



NEWS HIGHLIGHTS

Naspers-PayU, Tencent eye stake in Pine Labs

Google kick-starts Launchpad Accelerator programme, to mentor 10 start-ups

Fintech firm BASIX Sub-K raises Rs 75 crore

Fintech start-up Shubb Loans gets NBFC licence from RBI

Today's View

Challenger Banks

Banking as we know it is undergoing a paradigm shift. Brick and mortar presence through traditional branches are experiencing waning interest in geographies and markets where the digital revolution is changing customer taste and preferences. The emergence of Fintech focussed challenger banks is redefining the banking industry with its slick mobile apps that resonate with consumers comfortable with digital channels.

According to a report by **Zion** market research global digital banking market was valued at approximately USD 6,620 million in 2018 and is expected to generate revenues of around USD 8,646 million by 2025, at a CAGR of around 4% between 2019 and 2025.

UK's leading challenger bank **Monzo** offers everything you'd expect from a digital bank - a well-designed app, free international payments, money management advice, etc.

San Francisco headquartered **Chime** is leading from the front to provide customers quicker, easier banking options than those offered by traditional banks. Because Chime deposits salaries and other payments immediately into consumer accounts once it receives notification of a pending deposit, users of its service can reportedly receive money two days faster than through traditional banks.

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This festive season, shopping offline to get as cheap as online

Consumers can look forward to good deals for their Diwali shopping with smartphones, consumer electronic and apparel brands rolling out steep discounts in brick-and-mortar retail chains as well after offering similar deals in online marketplaces to beat the overall slump that's affecting their business this year.



Source – The Economic Times

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Date – 10th Oct 19

Down south based in Melbourne Australia **Up Banking** is designed, developed and delivered through a collaboration between **Ferocia** and **Bendigo Bank**. As standard, Up offers a standard card and current account service. Where the bank excels is in its financial insights, which are designed to give its users complete clarity on where and when they spend their money. From the location, time and recipient identity, Up creates month by month spend analysis and insights for its users.

Founded in 2018, **Doconomy** is the youngest and smallest online bank based out of offices in Stockholm, Sweden. Doconomy has a very unique business model based on the principles of mobile banking services for everyday climate action. Doconomy helps its users understand the environmental impact of their purchasing decisions. Its first solution, **DO**, was launched last year and is the world's first credit card that allows users to track their carbon impact and compensate by investing in sustainable, positive impact projects.

Challenger Banks have had quite the success to start with revolutionizing the way banking is viewed. Going forward the trend of innovation in banking seems interesting, with niche players leveraging the gen-next technologies.

Today's News

Fintech start-up Shubh Loans gets NBFC licence from RBI

Fintech start-up Shubh Loans said it has received a licence from the Reserve Bank of India to set up a non-banking financial company. The company said the licence has been received through the subsidiary -- Ekagrata -- of its parent company Datasigns Technologies. Shubh Loans said it has already raised series A2 funding of Rs34 crore (\$4.8 million) from Omidyar Network India. Shubh Loans, which is fast changing the way loans are disbursed and making credit accessibility easier, is set to implement NBFC compliant frameworks and governance processes, The Company said.

Source – Mint

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Naspers-PayU, Tencent eye stake in Pine Labs

Chinese internet giant Tencent and South Africa's Naspers, along with its fintech unit PayU, are among the players in talks to pick up a stake in Pine Labs, which provides point of sales machines to merchants, according to three sources. Pine Labs is seeking a valuation of about \$1.5 billion for the deal, nearly double of about \$800 million when it raised capital last year, said one of the sources.

The company has also held talks with Caisse de depot et placement du Quebec (CDPQ), one of the largest pension funds in Canada, among other investors as the process is still in early stages, said the second source mentioned earlier. Pine Labs has hired JP Morgan to manage its capital-raising process. Interestingly, while the discussion with Tencent and CDPQ is for a minority stake, the Naspers-PayU combine are evaluating a majority share purchase in Pine Labs, which has expanded into Southeast Asia besides India.

Source – The Economic Times

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This News Letter has been prepared with the assistance of G Balakrishna and Prithwiji Ghosh

Fintech firm BASIX Sub-K raises Rs 75 crore

BASIX Sub-K iTransactions, a Fintech company focused on financial inclusion, has announced raising Series-C round of Rs 75 crore from Maj Invest, a Denmark-based asset management company. Sub-K plans to utilize the funds for product innovation and strengthening the IT platform, aimed at positioning the company as a preferred Fintech as well as distribution partner for banks and financial institutions.

Sub-K facilitates affordable financial services to more than 3 million under-banked households and micro-enterprises across the country.

Source – The Economic Times

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MakeMyTrip inks pact with TripAdvisor

MakeMyTrip said it has signed an agreement with travel platform major TripAdvisor to offer choices for local experiences at international destinations to outbound Indian travellers. Indian travellers looking to discover the world will now have over 250,000 bookable tours and activities from the online travel firm to choose from when they visit MakeMyTrip's 'Experiences and Activities' section, the company said.

"With the rollout of international experiences with TripAdvisor on our platform, we are confident that we can now empower Indian travellers with more choices when they travel overseas which they can book online," MakeMyTrip India, New Business - chief business officer Deepak Tuli said.

Source – Money Control

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Google kick-starts Launchpad Accelerator programme, to mentor 10 start-ups

With a line-up of 10 fresh start-ups, Google kick-started third class of its three-month "Launchpad Accelerator India" programme from October 14. The start-ups will undergo an intensive one-week mentorship bootcamp, followed by mentorship sessions for three-month period. One of the start-ups, Agricx, is helping over 450 million stakeholders such as farmers, food processing companies etc. to standardize, digitize and enable discovery of agricultural produce using Artificial Intelligence (AI).

These start-ups will also get access to mentorship from Google teams and industry experts, free support, Cloud credits and more, the company said in a statement. Ambee is a hyper-local platform, providing real-time and accurate air quality data and intelligence at street level granularity and at global scale. Artivatic powers insurance, finance and healthcare businesses with intelligent systems, solutions and processes using AI, ML and data analytics. While CureSkin uses image recognition techniques to identify skin problems, Intello Labs is an AI-based post-harvest commodity quality assessment mobile app.

Source – *The Economic Times*

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Neo bank Juno raises \$3 million in seed round

Neo bank Juno has raised \$3 million (about Rs 21 crore) in a seed round led by Polychain Capital and Sequoia Capital's Surge. This is Sequoia Capital's first investment in the crypto-currency segment which has been lagging in terms of venture capital infusion due to lack of regulations. The round also saw participation from Dragonfly Capital, Consensys Labs, Astar Ventures, Singapore Angel Network and other angel investors including Amrith Rau and Nitendra Gupta (CEO, PayU India) and Nitin Sharma from Incrypt.

Juno was founded in July this year by Varun Deshpande, Ratnesh Ray and Siddharth Verma, who also created the Consensys-backed Nuo protocol in 2018. "We will be using the funds to expand our team in Bengaluru and Singapore and also apply for relevant licences in select markets to expand," Deshpande said. Juno, which has been built using Ethereum blockchain and Nuo protocol, leverages decentralised digital assets. It aims to create an open and global financial system for everyone, regardless of location or income.

Source – *The Economic Times*

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Harley struggles to draw next gen riders with e-bike debut

Harley-Davidson is betting on electric motorcycles to attract the next generation of younger and more environmentally conscious riders to reverse declining US sales. But as Harley ships its first "Live-Wire" bikes — priced at \$29,799 — to dealers, there is little evidence the 116-year-old brand is catching on with new young customers.

The problem lies mostly with this "super-premium" product's price. The bike costs nearly as much as a Tesla Model 3, and aims for a market that does not really exist: young, "green" and affluent first time motorcyclists.

Source – *The Economic Times*

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DPIIT may meet Amazon, Flipkart on deep discount

The Department for Promotion of Industry and Internal Trade (DPIIT) is likely to meet representatives of Amazon and Flipkart on Thursday, following complaints by offline retailers that deep festive discounts are hurting their business. The development comes after industry associations of retail, mobile and FMCG sectors met commerce and industry minister Piyush Goyal on Wednesday.

A delegation of Confederation of All India Traders (CAIT), All India Mobile Retailers Association and All India Consumer Products Distributors Federation held extensive discussions alleging violation of foreign direct investment rules by Amazon and Flipkart by influencing prices through heavy discounts.

Source – *The Economic Times*

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Melorra raises \$12 million in Series C funding from Lightbox, others

Melorra, an online jewellery brand, has raised \$12 million in Series-C funding from Lightbox, BlackSoil Capital and family offices of some of India's biggest business houses.

Speaking about the funding, Saroja Yeramilli, founder and CEO, Melorra, said, "We are very happy to have raised this round of funding from Lightbox and some of India's leading family offices. Going forward, our aim is to become the largest daily-wear fine jewellery brand in the country."

Source – *BusinessLine*

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