



NEWS HIGHLIGHTS

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**Quantum computing across industries**

It has been long foretold that quantum computers would tackle problems which involve an overwhelming number of variables and probable outcomes much quicker than any classical computer. And we are now seeing some of these prophecies taking shape.

As per a CB Insights report, funding to quantum computing-focused startups have climbed steadily over the last few years and set a new record in 2020 with 37 deals. **PsiQuantum** is the most well-funded startup in the space, with \$278.5M in total disclosed funding. Backed by **Microsoft's** venture arm, the company claims that its optical-based approach to quantum computing could deliver a 1M qubit machine in just a few years.

**Cambridge Quantum Computing** is focused primarily on quantum computing software and has raised \$95M in disclosed funding from investors including **IBM, Honeywell** and more. It offers a platform to help enterprises build out quantum computing applications in areas like chemistry, finance and machine learning.

There are several industries that would directly get impacted by quantum computing. In Healthcare, Drug Discovery would be one aspect directly affected. **ProteinQure**, is tapping into current quantum computers to help predict how proteins will fold in the body.

**Akhil Handa**  
+91 22 6759 2873

**Aparna Anand**  
Aparna.Anand@bankofbaroda.com

**The 10 fastest fintechs to reach billion dollar valuations**

The world is now home to over 70 fintech “unicorns” — startups worth over a billion dollars. If nothing else, this highlights the continued hype around the fintech sector, with investors tripping over themselves to fund companies promising to disrupt banking and payments.



Source—Shifted

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11<sup>th</sup> January 2021

Another pharma company, **Biogen** has partnered with quantum computing software startup **1QBit** and **Accenture** to build a platform for comparing molecules to help speed up the early stages of drug discovery.

Manufacturing and Industrial Design is another sector looking keenly at Quantum computing. Take for example, **Airbus** which has established a quantum computing unit in 2015 and has also invested in quantum software startup **QC Ware** and quantum computer maker **IonQ** for the purpose of efficient airplane designs. A Machine Learning startup **Solid State AI** is already offering quantum-supported services for manufacturing industry.

In the area of logistics, **DHL** is eyeing quantum computers to help it more efficiently pack parcels and optimize global delivery routes.

Coming to cybersecurity, the commonly used encryption models today are threatened by powerful quantum computers. Now there are companies such as **Isara** and **PostQuantum** developing new encryption methods, collectively known as “post-quantum cryptography.”

In a data-heavy world, ever-more powerful computers are essential to calculating probabilities accurately. With that in mind, several financial institutions are turning to quantum computing capabilities, as well. We believe that it is only a matter of time before quantum solutions will enter the mainstream making changes across Industries.

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## Today's News

### **PIDF will increase acceptance channels for digital payments: Players welcome scheme**

The Payments Infrastructure Development Fund scheme is expected to significantly increase the acceptance channels to keep pace with the issuances, players said welcoming the scheme.

“There are almost 80 crore cards, so the issuance side is sorted but there are problems on the acceptance side,” said Vishwas Patel, Chairman, Payments Council of India and a member of the ex-officio Advisory Committee of the PIDF.

Source – *Business Insider*

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### **Banks, Fintech Firms Seek Return Of MDR On RuPay, UPI Transactions**

Banks and digital payments providers have asked the government to bring back the Merchant Discount Rate (MDR) on RuPay and Unified Payments Interface (UPI) transactions, three people aware of the development said.

The Indian Banks' Association (IBA) and payment industry forums have met with officials from the finance ministry and the Ministry of Electronics and Information Technology (MeitY) in this regard during pre-budget consultations, the sources said.

Source – *The Economic Times*

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## The week that was: from the rise of fintech in 2020 to the tech advancements in OYO

The COVID-19 pandemic and the resultant lockdown has had a deep impact on vulnerable sections of society like small business owners and lower-wage employees due to the unavailability of financial credit to tide over the crisis.

For Bengaluru-headquartered fintech startup SmartCoin, which provides micro-loans through its app for sums as low as Rs 1,000, going up to Rs 50,000, its business, too, came to a standstill.

Source – *Your Story*

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## '2021 will be a watershed moment for India's tech ecosystem' — here are the startup sectors that VCs are betting on

India's tech ecosystem is riding into the new year with a lot of enthusiasm. There are multiple startup IPOs on the cards, investments are flowing in, and the spirit of recovering in a post-pandemic era is high.

In 2020, despite the coronavirus pandemic PE-VC (private equity and venture capital) deals hit \$39 billion across 814 deals led by the onslaught of deals by Mukesh Ambani's Jio Platforms and Reliance Retail.

Source – *Business Insider*

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## FinTechs playing arbitrage game can be rockstars now, but not for long

“Banks and Financial Institutions aggressively adopted tech solutions in 2020. They were forced to adopt and open their tech systems in four weeks which otherwise would have taken 3 years. All kinds of FinTechs from solution provider to aggregator and comparator received good response during pandemic,” said, Varun Mittal, Global Emerging Markets, FinTechs Leader, EY Singapore

“Direct to consumer (D2C) segment will go through serious adoption in coming years, but only long term models will survive. Intermediate models will die. While the B2B segment will face a serious consolidation,” he added. FinTechs in Payment vs Credit. There has been a remarkable rally in the payment space and now many of them are marching towards credit. New generations of FinTechs are focusing on generating demand along with credit.

Source – *The Economic Times*

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## New-age lenders can be the solution to the credit chasm for MSMEs

The Micro, Small and Medium Enterprises in India have now become the second-largest employment provider and have played a prominent role in transforming the Indian economy from an agrarian-based economy to an industrialized one. India is a country where MSMEs contribute to one-third of the GDP and close to 65 per cent of the population lives in Villages.

The M, which stands for “micro” in the term MSME, dominates over the small and medium industries as almost 99 per cent of MSMEs are micro enterprises. The MSMEs need a supply of credit for day-to-day activities, expansion and digitalisation. For a country with such dependence on small businesses, it becomes even more important to ensure that the credit needs of such businesses are met easily and on an ongoing basis. The negative impact of COVID-19 on the sector has been intense and while the government announced various schemes like ECLGS for the support of MSME, still, there is an enormous gap in the credit supply to MSME.

Source – *The Economic Times*

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## India’s unicorn base six times smaller than that of US, China even as it remains third largest globally

With 38 startup unicorns – internet first or internet-only businesses valued at \$1 billion or more in the private market – active in India including 12 new ones, which were added in 2020, the country is the third biggest hub of such hallowed one-horned startups globally. In fact, India has been enjoying that position for the past few years now surpassing the United Kingdom. However, it has a very long way to go to be even in the vicinity of the second spot.

The Indian unicorn base remains over six times smaller than that of the United States with 243 unicorns and nearly six times smaller than that of China with 227 unicorns even as the latter may knock the US off the top spot in the coming few years. According to the data sourced from a recent Nasscom-Zinnov startup 2020 report, the US was the largest unicorn hub followed by China and India with the average time taken by companies to hit unicorn status being five-seven years in the US, six-eight years in China, and seven-eight years in India.

Source – *Financial Express*

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## Why digital lending needs more regulation

In the last few months, a few digital lending apps have come under the media scanner of law enforcement officials in India for indulging in unlawful practices, especially while collecting dues.

The police has since traced these apps to unregistered and illegal entities. Some common features of these platforms are: a very short tenure, high interest rate and quick loans with minimal KYC. The Digital Lenders Association of India (DLAI) believes there is a clear demarcation between legal, regulated entities and dubious firms.

Source – *Deccan Herald*

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## Zerodha launches non-profit Rainmatter Foundation to promote climate change solutions

Online brokerage platform Zerodha has announced that it is setting up a non-profit organisation – Rainmatter Foundation – that will work to support grassroots individuals and organisations, and companies working on solutions for climate change.

There will be a special focus on areas such as afforestation, ecological restoration, and livelihoods. In a blog on their website, Founder Nithin Kamat said, Our business is successful beyond my wildest dreams, but there has always been this void, knowing what we are building is just helping the top 3 to 4 percent of the Indian population...”

Source – *Your Story*

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