

## PROTOTYPE FOR SERVICES

Goldman Sachs  
scouting for  
fintech start-upsBS REPORTER  
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Goldman Sachs, the investment bank, is scouting for financial technology start-ups and is looking at Bengaluru for new picks.

The Principal Strategic Investment (PSI) Group of the bank has a global portfolio of 75 companies, including a dozen investments in the Asia-Pacific. Two are in India -- National Stock Exchange and National Commodity & Derivatives Exchange.

"Indian tech companies are evolving from services to software development and Bengaluru is emerging as a global centre for innovation that is comparable to Silicon Valley of the US," says Alokik Advani, managing director of the bank's PSI Group.

He heads the Asia-Pacific team of the group from his Hong Kong office and now claims to have brought a new focus to invest in firms from India.

"We are scouting for start-ups," he says. Indian fin-tech start-ups have had big success in payment systems but these are not so interesting for the

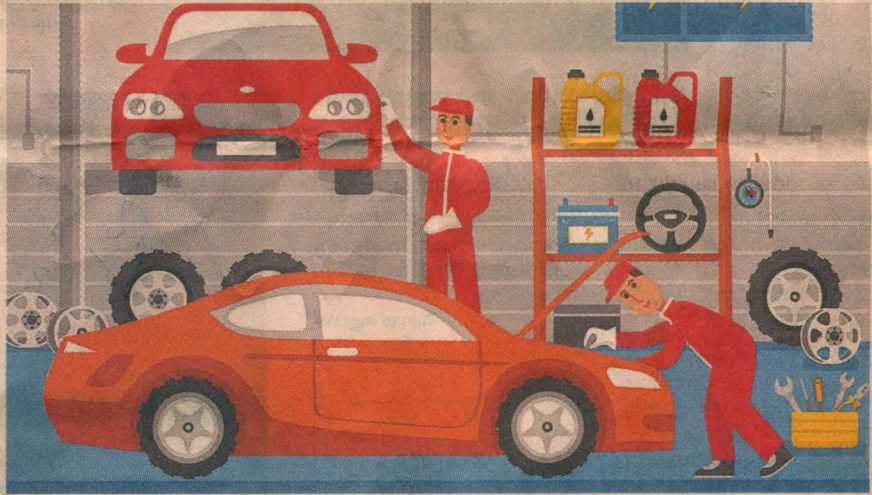
bank. "For us, start-ups dealing with data analytics or machine learning could be a big opportunity in India," says Advani.

New technology for trading platforms, enterprise solutions and data centre management are other interest areas. While fin-tech evolution is at an early stage in India, there are no dedicated fin-tech venture capital funds active here. This gives Advani an opportunity to invest, mentor and commercialise such start-ups, leveraging the global network of Goldman Sachs, he says.

The bank plans to invest \$2-10 million in each such investment, for a minority stake that can at most bring a board seat. It plans to invest for an average of five years.

It, however, declined to comment on an exit plan from the National Stock Exchange investment. Multiple investors have earlier complained about this, due to the delay in NSE's listing plan. In 2007, Goldman bought five per cent stake in the exchange, valuing it at about \$2 billion.

## Start-ups eye car servicing, spare parts retailing business

AJAY MODI  
New Delhi, 12 April

To tap the growing market of out-of-warranty/second-hand cars, start-ups are getting active in the car servicing and spare parts retailing space. These new players are also tying up with manufacturers to sell original spare parts.

These start-ups use technology to form a marketplace that will connect car owners to hundreds of garage owners and sell spare parts. One such start-up, GaadiFix, has tied up with 1,300 automobile workshops in the national capital region (NCR), which is estimated to have the largest car population than any other Indian city.

There are some 12 million cars on Indian roads that are out of warranty, says Nitin Bahl, founder and co-chief executive officer at GaadiFix. And, two million cars are added to this number every year. "Most of these vehicle owners stop going to an authorised service centre due to the cost. People who are buying used cars also do not wish to spend big money at such service centres. All of them end up going to a local mechanic who in most cases might not be selling genuine spare parts or could be inflating the price and cost of service."

GaadiFix has tied up with original equipment suppliers such as Delphi (which also

supplies to car manufacturers) to source spare parts. It does not offer a deep discount on such spares but guarantees originality and quality. Through the GaadiFix app, buyers can place order for spare parts, make payment, and receive shipment of products such as brake pads, coolant, oils, suspension car batteries, lights, etc.

"Customers will come to us for convenience while buying parts. We are not asking a share from our mechanics but users can expect a saving of 30-40 per cent compared to a service centre. Our main margin will come from spares where we reduce the intermediaries." Launched in February, at least two cars are serviced daily through the GaadiFix platform.

But, who guarantees the quality of service done through GaadiFix and CARXPART (another start-up)? Abhijeet Singh, chief operating officer at CARXPART, says the team spends time in identifying good workshops and mechanics. "We have also removed workshops whose management showed low commitment. Authorised service centres will try to inflate bills but our focus is on building the base of customers by offering affordable service."

CARXPART has serviced around 500 vehicles since its launch in December 2015.

The focus for most such start-ups is the NCR market.

**Start-ups use tech to form a marketplace that will link car owners to hundreds of garage owners & sell spare parts**

START-UP  
STREET