



## NEWS HIGHLIGHTS

**World's top 10 unicorn startups: Paytm among top ten valuable unicorns**

**Fintech the way forward for Indian banking, payment system, says SBI MD**

**Covid-19 Fails To Dampen Fintech Investments In India**

**VR enabled startup, Proxgy, launches virtual commerce platform**

## Today's View

### Internet of Value: Internet 2.0

Internet in its current phase, has revolutionised almost all businesses across geographies. However, the current phase, 'Internet of Information' focuses solely on information exchange in the form of documents, images and videos.

Although information moves around the world instantly, a single payment from one country to another is still slow and expensive. In the US, a typical international payment takes 3-5 days to settle, has an error rate of at least 5% and an average cost of \$42. Worldwide, there are \$180 trillion worth of cross-border payments made every year, with a combined cost of more than \$1.7 trillion a year.

With the emergence of blockchain, a new phase of internet called 'Internet of Value' has emerged. Internet of Value is underpinned by blockchain, which is the evolutionary technology that supports digital currency. With Internet of Value, a transaction such as a foreign currency payment, can happen instantly, just as how people have been sharing information online for decades. Internet of Value can also enable the exchange of any asset that is of value, including stocks, frequent flyer points, securities, intellectual property, music, scientific discoveries etc.

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### Early-stage deal activity picks up after Covid-19 crisis slowed investments

Early stage venture investments have picked up significantly since July, after a relatively slow period of deal-making in the previous quarter, multiple investors told ET.



Source— The Economic Times

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7th September, 2020

Multiple startups have started working on this front. **Fusion** is an innovative blockchain solution created to bridge the interoperability gap between different blockchains through cross-chain transactions. It also has the potential to create off-chain transactions as the inevitability of a value-driven economy becomes more pronounced.

Similarly, **Wanchain** offers a unique solution for overcoming the limitations on cross-chain transactions through mass-market adoption of blockchain technology. It is developing a new distributed financial infrastructure that will connect the world's digital assets. In order to facilitate the digitization of assets, Wanchain has built an internal private blockchain through which users can build smart contracts for a practical transfer of value.

Currently, there are various blockchain-based platforms which are not compatible with each other. Hence, assets on these platforms can't be freely exchanged. For the internet of value to become a reality, uniform industry standards must be adopted in order to homogenize the world's different financial systems.

We believe that this process of standardization can have a transformative impact on businesses in today's world. This impact can be as instrumental as globalization efforts in 1950s or standardization of web protocols in the 1980s.

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## Today's News

### World's top 10 unicorn start-ups: Paytm among top ten valuable unicorns

There are around 500 unicorn startups or unicorn companies in the world. While some struggle to make past the hurdles, there are some that are able to cross past to become a bigger entities. But it is quite a struggle.

Most of these start-ups are either based out of the United States or China, mainly due to the conducive environment that start-ups get in these countries. The number of unicorns coming out of India is largely lower compared to these countries. It was just recently that One97 Communications, the parent company of Paytm was able to make it to the world's most valuable unicorns list of CB Insights.

Source – *The Free Press Journal*

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### VR enabled startup, Proxgy, launches virtual commerce platform

Ever wondered what would you do if you could be everywhere, anytime? Launched during the Coronavirus pandemic, Proxgy, enables its users to book a real-world human avatar and navigate the world through that avatar while sitting at home.

Proxgy aims to change the way people navigate through their daily outdoor tasks by using Proxgy through the an app. Proxgy uses patent-pending technologies to provide live video and audio stream to users via a helmet which has a 360 degree rotatable camera mounted on top. The camera access is controlled by the user via a joystick within the app.

Source – *The Economic Times*

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## Fintech the way forward for Indian banking, payment system, says SBI MD

State Bank of India (SBI) managing director Ashwani Bhatia on Friday said Fintech is the way forward for the Indian banking and payment system as there is a lot of opportunity for growth. Giving the example of SBI, he said, 91 per cent of jobs are being done digitally now, which was unthinkable 35 years ago.

"We believe that this 91 per cent will become 100 per cent. For a bank like State Bank of India, and other banks obviously, everything is going to move digitally. There is no doubt about that. Penetration of smartphones is also going to increase," he said at a virtual conference organised by the Confederation of Indian Industry (CII).

Source – *The Economic Times*

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### Indian agri-tech sector can grow to \$24.1 billion in five years: Report

India's agriculture technology sector has the potential to grow manifold to \$24.1 billion in the next five years, according to a new report.

With a turnover of \$204 million, India's agri-tech sector is at under 1% of its market potential today. A big chunk of the gains will likely be made by companies addressing supply chain and financial services solutions, driven by the availability of affordable high-speed internet and maturing of India's digital content ecosystem, the EY report on India's agri-tech potential said.

Source – *The Economic Times*

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## Retailers bank on just-in-time strategy

Retailers in India from Benetton and Spencer's Retail to Puma and Godrej Appliances have adopted a just-in-time strategy for the festive season, a departure from their 3-4 month long preparation time during pre-Covid days.

These include strategy and inventory planning, finance options and discounts, as the pandemic has put everything in a state of flux. "As we get closer to Diwali, we will figure out which plan will work," said Devendra Chawla, MD and CEO at Spencer's Retail and Nature's Basket. "All forecasting and demand planning has gone for a toss and it will be a gut feel driven festive season this time."

Source – The Economic Times

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## Reserve Bank of India rejigs priority sector guidelines; adds startups

With a focus on inclusive development, Reserve Bank revamped its priority sector guidelines by increasing the weightage for loans given in underpenetrated districts, increasing the targets for lending to small and marginal farmers, weaker sections, besides including loans for setting up health infrastructure.

While retaining the overall priority sector lending target of 40% for local commercial banks, the target for lending to small farmers is increased from 8% their lending in 2020-21 to 10% by 2023-24 and the target for lending to weaker sections has gone up from 10 to 12%.

Source – The Economic Times

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## Covid-19 Fails To Dampen Fintech Investments In India

This week on Startup Street, a look at how the Covid-19 crisis has impacted fintech funding in the first half of 2020. The IIT Alumni Council says it's setting up six research centres for startups across the country. And a famous Indian cricket commentator backs a fantasy gaming startup. Here's what went on:

Fintech Investments Remain Solid In India Investments in India's financial technology firms continued to grow in the first six months of 2020 even as the Covid-19 pandemic sent economic activity tumbling. Fintech investments till June 2020 more than doubled over the same period last year to \$1,700 million, according to KPMG's bi-annual Pulse of Fintech report.

Source – Bloomberg

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## Jayant Sinha urges fintech to bring up innovative products to connect more users.

Observing that there is a huge growth potential for the fintech sector, former Union Minister Jayant Sinha on Friday said they should come up with innovative products having compelling value propositions to connect more users.

The former Minister of State for Finance said young people are now using fintech products, but there is a considerable size of middle-aged people who are still potential customers.

Source – BW Business World

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## Paytm Money surpasses Zerodha with 6.6 million users

Paytm Money, the wealth management arm of One97 Communications Ltd. (which owns Paytm), claims to have reached a customer base of 6.6 million, surpassing Zerodha, one of the largest retail brokerage firms in the country, by volume.

Vijay Shekhar Sharma-owned company, which completed two years of operations, said 70% of its user-base is first-time investors, with 60% from smaller towns and cities.

Source – Live Mint

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## These 4 homegrown VC firms have helped shape the Indian startup ecosystem into the powerhouse of today

Zone Startups India (ZSI), along with Startup India, has launched a Virtual Incubation Programme for Women Entrepreneurs (VIP-WE). This 10-week programme supports early-stage tech startups founded by women. The programme will be delivered online.

VIP-WE will select 20 early-stage technology-based startups whose products and services are ready to scale and requires handholding. There will be an intensive period of curated learning and development, and will be free of cost for all incubatees.

Source – Your Story

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