron** trial involved 50 companies across 27 countries on six continents. The application's initial focus is on developing interoperability with traditional trade finance technology networks because it enables direct integration with firms' existing infrastructure. It is the first industry initiative to integrate with Bolero, essDocs, and eTitle, becoming the first 'network of networks' for trade to create a more connected, secure and open trade platform.

On the other hand, IBM is leveraging Blockchain to drive innovation in financial services. IBM has more than 1,000 staff and \$200 million invested in the development of blockchain-based products and solutions.

Regulatory organizations like **The Society for Worldwide Interbank Financial Telecommunication (SWIFT)** are also exploring the use of blockchain in trade finance, with SWIFT CEO stating that "The organization is looking at the blockchain technology, keeping a very close eye on it. If there is a way to improve the service we provide to the banks with that new technology, then we will use it. We are absolutely on it."

We believe the close co-ordination between regulatory agencies, Financial Institutions, as well as technology firms, is imperative to ensure the innovative technologies like Blockchain further improve the seemingly complex transactions like Trade Finance.

Today's News

OkCredit raises another \$67 million from Tiger, Lightspeed

OkCredit, a cloud-based digital application provider for small and medium sized merchants, has raised another \$67 million from existing investors Lightspeed Venture Partners India and US, and Tiger Global just three months after mopping up one of the largest Series-A rounds. This takes OkCredit's total fundraise over the last few months to \$83 million.

OkCredit lets small business owners and their customers record credit and payment transactions digitally. Its app, which can run on a basic smartphone, helps automate all transactions of retailers with their customers and wholesalers. The company claims it's been growing 100% every month for the last 6 months with more than 1.7 million active merchants.

Source – *The Economic Times*

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This News Letter has been prepared with the assistance of G Balakrishna and M T Rao

Suvidhaa Infoserve to list in six months

Shapoorji Pallonji-backed Fintech player Suvidhaa Infoserve to get directly listed on stock exchanges within next six months. Infibeam Avenues demerged Suvidhaa and DRC Systems to unlock its shareholder's value. As per sources, after the demerger and listing, Infibeam Avenues Group will continue to hold 5% in Suvidhaa and 25% in DRC Systems. However, majority of stakes in both the entities will be owned by Infibeam's public shareholders as well as Infibeam Avenues Group.

Source – *The Economic Times*

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Ola Bike aims to grow three-fold in next 12 months

Ola Bike aims to grow three-fold in India in the next 12 months, the company said. It said that Ola Bike is currently available in 150 cities and towns across the country, which makes it the largest micro-mobility provider in India. It also claims to have provided employment to 300,000 people through its Ola Bike program.

Arun Srinivas, Chief Sales and Marketing Officer at Ola, said, "Ola Bike offers consumers, a smart, innovative and affordable mobility solution; this is an offering that truly reflects our mission to build mobility for a billion people! Ola Bike has enabled citizens from the smallest of towns such as Chapra in Bihar to large metropolitan areas such as Gurugram with access to quick, reliable and affordable mobility."

Source – *The Economic Times*

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NPCI clears GST sops for UPI QR code payments

Consumers and merchants might be able to avail tax incentives for digital payments through QR code on Unified Payments Interface (UPI) from next year. This is because a proposal to this effect has been approved by members of the National Payments Corporation of India (NPCI), which manages the platform.

According to people present in the last steering committee meeting in August, consumers and merchants can get tax benefits upon sharing their PAN and GSTIN details respectively. This comes at a time when UPI has emerged as a popular payments instrument and it clocked an all-time high of over 918 million transactions in August.

Source – *The Economic Times*

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Five startups raise Rs 30 million from angel investors

Days after participating in the Demo Day organized by India Accelerator, five Delhi based Start-ups have raised close to Rs 30 million from various angel investors. The start-ups are Prithvi, DROR, The Knotty Tales, VAPP and FIO. India Accelerator is a seed-stage accelerator program that helps start-ups by mentoring them at various stages including providing peripheral services like Legal & HR. IA had organized a Demo Day for the start-ups in its program last month at Palm Town & Country Club, Gurugram.

Prithvi, a Noida-based start-up, is in the business of providing technology for AI/ML to Indian campuses and has received the maximum funding of Rs 10 million from various investors. DROR, a Gurgaon-based start-up, is in the business of social networks and technology to create a safety network. DROR is designed using Human Centred Design technique and has raised Rs 45 lakh from various investors. The Knotty Tales, a Noida-based start-up, is in the business of complete wedding suite designed to curate vendors on one platform and has raised Rs 35 lakh from various investors. VAPP, a Delhi-based start-up, works in platforms used for real estate and tourism industry and has raised Rs 35 lakh from various investors.

Source – *The Economic Times*

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Bank credit growth slumps to 10.24%, deposits at 9.73%, shows RBI data

Bank credit and deposits growth slowed to 10.24% and 9.73% to Rs 96.80 trillion and Rs 127.80 trillion, respectively, in the fortnight to August 30, show the latest RBI data. In the year-ago fortnight, advances were at Rs 87.80 trillion while deposits stood at Rs 116.46 trillion.

In the previous fortnight to August 16, advances grew 11.64% to Rs 96.82 trillion and deposits by 10.15% to Rs 126.80 trillion. In July, the non-food bank credit rose 11.4% on year-on-year basis from 10.6% in July 2018. Advances to the services sector decelerated to 15.2 per cent in the month from 23% in the year-ago month.

Source – *Business Standard*

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Zoho adds a new range of services to its business operating system

Software-as-a-Service (SaaS) provider Zoho Corp on Thursday announced that it has added three new services to its business operating system, Zoho One. The new services include a telephony platform, single sign-on service (SSO) and app management & provisioning services.

Technology has evolved into a complex beast with customers having to deal with multiple applications to deal with multiple issues, said Rajendran Dandapani, Director of Technology, Zoho Corporation.

Source – *BusinessLine*

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OYO partners Mountania Developers to open its first upscale hotel in Ahmedabad

Hospitality firm OYO said it has partnered Mountania Developers to open its first premium upmarket hotel in Ahmedabad. Mountania Developers has acquired the 64-suites property in Ahmedabad which will be operated under OYO brand by redesigning it into a premium upmarket hotel, the company said in a statement.

OYO will be working with companies like Mountania Developers, that will acquire the assets, while OYO will provide its core expertise in property onboarding, renovation and redesigning using tech-enabled interior designing capabilities and revenue management (pricing and yield) services, it added.

Source – *The Economic Times*

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