



NEWS HIGHLIGHTS

Govt mulls establishing defensive firewall to protect data servers at PSUs

Indian digital economy has big potential: Mastercard

70 pc of organisations in India transfer sensitive data to the cloud

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Today's View

Equity Crowdfunding

In the world of alternate finance, there is one form of investment which is going mainstream: it is crowdfunding. Reflecting the same, World Bank projected the global crowdfunding market to be worth roughly \$90-96 billion by 2025. Amongst the variety of crowdfunding schemes, such as, reward-based crowdfunding, donation-based crowdfunding and debt-based crowdfunding, the one kind of crowdfunding that stands out for its popularity around the world is equity-based crowdfunding. Equity crowdfunding, boasting a global volume of \$2.6 billion, a number that has been proudly doubling each year since 2012, has seen some voluminous traction following massive investor interest pervasive across the startup lifecycle.

A case in point, equity-based crowdfunding platforms **Seedrs** and **Crowdcube** have been generating 21% more transactions than other investment platforms in the U.K. and have seized 86% of all crowdfunding. In November 2016, accounting software firm **FreeAgent** became the first equity crowdfunding Company to go public, raising £10.7 million at a valuation of £34.1 million.

Many companies, including banks and fintechs have leveraged the power of equity-based crowdfunding. **Monzo**, the first ever bank to raise funds through equity based crowdfunding, secured £1 million in investments in just 96 seconds offering a 3.33% equity stake via the crowdfunding platform Crowdcube. Similarly, **Revolut**, a platform for exchanging currencies and P2P payments, offered 2.39% in equity to raise a similar amount through equity-based crowdfunding.

Recognizing the popularity and compelling utility of equity crowdfunding, governments have proactively taken steps to legitimize equity-based crowdfunding. The U.S. Government officially recognized it way back in 2012, introducing The **JOBS (Jumpstart Our Business Start-ups) Act**. While the U.K. has acknowledged two forms of platforms – a loan-based crowdfunding platform and investment-based crowdfunding platform.

OTHER INTERESTING NEWS

Startup accelerators need to focus on nurturing India's next big startups

The accelerator ecosystem in India has been growing rapidly—56 accelerators were launched in 2016, adding up to a grand total of about 140.



But, at least to some startup industry experts, the numbers may not mean much and mask an underlying problem of quality.

Source- The Economic Times

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Date- 28th July 17

However, in India, regulations around equity-based crowdfunding are largely silent. SEBI has recognized reward-based crowdfunding and donor-based crowdfunding but online equity-based crowdfunding platforms so far have no legal standing on account of money laundering concerns.

Acknowledging the underlying untapped potential in the Indian crowdfunding market, comprehensive regulatory framework is the need of the hour. Optimising the potential of equity based crowdfunding can go a long way in lowering cost of funds and improving access to capital while ensuring adequate investor protection and minimizing investment risks.

Today's News

Govt mulls establishing defensive firewall to protect data servers at PSUs

The government is contemplating the establishment of a defensive firewall aimed at protecting data servers supporting state-owned banks and enterprises against cyber-attacks launched by criminals and countries seeking to undermine India's key institutions.

Such a defence would help protect many Indian companies that may not be prepared for organised, high-level attacks, experts said. "What India needs is not just a post-incident reaction but proactive monitoring and defence mechanisms against cyber-attacks, whether state sponsored or by hackers," said Amit Jaju, partner, cyber forensics, data analytics, EY.

Source-The Economic Times

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Indian digital economy has big potential: Mastercard

India has emerged as a potentially strong digital economy and been categorised under the "Break Out" segment among 60 countries in an index launched on Thursday.

The Break Out segment refers to countries that have relatively lower absolute levels of digital advancement, yet remain poised for growth and are attractive to investors by virtue of their potential.

Source-The Economic Times

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Sebi to meet bourses, discuss cyber security, tech glitches

Regulator Sebi will discuss with stock exchanges tomorrow measures that need to be taken to avoid recurrence of 'technical glitches' at bourses, as also steps to bolster cyber security framework, regulatory and market sources said.

The move comes in the wake of a technical glitch at country's largest stock exchange NSE, which led to halting of trading activities for over three hours on July 10.

Source-The Economic Times

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

Razorpay plans to go global next year

Fintech company Razorpay is looking to expand internationally into markets including South East Asia and Middle East by mid 2018.

Currently, the 100-member size company has 35,000 merchants onboard and 70% of its business come from startups and SMBs while 10% is through other bigger players like Quikr, Zomato, Goibibo, Videocon. Notably, the company has also been seeing traction from traditional sectors like logistics, education and others.

Source- ET Tech

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This startup is a one stop solution to all your banking needs – Cashcow

Cashcow is a budding and one of the fastest growing fintech companies that is bringing banking to your doorstep. Their certified Advisors are available to help their customers for all their financial needs and that too, at their doorstep.

Cashcow having tie-ups with over 50 banks & NBFCs has proven capability to offer best in market product spectrum & fit-to-suit solutions to fulfill varied consumer needs i.e. Home loans, Personal loans, Credit cards, Balance transfer and Top-up loans.

Source- Know Startup

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70 pc of organisations in India transfer sensitive data to the cloud: study

Thales, an information systems and cyber security company launched the India edition of 2017 Global Encryption Trends Study, which reveals that organizations are increasingly adopting encryption to address compliance requirements and the escalating need to protect sensitive information from both internal and external threats and accidental disclosure.

This year's findings also align with key trends demonstrating an increased reliance on the cloud claims that as much as of 70% of organisations in India were found to transfer sensitive or confidential information to the cloud – whether encrypted or not – a rate that is highest of all the countries in the survey (global average: 53%).

Source-Mint

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India to have over 850 million online users by 2025: Boston Consulting Group

India is expected to have more than 850 million online users by 2025, driven by availability and adoption of faster connections and more capable devices, a report by Boston Consulting Group said today.

By 2020, half of all Internet users will be rural. Also, 40 per cent users will be women, while 33 per cent are expected to be aged 35 years or older, it added.

Source-The Economic Times

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What an artificial intelligence researcher fears about AI

We all, individually and as a society, need to prepare for that nightmare scenario, using the time we have left to demonstrate why our creations should let us continue to exist. Or we can decide to believe that it will never happen, and stop worrying altogether.

But regardless of the physical threats superintelligences may present, they also pose a political and economic danger. If we don't find a way to distribute our wealth better, we will have fueled capitalism with artificial intelligence laborers serving only very few who possess all the means of production.

Source-Business Standard

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Flush times for hackers in booming cyber security job market

The surge in far-flung and destructive cyber-attacks is not good for national security, but for an increasing number of hackers and researchers, it is great for job security.

Twenty or even 10 years ago, career options for technology tinkerers were mostly limited to security firms, handfuls of jobs inside mainstream companies, and in government agencies.

Source-The Economic Times

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BSE now offers two-year Masters program in Fintech

In a first in India, BSE Institute, the learning solutions arm of Asia's oldest bourse Bombay Stock Exchange, has launched a Masters program in Financial Technology in association with University of Mumbai with an aim to prepare skilled talent for the booming FinTech industry.

Starting today, the two-year program will enable students to have a good understanding of finance, accounting, business information systems and analytic methods.

Source-Money Control

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AP lauded for promoting new IT technologies

The Andhra Pradesh Government needs to be complimented for promoting new and emerging technologies in the IT sector, such as blockchain technology and fintech, which will create more employment opportunities than the conventional ones, according to Srinivas Kandula, CEO of Capgemini Technology Services India Ltd, Bengaluru, an IT services company.

He said Visakhapatnam had all the advantages and potential to become the fintech hub of the country as envisaged by the AP government, but the skill levels of students would have to be improved.

Source- Business Line

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