



## NEWS HIGHLIGHTS

**NPCI looks to boost UPI payments at small merchants**

**Paytm to move incentives away from P2P payments to merchant transactions**

**Fintech start-up Finwego raises \$ 1.7M from SAIF Partners, others**

**Eyeing expansion, OYO commits \$300M investment in US**

## Today's View

### Risk Analytics for Insurance Industry

Insurance has been considered a highly profitable and reliable business line. With introduction of technology, it has become more efficient as well. As per **Genpact**, the global Insurtech market revenue was valued at \$532 million in 2018 and is expected to reach \$1,120 million by 2023, growing at a CAGR of 16%.

However, it is also the industry which has been fraught with fraudulent claims leading to further pressure on bottom line. In 2017 alone, UK had received insurance frauds totalling 1.3 billion pounds. Looking at such trends, Insurtech firms are using AI and machine learning to detect fraudulent patterns.

**Shift Technology's** AI-driven fraud detection solution, **Force**, is assisting insurers to detect and save on these claims. It's AI-native and SaaS based fraud detection solution designed specifically for the global insurance industry. It analyses vast amounts of data from multiple sources to generate a fraud score for each claim and generate alerts. Insurers can then take better decisions with actionable proof.

**Hanzo** offers web-crawling AI tools that can sift evidence of a fraudulent claim from social media accounts for example from pictures of someone who claims to have been injured in a car accident. It can locate all the social media activities of whether the claimant has been involved in social media activity contrary to his claims of an accident.

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### Digital payments zoom past FY19 target driven by private lenders

The government said digital transactions rose to 31.34 billion in the last financial year, exceeding the target by 4% and signaling a boost for the payment channel in the country. The Ministry of Electronics and Information Technology (MeitY) told bank bosses that digital transactions rose 51% from FY18.

Bank	% of Digital Payments Target	% of Aadhaar Terminals Deployed	Score
YES BANK	127.0	100	84
INDUSIND BANK	103.3	100	79
KICICI BANK	103.4	37.9	78
PAYTM PAYMENTS BK	122.9	NA	77
AXIS BANK	117.9	Data not shared	75

The score includes volume of transactions, number of terminals for Aadhaar-based merchant payments deployed by them and the average success rate of transactions

Source – The Economic Times

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Date – 20<sup>th</sup> Jun 19

Without the benefit of substantial loss history to build traditional actuarial pricing models, insurers have to rely on subjective information from the insured to manage cyber underwriting. **Guidewire Cyence Risk Analytics** is a cloud-native economic cyber risk modelling solution built to help the insurance industry quantify cyber risk exposures through a process called data listening.

Similarly, **Cape Analytics** provide firms that protect and finance our homes and businesses with actionable information so they can better understand the risk profile and value of property assets. Using AI and geospatial imaging, they provide insurers with actionable property intelligence.

Insurtech firms are changing the insurance landscape opening newer avenues for better customer service and cost savings. With further advancement in technology the symbiosis between nimble and innovative Insurtech firms and traditional experienced insurers will improve the global insurance industry.

## Today's News

### NPCI looks to boost UPI payments at small merchants

In a move that is directly aimed at speeding up a small merchant's ability to collect payments through the Unified Payments Interface (UPI), the National Payments Corporation of India (NPCI) has said they could be on-boarded as individuals to start with and not as businesses. In a circular issued on June 17, the retail payments body identified a new category for UPI payments — P2PM. This is in addition to P2P (person-to-person payments) and P2M (person-to-merchant payments).

The move has been aimed at on-boarding small merchants and vendors with low-value ticket sizes under the ambit of digital payments. Additionally NPCI has issued two major conditions for on-boarding merchants under this category. "Acquirers may include all small merchant enterprises which are presently not in the digital payments ambit and the pricing and other applicable charges under this category shall be the same as that of P2P," said Praveena Rai, chief operating officer, NPCI, in the circular.

Source – *The Economic Times*

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### Fintech start-up Finwego raises \$ 1.7M from SAIF Partners, others

Fintech start-up Finwego has raised \$ 1.7M from SAIF Partners along with a group of high net-worth individuals and angels in a seed round of funding. Incubated at the Harvard Innovation Labs, Finwego works to deliver tech-enabled lending products to all stakeholders of the school ecosystem including management, parents, teachers and vendors. The start-up which is currently operational across key markets in Tamil Nadu will use the funds to strengthen their data infrastructure and the technology platform. The company intends to expand operations to other states and build a profitable book.

Source – *The Economic Times*

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This News Letter has been prepared with the assistance of G Balakrishna and Prithwiji Ghosh

### Paytm to move incentives away from P2P payments to merchant transactions

Digital payments major Paytm intends to push cashbacks into offline merchant transactions done through its payment application, moving away from its traditional strong point of inter-person payments in their attempt to expand deep into smaller locations in India. The payment company is targeting to partner with over 20 million kirana stores, enabling them to accept all digital payment modes including UPI, wallets, and cards.

Through this initiative, Paytm will intend to cut down on consumers who are trying to gamify the system and make money through artificial transactions which might not be serving any specific purpose in the end, said the company.

Source – *The Economic Times*

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### EVs to get registration charge waiver

India is proposing to exempt electric vehicles from registration charges as part of the Narendra Modi-led NDA government's agenda to promote electric mobility and cut country's dependence on fossil fuels. The exemption will apply to all categories of electric vehicles — scooters, motorbikes, auto rickshaws and cars, says a draft notification issued by the road transport and highways ministry. The move comes in the backdrop of the government working out a roadmap for the transition from vehicles run on polluting fuels to electric vehicles in line with its plan to bring down its oil import bill and curb pollution.

Source – *The Economic Times*

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## Eyeing expansion, OYO commits \$300M investment in US

OYO Hotels & Homes has committed to invest \$300 million (about Rs 2,087 crore) over the next few years in the United States, the SoftBank-backed hospitality chain announced on Wednesday, signalling its intent to expand its presence in the world's largest consumer market.

This will also be one of the largest investment commitments to a particular geography by the six-year-old company, which has stated that it will invest \$600 million in China, and an additional \$200 million in India - both of which it refers to as its two home markets. In an official statement, the company stated that the investment in the US will be primarily used to double down on growth in the region, talent acquisition, competency building, and infrastructure development.

Source – *The Economic Times*

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## Myntra bets on smaller cities for its biggest sale, eyes 32 million customers

Walmart-owned online fashion retailer Myntra is expecting around 50 per cent of its End of Reason Sale (EORS) to be generated from tier-II and -III cities. Through its 10th and biggest edition of the mega sale event beginning Friday, the company is eyeing to tap 32 million potential customers.

During the sale, the fashion retailer will display on its platform over 800,000 styles from around 3,000 domestic and international brands such as Nike, Swarovski, Tommy Hilfiger, and Marks & Spencer. It will also have Myntra's private brands such as Roadster, HRX, 'All About You', and 'House of Pataudi'. "Myntra is known to be very strong in metros and tier-I cities. But we have started to notice a lot of traction in tier-II and tier-III places and our access to brands has enabled us to focus on these regions," said Amar Nagaram, head of Myntra Jabong.

Source – *Business Standard*

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## Softbank's Son has space for 75 more global winners

Japanese telecommunications and internet firm Soft-Bank plans to double its investment portfolio to 150 companies over the next two years, and strategically back technology businesses that are market leaders in their segments. SoftBank founder Masayoshi Son said at the company's annual general meeting in Tokyo on Wednesday that its \$100 billion Vision Fund would grow its team globally to 1,000 members from the current 400 to better invest and manage the fund's portfolio.

SoftBank has been particularly bullish on India, and local start-ups including ride-hailing firm Ola, hospitality chain Oyo and digital payments platform Paytm were three of the four companies that were highlighted from its global portfolio at the AGM. The mammoth fund, which has reordered technology investing globally, said in February that it had deployed \$10 billion in India.

Source – *The Economic Times*

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## Wysa secures Rs 15 Cr funding led by pi Ventures

Wysa, mental health wellness app powered by an Artificial Intelligence-based bot, has raised about Rs 15 crore led by pi Ventures, with participation from Kae Capital and other investors. Wysa has raised an earlier round of \$1.3 million in seed funding from Kae Capital and angel investors including Alok Mittal, Anuj Srivastava, and Raghunandan G in 2017. The company plans to use funding raised to further strengthen its technology stack and fuel expansion.

Founded by Jo Aggarwal and Ramakant Vempati three years ago, Wysa is an AI-based 'emotionally intelligent' bot, a virtual coach that combines empathetic listening with evidence-based therapeutic techniques like CBT, meditation and motivational interviewing, to make mental health accessible at scale.

Source – *The Economic Times*

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## Snapdeal, ShopClues deal talks trip on diligence

Snapdeal's talks to acquire rival online retail marketplace ShopClues has hit a hurdle after the due diligence for the transaction found significant pending liabilities on the balance sheet of the latter, according to two people briefed on the matter. "ShopClues has significant liabilities, including tax and money it owes its vendors, and has also seen a significant fall in number of orders. For Snapdeal, the upside is limited while the downside is significant in taking the transaction forward," said one of the sources.

Source – *The Economic Times*

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