

## NEWS HIGHLIGHTS

**NITI Aayog wants more push to digital signatures for industry use**

**GoM to look into IT issues of GST rollout**

**Ten million sign up for Paytm Payments Bank**

**QuEST to set up digital labs**

**Economics of Internet of Things, drive big benefits for B2B**

## Today's View

### Social Engineering

Beware! Social engineers are here - the ones who commit fraud through manipulating people into divulging confidential information. And, they are around you. Even your innocuous neighbour keeping an eye on your keyboard while you enter your password can be a social engineer.

These social engineers are unique, creative and difficult to catch hold of because they target the weakest link in the chain – humans. As per tech trade association **CompTIA's** report, human element has been the source of more than half the security breaches. This means irrespective of security strength, people are the weakest link in an organisations' security chain when it comes to protecting sensitive information. It's no coincidence that organisations like **Interpol** have a dedicated page on the subject, with reported losses reaching \$1 billion.

To fight back, an increasing number of firms are taking to Fintechs to develop dynamic, behavior-based identity verification techniques. **Lloyds Banking Group**, for instance, has found such solutions to cut fraud losses up to 30% while reducing false positives by 25% or more. Fintech firm **BioCatch** is helping Royal Bank of Scotland and Barclays implement a behavioural biometrics solution to flag potentially fraudulent activities based on inconsistencies highlighted on user's interaction with a device or an application.

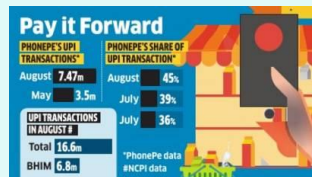
Similarly, P2P mobile payments network **Zelle** is leveraging Payfone's LOTUS platform to detect and prevent SIM swap fraud, a social engineering scam responsible for defrauding consumers and businesses off millions of dollars. On the other hand, **AimBrain**, a U.K.-based Fintech, offers 'biometric identity' as a 'plug and play' service enabling all forms of authentication to be concurrently or in a granular fashion.

In India, responding to innumerable social engineering scams like impersonation, phishing, vishing, pretexting etc., **RBI** has introduced a Cyber Security Framework for banks to tackle this menace. However, there still is a lot to be done. As per **PwC's**

## OTHER INTERESTING NEWS

**Flipkart's PhonePe claims 45% share of August UPI transfers, overtakes BHIM app**

Flipkart-owned PhonePe, the largest user of Unified Payments Interface (UPI), said it overtook the government's Bharat Interface for Mobile or BHIM app with a 45% share of the total transactions in August.



The company said PhonePe more than doubled the number of UPI transactions to 7.47 million in August from 3.5 million in May and its share rose steadily from 39% in July and 36% in June.

Source- The Economic Times

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Date- 13<sup>th</sup> Sept 17

Information Security Survey, while cyber security has become a board level agenda around the world, Indian boardrooms still largely shy away from discussing the subject.

We believe the best way to fight social engineering fraud is to create awareness through corporate culture, education and training. Moreover, stronger collaboration with regulators, along with incremental adoption of predictive analytics through Fintechs, will enable institutions to strike the golden balance between openness, promotion, and security.

## Today's News

### NITI Aayog wants more push to digital signatures for industry use

Amitabh Kant, chief executive officer of NITI Aayog said that to promote further digitisation of finance and increase access of the unbanked to formal lending, the Reserve Bank of India needs to push for wider adoption of Aadhaar enabled electronic KYC verification for account opening and verification of transactions.

There is a need to increase the limits on Aadhaar enabled OTP based authentication for different types of account opening.

Source- *The Economic Times*

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### Artificial Intelligence: Most adopters worry about security

According to the global survey undertaken by country's largest software exporter TCS, effectively managing the security risk of AI systems is of paramount importance for the majority of industries.

The survey added that companies in the automotive, banking and financial services, consumer goods, technology, industrial manufacturing, and telecoms said managing this risk is the biggest determinant of success on AI investments.

Source- *The Economic Times*

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### GoM to look into IT issues of GST rollout

Finance minister Arun Jaitley has constituted a Group of Ministers to resolve IT issues faced in the implementation of the goods and services tax. Most state finance ministers had raised issues concerning IT systems and difficulties faced by traders in filing returns. The government has twice extended the deadline for filing of GST returns.

The Group of Ministers (GoM) has been constituted under the convenorship of Bihar deputy chief minister Sushil Kumar Modi.

Source- *The Economic Times*

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

## QuEST to set up digital labs

QuEST Global, will build and deliver a suite of digital solutions for manufacturing customers across different verticals. Further, QuEST will set up two 'Digital Factory Innovation Labs', in Bengaluru and Belgaum.

Ajay A. Prabhu, Chief Operating Officer, QuEST Global, said the company will now be able to provide digital manufacturing solutions to global manufacturers, enabling their transition into Industry 4.0.

Source- *Business Line*

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## Online lending startup Rubique in talks to raise \$20 mn in Series B round

Mumbai-based fintech startup Rubique is in an advanced stage of talks with Chinese and UAE venture capital firms besides existing investors to raise \$20 million (around Rs 128 crore) in its Series B round of funding, managing director and CEO Manav Jeet told VCCircle.

Once the latest funding round is completed, the company will embark on an expansion strategy to grow its presence to 100 cities by December this year.

Source- *VCCircle*

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## Ten million sign up for Paytm Payments Bank

About 10 million people have signed up for bank accounts during the beta launch of Paytm Payments Bank.

Payments Company Paytm had launched its payments bank on its mobile app in beta mode two weeks ago. Paytm Payments Bank was launched in May with a branch in Noida, and the company had said it will expand to 31 branches and 3,000 customer service points in the first year.

Source- *The Economic Times*

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## Economics of Internet of Things, drive big benefits for B2B: study

The economics of IoT are increasingly compelling and the B2B space will benefit first, generating nearly 70% of potential value enabled by IoT.

And while enterprises across industries continue to develop and pilot use cases to ensure real-time visibility into data around assets, equipment, power management and public safety – everything from construction industries employing drones for site inspections to government municipalities creating “smart” communities - hesitations related to IoT still remain.

Source- *The Economic Times*

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## IoT platform market to grow to \$1.6 billion by 2020: Verizon report

According to Verizon’s State of the Market: Internet of Things 2017 report, the Internet of Things (IOT) platform market is expected to grow 35% per year to \$1.16 billion by 2020.

The report finds that the biggest growth will be in business-to-business applications which can generate nearly 70% of potential value enabled by IoT. IoT is at the core of digital transformation, with 73% of executives either researching or currently deploying IoT.

Source- *The Economic Times*

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## Tax experts under income-tax lens for valuation of startups

Indian tax authorities have begun questioning consultants and accountants on the methodology of their enterprise-value estimates after challenging the valuations of startups.

In particular, the taxmen want to know the reason behind high valuations given to several startups in 2014 and 2015. For their part, the financial experts say that their estimates were based on the startups’ projected revenue and growth – something most failed to achieve.

Source- *The Economic Times*

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## FSS to raise \$220m to expand global reach, grow tech

Chennai-based payments company Financial Software and Systems (FSS) is raising around \$220 million in the next six months and has appointed merchant bankers to assist it in the process.

The company, which manages the largest chunk of the digital payments reconciliation for banks, plans to raise fresh funds for international expansion and technological advancements.

Source- *The Economic Times*

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## USAID-backed Catalyst launches incubator, to invest \$50k in each startup

Catalyst, which is a collaborative initiative between the US Agency for International Development (USAID) and the Government of India to increase adoption of digital payments in India, is levelling up its partnership by launching a fintech-focussed incubator.

The incubator is scouting for five fintech startups for its first cohort that can create solutions to meet specific needs and requirements of small businesses and low-income consumers. Catalyst is funded by USAID, and will offer USD 50,000 to each graduating startup as seed money.

Source- *Money Control*

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