



NEWS HIGHLIGHTS

NPCI sees WhatsApp meeting Data Localization norms in two months

Airport Authority of India, Air India join TReDS platform M1xchange

China's Autohome looks to back CarDekho at \$700 million valuation

Cloudtail India saw 25% growth in the year ended March 2019

Today's View

Driving Simulation

The automotive industry is pioneering increased innovation, technology adoption, and development of high-performance and fuel-efficient vehicles. Safety has become not just the buzzword, but an integral part of the industry. The global automotive industry is moving towards stringent passenger safety driven by consumer awareness. Factors such as stringent driving safety norms and rising investment in research & development in the automotive industry is expected to propel the driving simulator market.

Economics of the driving simulator market is lucrative. The global driving simulator market is projected to reach USD 2.4 billion by 2025 from an estimated USD 1.7 billion in 2019, at a CAGR of 6.3% as per a research report by **MarketsandMarkets**. Government regulations pertaining to training simulators for driving are expected to boost demand for the product and spur start-ups to take the lead for delivering innovative solutions.

Deep learning autonomous simulation developed by Israel based **Cognata** gives the learner a real feel of the actual driving conditions. Using patented technology and deep learning algorithms they create an entire city-simulator including buildings, roads, lane marks, traffic signs, etc. Further, they can add dynamic layers of drivers, vehicles and pedestrian behaviour along with local weather conditions based on historical data.

Akhil Handa
+91 22 6759 2873

Prithwjit Ghosh
+91 22 6759 2579
Prithwjit.ghosh@bankofbaroda.com

Digital MNCs may recast operations for new tax law

Digital multinationals such as Facebook, Google, Uber and LinkedIn with operations in the country may create new domestic companies, change the ownership pattern to become compliant with new tax laws that the country may frame in the wake of a global agreement on taxation of such multinationals.



Source – The Economic Times

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Date – 14th Oct 19

Driving conditions, as well as human movements, affect traffic. Mastering human traffic movements can be key in certain close call situations while driving. **Latent Logic** provides AI-based human behaviour models for autonomous vehicle simulation. The company leverages machine learning to develop hyper-realistic human behaviour models & driving simulators. They extract and extrapolate raw traffic data and user behaviour to develop models for simulation. Its virtual human models can be integrated with preferred simulators via standard APIs. This simulator gives driving learners a real life-like situation to master.

On the other hand, **Ascent Robotics** utilizes AI-based software for robotics and autonomous vehicles. The software enables autonomous robots & vehicle models to represent an abstract understanding of the world that is interpretable to humans. They use simulation, traditional engineering, and a rapid development cycle for incorporating machine learning methods.

Government regulations pertaining to training simulators for driving are expected to boost demand. Driving simulator start-ups are responding positively and making the roads safer for the entire ecosystem at large.

Today's News

NPCI sees WhatsApp meeting Data Localization norms in two months

Facebook-owned instant messaging service WhatsApp will be compliant with data localisation norms over the next two months, post which it can roll out its much-delayed payments service, says the National Payments Corporation of India. Even after the launch of WhatsApp's payments service, it will take at least two years to reduce the cash dominance in the economy as the user base of digital payments must at least treble to 300 million to have any tangible impact on paring cash usage, the Reserve Bank of India-created NPCI's Chief Executive Dilip Asbe said in an interview.

WhatsApp has been running a beta version of its payments service since last year in the country, and its official launch is being keenly watched by stakeholders, including its over 300 million users.

Source – *Bloomberg Quint*

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Tata CLiQ hasn't quite clicked in online retail

Tata Group's three-year-old e-commerce venture, Tata CLiQ, is yet to scale up the way foreign marketplaces have. Its revenue is only a fraction of that of rivals such as Walmart-owned Flipkart or Amazon. However, the Tatas have managed to check the burnout rate by reducing the growth in net losses. As per recent regulatory filings to the Registrar of Companies (RoC) accessed through business intelligence platform Veratech Intelligence, Tata Unistore Ltd (which owns and run Tata CLiQ) widened its net losses over 18% to Rs 246.75 crore in 2018-19 even though it more than doubled total income to Rs 110.75 crore. In FY18, Tata Unistore's net loss was Rs 208.4 crore, which had grown 28% one year, while total income was Rs 41.7 crore.

Source – *The Economic Times*

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

Airport Authority of India, Air India join TReDS platform M1xchange

M1xchange Trade Receivables Discounting System (TReDS) platform has forayed into the aviation sector by bringing on board Airport Authority of India (AAI), Air India and Air India Express.

TReDS helps micro, small and medium enterprises (MSMEs) get their bills discounted at a competitive rate through an auction where multiple registered financiers can participate. The recent permission granted to NBFCs to access the benefits of TReDS platform will add to the number of financiers while large PSUs from different sectors joining in will encourage cash strapped MSMEs to seek the benefits from the digital platform.

Source – *The Economic Times*

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China's Autohome looks to back CarDekho at \$700 million valuation

Online car marketplace CarDekho is in talks to raise \$100 million in a Series D round, led by Chinese strategic investor Autohome Inc., valuing it at \$700 million, said two people close to the deal, requesting anonymity. Existing investor Sequoia Capital is also expected to invest from its \$8 billion global growth fund, the people added. "Sequoia is driving the discussions, given it is a common investor in both Autohome and CarDekho. This round is mainly being put together for the strategic investor to come in, with Autohome putting in \$70 million," said the first person cited above.

Source – *Mint*

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Chinese investment banks eye early-stage deals

While some of China's investment banking behemoths have already established deep connects with India's start-up ecosystem, a clutch of newer and smaller technology-focused merchant banks are now targeting the latter's early-stage ventures. Fusion Capital, Fanzhou Capital and Index Capital are among the investment banks that have been actively scouring for, or have signed up multiple start-ups from Asia's third largest economy, except with one difference — the firms that they are working with are those that can be described as early stage ventures — not more than three years into their lifecycle, and which have raised their Series-A funding round thus far.

Their focus on the Indian start-up ecosystem mimics that of their larger counterparts, such as Industrial and Commercial Bank of China and China International Capital Corporation, which have been the merchant bankers of choice for top Indian start-ups. Among the early-stage ventures that are working with Chinese investment banks, include Delhi-based lifestyle community platform Trell, Leverage Edu, an AI-based marketplace that helps students get recruited by global universities, HR tech start-up Kredily and salary linked loan provider PerkFinance.

Source – *The Economic Times*

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SAP Labs India working to design technology-agnostic solutions

SAP Labs India is working with customers to jointly design technology-agnostic solutions that deliver business outcomes, a strategic bet to help companies who are seeing disruptions to business models due to rapid changes in technology. For companies, the biggest shift has been a move to the Cloud, where the ability to rent software, analytics and storage on the internet allows smaller and nimbler firms to compete with established players with newer products and services, and at a fraction of the cost.

"Customers are also kind of trying to grapple (with the shifts). So, it's not about going in there with (us saying) here's the consulting project, this is your statement of work. It's really about sitting at the table with the Chief Innovation Officer, the Chief Digital Officer, working hand-in-hand with them," said Sindhu Gangadharan, Managing Director of SAP Labs India.

Source – *The Economic Times*

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Facebook-backed Libra faces major setback as it loses five more partners

Facebook's ambitious efforts to establish a global digital currency called Libra suffered severe setbacks on Friday, as major payment companies including MasterCard and Visa quit the group behind the project.

The two companies announced they would leave the association Friday afternoon, as did eBay, Stripe and Latin American payments company Mercado Pago. They join PayPal which exited the group a week ago, as global regulators continue to air concerns about the project.

Source – *The Economic Times*

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Cloudtail India saw 25% growth in the year ended March 2019

Cloudtail India, the single largest seller on Amazon's India marketplace, has reported revenue growth of 25% to Rs 8,945 crore in the year ended March 2019, despite the seller running into regulatory hurdles that resulted in some downtime in the January quarter. Owned by Prione Business Services, a joint venture between Amazon and Infosys founder NR Narayana Murthy's Catamaran Ventures, Cloudtail posted a profit of Rs 29.4 crore in 2018-19, according to regulatory filings accessed through business intelligence platform Tofler.

Source – *The Economic Times*

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Investcorp leads \$11.2 million investment in Bewakoof.com

Global alternative asset manager Investcorp said it has led \$11.2 million investment in Bewakoof Brands. (Founded in 2011 by Prabhkiran Singh and Siddharth Munot, Bewakoof.com is a direct-to-consumer online apparel company. IndigoEdge was the advisor to Bewakoof.com for the deal, a statement said. Bewakoof.com has strengthened its sales to more than 650,000 products per month with a customer base of over 4 million. "Having grown significantly in the last couple of years, we will continue investing in improving the customer experience through technological innovation and focusing on talent acquisition," Bewakoof Brands co-founder and Director Prabhkiran Singh said.

Source – *The Economic Times*

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