



NEWS HIGHLIGHTS

NBFC license makes Fintech start-ups opt for lending

Fintech's need to watch their digital backs – short-term lending banned by Google

The Govt launches updated Credit linked Capital Subsidy Scheme for MSMEs

UPI entities may face market share cap

Today's View

Hydroponics

The land is becoming premium and especially with increasing population, fertile land for farming activities is getting rare. As per **UN** statistics, by 2050 there will be 10 billion of us, and we'll need double to the amount of water and double the land to produce enough food for everyone.

Hence, scientists and agri-firms are looking at innovating farming techniques like Hydroponics to produce quality food in the absence of fertile land. Hydroponics is a method of growing plants without soil, using water fortified with mineral nutrients and oxygen.

In hydroponics, it takes an average of 45 days to harvest crops like lettuce, basil, and baby spinach. The same would take around 90 days when grown the traditional way. Water consumed to grow these crops is 90% less than traditional methods. As per **Transparency Market Research**, hydroponics market is expected to witness a consistent growth of around 7% CAGR during the forecast period of 2017 to 2025, with Market to Gain Revenue Valued at USD 12 billion by the End of 2025.

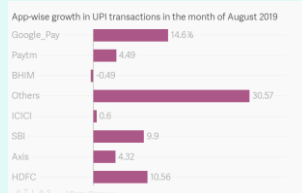
For instance, **HMA Greens Hydro Farm** is leveraging hydroponics to grow over 14 varieties of greens. No chemicals are used on the farm and only natural ingredients such as neem oil are used to keep away pests. The firm uses the Nutrient Filled Technique (NFT) system along with 'pad and fan' technology

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The Govt can thank Google for the popularity of its digital payment system

Google Pay is winning the race in enabling digital payments powered by India's state-run platform. The real-time payments app powered 59.75% of all UPI transactions logged in August 2019, much higher than PhonePe's 24.91% and Paytm's 5.93%, show data from Razorpay.



Source – Quartz India

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Date – 6th Sept 19

- cooling pads line the wall on one side, while on the opposite wall are fans
- to maintain temperature and humidity levels inside.

Similarly, Australia-based **Bace** has developed **Rotofarm**, a countertop hydroponic garden with 1.5 metres of indoor veggie patch for Apartment dwellers. Like all hydroponic systems, the Rotofarm works without soil, instead of using mess-free nutrient and water reservoirs to feed its plants. Other features of the design include an automated LED light tube at the centre of the farm-bed that shines out onto the tops of all the plants.

Back home in India, Hyderabad-based start-up, **Urban Kisaan**, specializes in soil-less gardening also known as hydroponics that is particularly popular in urban centres as it allows people to grow fresh vegetables even if they don't have a garden.

Hydroponic techniques can boost the yield of vegetation with considerably less effort. With features such as less fertilizer utilization, less water requirement, and overall reduced cost of irrigation, innovative technologies like hydroponics can surely complement alternate ways of farming going forward.

Today's News

NBFC license makes Fintech start-ups opt for lending

A growing number of fintech startups that started as pure-play credit marketplaces or were doing loan originations, are now trying to become lending players themselves. Some of these companies have either secured a non-banking finance company (NBFC) licence from the Reserve Bank of India or have applied for one.

Bengaluru-based Moneytap, which disrupted the digital lending business by offering a line of credit for consumers in partnership with RBL Bank, received an NBFC licence recently. "We will be using the licence to enter into co-lending with our lending partners, offer better interest rates for our customers and, in this way, put some skin in the game," said Bala Parthasarathy, chief executive officer, Moneytap, which works with two banks and four NBFC partners.

Source – *The Economic Times*

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UPI entities may face market share cap

The National Payments Corporation of India (NPCI) is exploring the option of imposing a cap on the market share or transaction value of individual payment entities on the Unified Payment Interface (UPI) platform. This move could address concerns that concentration of transactions through non-banking players such as Google Pay and PhonePe could pose a systemic risk to the digital payments ecosystem in the country.

Source – *The Economic Times*

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

Fintech's need to watch their digital backs – short-term lending banned by Google

For many Fintechs, the obvious barrier to competition has always been the banking incumbents, who in the past have religiously denied access to financial infrastructure, or used regulation as a weapon in the fight to prevent Fintech startups gaining a foothold in the market.

But the sands are shifting, incredibly fast. Today, a new and much more pervasive (and hard to manage) threat is emerging – big tech. Recent actions by Facebook and Google are evidence of this, and demonstrate both are not afraid of wading into the waters of anti-competitive behavior, ironically using a similar playbook and tactics to those employed by their incumbent predecessors.

Source – *Daily Fintech*

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PhonePe behind surge in Walmart's share price

PhonePe is being valued at \$7 billion and it has emerged as a significant factor for a handsome uptick in Walmart's share prices going forward, the latest Morgan Stanley report said. In a bull case, PhonePe could be worth as much as \$20 billion, said the report from the Wall Street major.

Due to the growing potential of PhonePe beyond just payments, Walmart's share prices could go up to \$125 in the base case and \$165 in bull case, the report added. This comes at a time when Walmart shares hit an all-time high of almost \$118 in the US.

Source – *The Economic Times*

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The Govt launches updated Credit linked Capital Subsidy Scheme for MSMEs

The government has launched the updated Credit linked Capital Subsidy Scheme (CLCSS) to allow micro, small and medium enterprises (MSMEs) access to capital. MSME Minister Nitin Gadkari announced the government would prepare a final report on the recommendations of the U K Sinha committee, which had been set up by the RBI to suggest expeditious ways to strengthen MSMEs, within the next eight days. Gadkari said the CLCSS scheme would be crucial in raising MSME contribution to gross domestic product from the current 29% to 50%, in addition to increasing exports from the sector to 50% from 40% now.

The scheme provides an upfront subsidy of 15% on institutional credit up to Rs 1 crore for MSMEs in the specified 51 sub-sectors. In February, the Cabinet Committee on Economic Affairs approved an outlay of Rs 2,900 crore for the scheme. Now, it is a demand-driven one without any upper limit on overall annual spending on the subsidy disbursement, a senior official said.

Source – Business Standard

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Alibaba-owned UCWeb to launch ecommerce recommendation engine

Alibaba-owned UCWeb is planning to expand into e-commerce by building a recommendation engine which will throw up product listings alongside the company's existing offerings such as videos, a top company official told ET. The Chinese firm is looking to partner with ecommerce firms such as Flipkart and Paytm Mall for the service and launch it "within this year", said Huaiyuan Yang, Vice President of UCWeb Global Business.

"We will integrate products from different platforms which people can browse through and share, but if people have to make an actual purchase, the engine will lead them to the actual website for the purchase to happen," said Yang, adding that the company had no immediate plans to foray into the payments space.

Source – The Economic Times

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Amazon India raises food delivery stakes with low restaurant commissions

Amazon India, which is set to start its food delivery service next month, is promising restaurants its commissions will be a mere fourth of what rivals Swiggy and Zomato charge, a move set to spark a spell of intense competition in the business.

Amazon is signing up restaurants across the country as it seeks to start delivering food from October, first in Bengaluru, and followed by Mumbai and Delhi, according to three people aware of the development. Amazon is also in the final stages of acquiring Foodpanda's infrastructure from Ola, said one of the people cited above.

Source – Mint

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UberEats to ride with its main app in India

Uber has started testing a new super-app interface in India that integrates food delivery and ride hailing, multiple people familiar with the matter said. This will give customers an option to pick Rides or Eats with equal visibility - a prominent way to direct a rides customer to order food. The push to make Eats as prominent as rides comes just months after talks to sell its India food delivery business to Swiggy fell through.

The move also indicates that the company plans to actively cross-sell different properties, beginning with nudging its riders to also become eaters.

Source – The Economic Times

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Now, get bank approval for retail loans in 59 minutes

In another incentive aimed at retail borrowers, banks will now offer in-principle approval for retail loans for home and personal finance on the 'PSB Loans in 59 Minutes' portal.

"Applicants can now get in-principle approval for loans within 59 minutes through 19 public sector banks, including SBI, Punjab National Bank, Bank of Baroda, and Union Bank of India," said. Customers will have the option to choose the bank and the product they like, and will also have quick and hassle-free access to home and personal loans, irrespective of whether they have an account with any of the available banks.

Source – BusinessLine

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