



## NEWS HIGHLIGHTS

**Google launches AI research lab in India along with a slew of new initiatives**

**RBI restricts access to credit data of consumers**

**Vishal Sikka's AI startup raises \$50 million**

**Huawei expects to see revenue uplift from 5G roll-out next year**

## Today's View

### Automotive Leasing

Automotive sector is going through a sea change in recent times. The emergence of automotive leasing as an effective means of transportation is being leveraged by both car companies as well as corporate and retail customers, as an alternate towards conventional car ownership model.

Various car leasing companies are focusing on investing in advanced tracking technologies to effectively locate their vehicle. Telematics solutions are mostly preferred by companies, as it allows operators to track the vehicle and provide roadside assistance. Leasing companies also use telematics data to advise lessee companies on improving vehicle's fuel emissions and fuel efficiency.

As per **Technavio** research, the global car leasing market has potential to grow by ~ 15 million units during 2019-2023, with a CAGR of 11%.

Apart from premium brands like **BMW, Mercedes, Audi** etc., other major brands have also started offering solutions around this novel concept. For instance, **Honda Cars India Ltd.** has joined hands with **Orix** over car leasing service. Similarly, **Hyundai** has partnered with **ALD Automotive** for car leasing business. ALD is a unit of French investment bank Societe Generale SA, specializing in fleet management and mobility solutions. It has operations in 43 countries and manages more than 151 million vehicles.

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### Apple flexes India muscle with locally sourced battery packs

Apple has begun sourcing battery packs from US contract manufacturer Flex's India plant for its locally made iPhones.



#### Push for 'Make in India'

**Apple partners** with US-based Flex for battery packs

**iPhones using** Flex battery packs to be sold in India and exported

**Apple's local** supplier count has risen to 6, including Foxconn and Wistron

Source – The Economic Times

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Date – 19<sup>th</sup> Sept 19

Apart from major car manufacturers, multiple start-ups are developing solutions around vehicle leasing. For example, on-demand auto leasing startup **Rodo** has developed a mobile platform which provides a three-step, digital leasing process for 150,000+ vehicles from major manufacturers. It calculates transparent, personalized pricing for each customer, democratizing the leasing process for both sides of the marketplace.

Similarly, **Fair**, the \$1.2 billion startup backed by **SoftBank**, has built a smartphone-based car leasing platform that lets customers lease cars for as little as one month. It has recently acquired a platform called **Canvas** from its owner Ford Motor Credit, a division of the car giant Ford Motor Company that provides leasing and financing to dealers and customers.

With continuously evolving enablers like technology tools, automotive leasing is proving to be a feasible option for conventional ownership models. It has a high potential especially in emerging markets such as India where penetration is less than 1%, as compared to almost 45% in developed nations.

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## Today's News

### Google launches AI research lab in India along with a slew of new initiatives

Google is launching an Artificial Intelligence (AI) Research Lab in Bengaluru in order to create products not just for India but for the rest of the world, the Mountain View headquartered Internet giant said during its flagship Google for India event on Thursday. The Lab will be led by Dr. Manish Gupta.

The slew of new initiatives in India also includes a tie-up with state-run BSNL for expanding Wi-Fi hotspots in villages in Gujarat, Bihar, and Maharashtra. This comes after the company launched a project to connect 500 railway stations in the country and has since claimed to have connected close to 5,000 venues across four continents.

Source – *The Economic Times*

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### Tiger Global invests Rs 130 crore in QSR chain Wow! Momo

New York-based Tiger Global Management has invested Rs 130 crore in quick service restaurant chain Wow! Momo, marking its first consumer product bet in India.

The transaction is expected to value Kolkata-headquartered Wow! Momo at about Rs 860 crore, an almost three-fold jump from its last funding round in June last year when Fabindia managing director William Bissell had invested Rs 3 crore in it.

Source – *The Economic Times*

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This News Letter has been prepared with the assistance of Manish Kulkarni

### US social media firms say they are removing violent content faster

Major U.S. social media firms told a Senate panel Wednesday they are doing more to prevent to remove violent or extremist content from online platforms in the wake of several high-profile incidents, focusing on using more technological tools to act faster.

Critics say too many violent videos or posts that back extremist groups supporting terrorism are not immediately removed from social media websites. Senator Richard Blumenthal, a Democrat, said social media firms need to do more to prevent violent content.

Source – *The Economic Times*

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### TCS-General Motors deal may spur a new wave

An agreement by Tata Consultancy Services (TCS) to take over 1,300 employees from GM's technical centre in India could spur a wave of similar deals in the automotive research and development space, analysts said, as carmakers shift focus to autonomous vehicles and look to outsource legacy work.

The deal, the second such this year, has been pegged at \$600-700 million spread over five years. Earlier this year, France's PSA Group transferred 2,000 engineers in Germany to French engineering firm Segula Technologies. PSA had acquired the German engineering centre when it bought the Opel and Vauxhall brands from General Motors in 2017.

Source – *The Economic Times*

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## RBI restricts access to credit data of consumers

The Reserve Bank of India has ordered commercial banks and non-banking lenders to stop providing unregulated entities access to consumer data held by credit bureaus, dealing a blow to scores of fintech startups that have based their business models on such information.

In a letter to banks and NBFCs, the central bank said it noticed that they had appointed agents and permitted them to access the database of credit information companies. Such actions are against the Credit Information Companies (Regulation) Act, 2005 (CICRA), it said and warned of penalties if any of the regulated entities violated its order.

Source – *The Economic Times*

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## Vishal Sikka's AI startup raises \$50 million

Former Infosys CEO Vishal Sikka's AI startup Vianai Systems has closed \$50 million in funding, the company said. The enterprise platform helps businesses leverage AI to drive fundamental digital transformations. The funding sources have not been disclosed.

Sikka said AI has the ability to fundamentally transform every business in every industry, yet only a few tech firms have tapped into AI's potential. Vianai's advisers include Henning Kagermann, former SAP chairman & CEO, Alan Kay, Turing Award winner, Divesh Makan, founder of ICONIQ Cap, Indra Nooyi, former CEO of PepsiCo, Sebastian Thrun, co-founder & chairman of Udacity, and John Etchemendy, provost emeritus of Stanford University.

Source – *The Economic Times*

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## Huawei expects to see revenue uplift from 5G roll-out next year

Huawei expects the roll-out of next-generation 5G wireless networks to start contributing to the firm's revenue from next year when China launches services, the company's deputy chairman said on Wednesday.

The Chinese telecoms equipment giant has said that it has secured more than 50 5G commercial contracts even as it fights accusations from the United States and its allies that its networks are vehicles for Chinese espionage. Huawei's home market has become more crucial to the company since Washington in May banned U.S. firms trading with it due to national security concerns, hitting the company's international business.

Source – *The Economic Times*

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## Ribbit leads \$21M funding round in Groww

Ribbit Capital has led a \$21.4-million funding round in Bengaluru-based Groww, the latest investment by the Silicon Valley-based, fintech-focused investment firm, which has emerged as one of the busiest venture capital firms in India in 2019.

Sequoia Capital and Y Combinator, two of Groww's existing backers, also participated in the round, coming almost nine months after the online platform, which sells mutual funds, raised \$6.2 million in its Series-A round.

Source – *The Economic Times*

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## Talks of job cuts as Wells Fargo rejigs India units

Wells Fargo has begun streamlining workforce at its three development centres in India that could result in a few hundred job cuts, people familiar with the development told ET. This is part of the US-based banking and financial services company's global strategy to turn more efficient, the people said.

Wells Fargo, which has nearly 20,000 workers spread across Hyderabad, Bengaluru and Chennai, is reducing redundant roles from support functions and technology testing, they said.

Source – *The Economic Times*

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