

NEWS HIGHLIGHTS

Banking frauds are no longer a rich man's problem

Paytm sets up investment and wealth management unit for its users

PhonePe partners with FreeCharge to link wallet to the app

Aadhaar could be a single target for cyber criminals: RBI researchers

Today's View

Leveraging EWS for Securities Market

Early-warning systems, better known for forecasting natural disasters, have found applications in the financial sector as well, courtesy technology. Especially, the equities market, considering the speed of transactions and amount of funds involved, has been leveraging the power of early-warning systems.

With over 4,700 firms listed on **BSE** and 1,200 on **NSE**, these prominent stock exchanges have set up state-of-the-art technology platforms for trading. With median trade speed of 6 microseconds at BSE, it has become imperative to put together an early-warning system that can detect suspicious activities and warn stakeholders accordingly in advance.

Market regulator **SEBI** has acknowledged the importance of early-warning systems as well. It is in the process of implementing an early-warning system to caution investors about risks of investing in stocks of overvalued companies or those with unsustainable business models with the possibility of going bankrupt. This system would allow investors to easily identify risks associated with a stock on account of its trading pattern or owing to the condition of the company's business. **Monetary Authority of Singapore (MAS)** has set up a similar system that provides automated "trade with caution" alerts which are generated when a particular trading activity cannot be explained based on publicly available information.

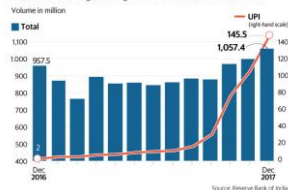
INTERESTING NEWS

Digital transactions cross 1 billion mark in December

Transactions through digital means rose 6.05% to 1.06 billion in December from 997.1 million in November. This is the first time that the transaction volume has crossed the 1 billion mark.

Tippling point?

Digital transactions in December crossed the 1 billion mark, touching a new peak in terms of volume since the government's demonetization exercise in November 2016. Transactions through the Unified Payments Interface (UPI) also reached a new high, clocking 145.5 million transactions in December.



The overall value of these transactions was also the second highest in a month in the last one year.

Source – *The Economic Times*

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Date – 10th Jan 18

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Even government bodies like **Ministry of Corporate Affairs (MCA)** and **Serious Fraud Investigation Office (SFIO)** are planning to leverage emerging technologies like artificial intelligence (AI) to develop early warning systems for investigating ponzi schemes and shell companies. Such systems would flag qualified accounts on the ministry's portal, doing away with the current system of random inspections to identify such companies.

Multiple technology firms are also developing early-warning systems to detect failures or anomalies in stock exchange trades. For example, **ITRS Group** has developed an early warning system software Geneos for **NSE**. Similarly, Mumbai-based analytics firm **Heckyl Technologies** developed an early warning system for **Kotak Securities**.

With the potential of such systems to detect and report anomalies and suspicious transactions in advance, the responsibility now lies with the implementing agencies to ensure smooth and transparent operations in the equity markets across the globe.

Today's News

Paytm sets up investment and wealth management unit for its users

Paytm announced the setting up of yet another company, 'Paytm Money Limited', a wholly owned subsidiary of One97 Communications, the firm that owns the Paytm brand, to build investment and wealth management products for its users.

Paytm Money will be the fourth consumer brand from the company after Paytm, Paytm Mall and Paytm Payments Bank. The new brand will deal in money market fund where users would be able to store cash and earn interest.

Source – Business Standard

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

Infosys sees a lower tax rate after signing pact with US IRS

Infosys expects the overall effective tax rate for its American operations to be lower after it concluded an advance pricing agreement with the US Internal Revenue Service (IRS), on the methodology to allocate revenues and compute taxable income.

Infosys said the APA methodology will enhance "predictability of the company's tax obligations", and result in overall effective tax rate to be lower by around 1% for the remaining period of the agreement with the US Internal Revenue Service.

Source – The Economic Times

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PhonePe partners with FreeCharge to link wallet to the app

PhonePe, the payments arm of Flipkart, is now moving to become a 'payments container'. It now has a partnership with FreeCharge where it will now allow its users to link their existing wallet to the PhonePe app.

This will allow its 45 million users to spend their balance at all online and offline merchants which accept PhonePe. Late last year, it partnered with JioMoney where users could link their wallet balances and they could spend money at PhonePe merchants.

Source – Medianama

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Banking frauds are no longer a rich man's problem

Safety of bank accounts and credit cards lies both with the account holder and concerned bank. However, considering the surge in complaints related to unauthorised transactions from bank account and credit cards, in July 2017, RBI reviewed the criteria for determining customer liability in these circumstances and issued some guidelines.

It is always better to avoid such scenarios. Therefore, account holders should take care while making online transactions and using bank cards at retail outlets. One should never share the financial and banking details, especially OTP and PIN, with others.

Source – Mint

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Robosoft adds advisory capabilities to go beyond app development

Mobility solutions firm Robosoft Technologies, which has built mobile apps for a slew of top Indian and global Internet brands, is evolving beyond mobile app development to add advisory capabilities to its business.

Udupi-based Robosoft was started in 1996 with Apple as its first customer. It now claims to have built more than 1800 apps for over 200 customers across the world including Paytm, McDonald's, Disney, Vodafone, Viacom, Nestle, Warner Bros, Conde Nast and WalmartLabs among others.

Source – The Economic Times

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Aadhaar could be a single target for cyber criminals: RBI researchers

The benefits of Aadhaar, India's biometrics-based unique national identity system—the world's largest—are unclear and the impact of direct benefit transfers it will be used to deliver to the poor is not studied enough, a new study published by IDRBRT has concluded.

The paper has flagged issues related to Aadhaar such as problems of access to the last mile, issues with the quality of authentication, unclear financial benefits and security concerns

Source – Business Standard

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IndusInd Bank to roll out battery-powered payment cards

IndusInd Bank and Dynamics Inc on Tuesday announced plans to introduce the first battery-powered, interactive payment cards in the Indian market in 2018.

The new IndusInd Bank card from Pennsylvania-based Dynamics, which designs and manufactures intelligent, battery-powered payment cards, has multiple buttons that let the consumer use a single card to pay in multiple ways. "With the touch of a button, consumers can select credit points or monthly instalments as payment option.

Source – Hindu Businessline

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Lendingkart raises 30 cr from Dutch development bank

Lendingkart Finance has raised 30 crore in non-convertible debentures (NCDs) from NV (FMO), a Dutch development bank that invests in growth and frontier markets.

This new influx of debt funds will be used to grow the loan book and expand the reach of Lendingkart Finance across SMEs, Lendingkart said in a statement.

Source – Hindu Businessline

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Hyderabad-based fintech firm raises 25 crore from Spice Digital

Spice Digital, a subsidiary of Spice Mobility, has invested 25 crore in Hyderabad-based fintech company AnyTimeLoan that gives loans through a digital platform.

The two-year-old start-up uses a proprietary algorithm to assess the profile and disburse loans, with no human intervention.

Source – Hindu Businessline

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Ola plans to go Down Under, eyes Australia and New Zealand for expansion

Homegrown cab aggregator Ola is planning to set up operations in Australia and New Zealand as it looks to explore new avenues for growth and to dominate the global ride-hailing ecosystem.

Source – Business Standard

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