



NEWS HIGHLIGHTS

Bank of Baroda buys Rs 3,000 crore DHFL loans

PhonePe app downloads rises 77% in FY19 even as Paytm retains lead, shows data

Paytm Mall cuts monthly cash burn to Rs 40 crore

Helo chases creators to meet 100 million user target

Today's View

Voice Technology

Since Star Trek, humans have fancied a chat with computers. Recent advancements in voice technology, AI and IoT have now made that a reality.

With more and more industries starting to use speech recognition technology, the market share of the technology is estimated to grow at a 35% rate annually between 2016 and 2024, according to **Global Market Insights**. Similarly, **Spiceworks** study on AI chatbots and intelligent assistants showed that 24% of large businesses and 16% of small businesses have already adopted such technologies while a combined 27% are expected to adopt in the next 12 months.

Recently, Apple has acquired a San Francisco-based AI start-up called **PullString** that specializes in helping companies build conversational voice apps. PullString has developed voice systems for popular toys, like Mattel's talking Hello Barbie doll. It has also worked on the enterprise end to help companies build skills and apps for Amazon's Alexa platform and Google Assistant. Such acquisitions are helping Apple to accelerate the growth of Siri-powered apps and features to match with tens of thousands of integrations, skills, and actions offered by **Amazon** and **Google**.

Outside of the home, the biggest impact for voice technology and adoption is in automobiles. Voice assistants mitigate one of the most pressing issues facing drivers: 'distracted driving'. As per **TrueMotion**, an American company that measures mobile phone use for insurance companies, average American

Akhil Handa
+91 22 6759 2873

Manish Kulkarni
+91 22 6759 2885
manish.kulkarni@bankofbaroda.com

Indian start-ups raise a record \$3.9 billion so far in 2019

Start-ups in India have raised a record \$3.9 billion from venture capitalists in the six months ended 30 June, as the world's biggest investors doubled down on their bets in the country buoyed by the Flipkart-Walmart deal last year.

On a deal-making spree

Domestic startups scored 292 venture capital deals this year—a 44.4% jump from the \$2.7 billion that they received in the first half of 2018.

Half-yearly VC investments	Amount (in \$ billion)	Number of deals (in '000)
H1 2016	1.8	298
H1 2017	1.8	280
H1 2018	2.7	288
H1 2019	3.9	292

Source – Mint

[READ MORE](#)

Date – 1st Jul 19

driver spends 17 percent of every trip talking, swiping or texting. On the whole, distracted driving is now causing more collisions than impaired driving.

Even financial institutions are also adopting voice-based AI technologies not just to improve customer experience, but also for other important business processes. For instance, **Barclays** launched voice recognition services to protect against fraud for its customers. The technology identifies a caller based solely through their voice, eliminating the need for security and passwords because each voice is as unique as a fingerprint.

On the other hand, enterprise security companies are creating new platforms for smart homes. **Pindrop**, a company that provides anti-fraud security to call centers, are extending their voice biometric technology into smart homes with the Voice Identity Platform.

It is often said that giving the machine a voice is giving it a personality. However, with a personality comes its inherent vulnerabilities. More on this in our next article.

Today's News

Bank of Baroda buys Rs 3,000 crore DHFL loans

Bank of Baroda (BoB) has entered into a transaction with Dewan Housing Finance Corp. Ltd (DHFL) to acquire loans worth Rs 3,000 crore against its exposure to the non-bank lender, even as a lenders' consortium to the stressed non-bank lender considers a resolution plan, two people aware of the development said.

BoB acquired the pool of loans made by DHFL and adjusted it against its loans to the non-bank lender, the people said, requesting anonymity. Since the acquired loans are higher-rated assets, the quality of BoB's loan book will improve. "Now DHFL will only act as a collection agent for the bank for these loans. The bank will keep around 85-90% of the repayments to itself and the rest will go to DHFL," one of them said.

Source – Mint

[READ MORE](#)

PhonePe app downloads rises 77% in FY19 even as Paytm retains lead, shows data

Flipkart's digital payments app PhonePe saw a 77% rise in the number of unique smartphone users who installed the app in the year through March 2019, while the figure stayed largely flat for its biggest rival Paytm in the same period, according to data from research platform Kalagato Pte Ltd. PhonePe accounted for 41.41% of overall unique smartphones installs in March 2019 among the top nine payments apps and wallets in India. This is a significant increase over the 23.37% a year earlier. Paytm accounted for 53.03% of overall unique smartphone installs in March, up from 51.28% a year earlier.

Source – Mint

[READ MORE](#)

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

Paytm Mall cuts monthly cash burn to Rs 40 crore

Paytm Mall has slashed its monthly cash burn to Rs 40 crore, from a peak of Rs 200 crore last year, as it looks to prune costs amid a restructuring of the business.

Cash burn is the rate at which a company uses up capital to run day-to-day operations and is commonly seen across consumer internet firms which raise a bulk of investor capital. Paytm Mall will focus on revenue generation by offering offline sellers services like advertising and marketing, the company said.

Source – The Economic Times

[READ MORE](#)

Investors get into e-sports game

E-sports, or gaming that involves multiplayer professional gamers and tournaments offering lucrative price money, is now seeing investor attention. Data from start-ups tracking firm Tracxn shows that in 2019 (YTD), \$35.8 million was invested in e-sports start-ups through four rounds, up from just over \$7 million invested in the entire of 2018. In 2017, the sector saw a mere \$3.7 million invested.

Mobile Premier League (MPL) saw the highest overall funding in the sector with a total of \$40.6 million pooled in from Go-Jek's Go internet, Sequoia India and Times Internet*. E-sports also accounted for four of the five deals in gaming in 2019, the data further showed.

Source – The Economic Times

[READ MORE](#)

E-commerce firms may be asked to reveal discount source under upcoming policy

In a move to ensure e-commerce companies are not indulging in predatory pricing, online marketplaces might soon have to disclose who is funding the discounts as part of the pricing details of a product, it is learnt. According to sources, under the upcoming e-commerce policy, platforms might have to give proof with every discounted product that the slash in prices is funded by the seller or brand and not the e-commerce portal itself. The upcoming e-commerce policy might not only have a new set of rules limiting the maximum discount given on a product, but also ensure it is the seller giving the discount.

“Under the e-commerce policy guidelines, platforms might have to give a detailed break-up of the discount in the pricing details to ensure e-commerce portals are not the ones financing it. Companies would even need to get yearly audits of discounts done mandatorily by independent auditors to ensure there has been no predatory pricing,” said a senior official at the commerce ministry.

Source – Business Standard

[READ MORE](#)

Central banks to tackle tech with BIS innovation hub

Central banks grappling with fast-changing financial technology and companies like Facebook moving into finance will aim to work together more closely through an innovation hub approved on Sunday by the Bank for International Settlements. The BIS said the intention of the hub, which will be based in Basel, Hong Kong and Singapore, is to improve the functioning of the global financial system and it will identify and develop insights into trends in technology affecting central banking.

Facebook’s plan to expand into payments and launch its own Libra cryptocurrency were not mentioned in the BIS statement, but the social media giant’s move has helped crystallise opinion among central bankers on the urgency of coordinating regulatory responses to financial technology trends.

Source – The Economic Times

[READ MORE](#)

Financial boom back in Start-up Inc.

India’s start-up ecosystem is witnessing a financing boom, which is likely to pick up further in the second half of the year as investors from around the world are rushing in. They are backing a new crop of entrepreneurs building businesses in areas like urban mobility, social commerce, financial technology and software services.

With the abundance of capital, start-ups are seeing their valuations jump four-five times in a few months, raising concerns if entrepreneurs will flip to preferring growth at all costs over building viable business models, person known to the matter said. Total money poured into start-ups increased by 31% to \$4.7 billion in the first six months of 2019 as compared to the same period in the previous year, even as the total number of deals fell by 23% to 381 transactions, according to data from Tracxn.

Source – The Economic Times

[READ MORE](#)

Helo chases creators to meet 100 million user target

Helo, from Chinese start-up ByteDance’s app table, aims to double its user base in India to 100 million by year-end, as the regional social media platform aggressively chases content creators by offering the possibility of instant stardom and future monetization. Helo, ByteDance’s India-first product, launched in June last year and is now available in 13 other countries for Indian communities and expats.

It competes with Indian start-up ShareChat, which had accused the Chinese application last year of copying its design and infringing on its copyright. Both applications are available in 14-15 Indian languages and are wooing first-time Internet users who are more comfortable sharing content in regional languages.

Source – The Economic Times

[READ MORE](#)

Payments & food delivery apps launch games to increase users

Payment apps and food delivery platforms are launching games to increase user base and stickiness, with the ongoing cricket World Cup one such event where many Indian startups are utilizing to ratchet up the number of subscribers. In-app games, such as Zomato Cricket Cup, Swiggy Match Day Mania, Paytm Games and Tez Shots by Google Pay, are just a few examples. These games increase the time customers spend on such apps and is relevant for sectors that are transactional in nature, like payment apps and food delivery apps, industry experts said.

Source – The Economic Times

[READ MORE](#)

Disclaimer: The views expressed in this newsletter are personal views of the author and do not necessarily reflect the views of Bank of Baroda. Nothing contained in this publication shall constitute or be deemed to constitute an offer to sell/ purchase or as an invitation or solicitation to do so for any securities of any entity. Bank of Baroda and/ or its Affiliates and its subsidiaries make no representation as to the accuracy; completeness or reliability of any information contained herein or otherwise provided and hereby disclaim any liability with regard to the same. Bank of Baroda Group or its officers, employees, personnel, directors may be associated in a commercial or personal capacity or may have a commercial interest including as proprietary traders in or with the securities and/ or companies or issues or matters as contained in this publication and such commercial capacity or interest whether or not differing with or conflicting with this publication, shall not make or render Bank of Baroda Group liable in any manner whatsoever & Bank of Baroda Group or any of its officers, employees, personnel, directors shall not be liable for any loss, damage, liability whatsoever for any direct or indirect loss arising from the use or access of any information that may be displayed in this publication from time to time.