



NEWS HIGHLIGHTS

Government pitches for national e-commerce policy

Paytm Mall eyes \$10 billion sales by FY19

Maharashtra to come up with 'predictive policing policy'

Jabong shifts focus to premium fashion segment, luxury brands

Lending company Avail Finance raises \$17.2 million

Today's View

Vigilance Tech : Trust But Verify

Today, for any financial institution, deciphering traders' cryptic communications before the regulators do is increasingly becoming a critical part of managing and mitigating risk. Since the financial crisis in the U.S., regulators have seized traders' emails and instant messages to detect and establish collusion and market manipulation in equity, forex, commodity and interest-rate markets. **JPMorgan, Citigroup, UBS, Barclays** and every other massive bank has pleaded guilty of felony, paying ginormous fines running into billions of dollars.

However there are nimble tech saviours emerging which could save these large financial organisations with their machine learning solutions. **Digital Reasoning**, one such ML company, offers their **Synthesys** technology to monitor natural-language communications. This is being used not only by **Goldman Sachs, UBS** and billionaire Steven A. Cohen's **Point72 Asset Management** but also by U.S. intelligence analysts trailing terrorists and 1,000 law-enforcement agencies involved in the fight against human trafficking. While top financial Institutions use it for screening employees' e-mails and instant messages for misconduct, **NASDAQ** is using it to watch out for market manipulation.

Even **Behavox** addresses the problem of compliance and audit officers being required to go through millions of documents of message logs or financial statements for establishing a link to insider trading. Behavox uses ML and continues to improve its algorithm with more data to analyse employees within an organization. It allows the software to build up a picture of workers

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SC order on Aadhaar puts a hole in mobile wallet plans

SC's decision to indefinitely push linking of Aadhaar is a setback for m-wallet cos that are trying to complete KYC verification of customers.

On the Fence

- Prepaid payment issuers were relying heavily on the Aadhaar interface to accomplish KYC of their customer base
- With Supreme Court ruling, consumers may now hesitate to share biometric details
- RBI's deadline to accomplish complete KYC of customers ended on February 28
- While the central bank lets any gov't-approved ID card for KYC, cos have been exclusively using UIDAI biometric data

PPIs were relying on Aadhaar interface to accomplish KYC, but now users may hesitate to share biometric details.

Source – *The Economic Times*

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and then flag anything that appears out of character. This also includes how people communicate with one another on the trading floor.

Back in India, **Vigilante** offers wary publicly listed companies a web-based software aiding the Compliance Officer to centrally manage, track and follow up on all compliances pertaining to Insider Trading. Another company, **Paramatrix** offers a compliance management tool that tracks trades executed by employees. Through its flexible approval mechanism supporting Auto & Manual Trade requests and approvals sent by employees, it ensures complete and well documented compliance.

Another interesting company in this domain is Peter Thiel's **Palantir Technologies** that develops data fusion platforms for public institutions, commercial enterprises, and non-profit organizations worldwide. The company offers Palantir Gotham - a platform that integrates, manages, secures, and analyses enterprise data; and Palantir Metropolis - a platform that integrates, enriches, models, and analyses quantitative data. It provides solutions in the areas of anti-fraud, capital market, case management, crisis response, cyber security, defence etc. Very recently, the company won an \$876-million U.S. Army contract for a battlefield software.

With such huge advances already made, the adage, Trust but Verify, is only getting more legs to run on.

Today's News

Government pitches for national e-commerce policy

The govt made a case for a national e-commerce policy and a related consolidated legal framework to address the challenges of the sector and realize the opportunities in the global B2C space.

"We do not have a national e-commerce policy and we do not have a consolidated legal framework. So if we look at e-commerce...we need a broad policy that looks at the broad elements," Comm Secretary Rita Teatota said.

Source – *The Economic Times*

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Paytm Mall eyes \$10 billion sales by FY19

Paytm Mall is eyeing an over 3x jump in GMV to \$10 billion by FY19. Its current GMV run rate stands at \$3 billion. In March 2017, Paytm spun off the e-commerce business into a separate company.

According to Amit Sinha, COO, Paytm Mall, its O2O strategy will be the one driving growth. At the core of its strategy are efforts to bring offline stores online and acquire customers. To that end, the company has tied up with big brands like FBB, Big Bazaar, Samsung, Red Tape and others.

Source – *BusinessLine*

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This News Letter has been prepared with the assistance of Sadhika Agarwal and Aparna Anand

Droom moves to sell pre-owned taxis too

Not many taxi drivers can afford new cars and to provide easy access to such people in terms of pricing and availability, online marketplace Droom is launching taxis. These pre-owned taxis will be available at prices starting from Rs.1 lakh.

With this initiative, Droom will decrease the cost of starting a business and a buyer will get a certified, inspected taxi with the fair price evaluated through Orange book value. Buyers can easily opt for a loan from Droom credit.

Source – *BusinessLine*

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Tata Comm to deploy 15,000 IoT street lights

Tata Comm plans to roll out 15,000 smart street lights in Jamshedpur city in the next 5 years that can be controlled and operated through internet.

The system has smart features such as switching the lights on/off or dimming them remotely from a central command centre.

Source – *BusinessLine*

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Google to ban crypto, initial coin offering ads

Google will ban online ads promoting cryptos and ICOs starting in June, part of a broader crackdown on the marketing of a new breed of high-risk financial products.

Source – *Business Times*

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Maharashtra to come up with 'predictive policing policy'

The Maharashtra government will come up with a "predictive policing policy" as part of its cyber security modernization programme, the Legislative Council was informed. The digital technology-based policy will help law enforcement agencies prevent and detect cyber-crimes, Minister of State for Home (Urban) Ranjit Patil said.

Ranjit Patil said on the lines of Centre's Computer Emergency Response Team (CERT), the state government will form a similar agency called "MH-CERT". The agency will reduce the state's dependence on the Centre to tackle instances where social media is used to fan rumors that may lead to a law and order problem.

Source – Business Standard

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Jabong shifts focus to premium fashion segment, luxury brands

Two years after acquiring Jabong for \$70 million, Myntra is looking to increase differentiation between the two brands in order to win new customers. Myntra will continue to focus on the mass premium fashion segment where it has emerged as the leader, while Jabong will begin to focus more on luxury brands, global brands and the premium fashion segment.

The move to differentiate Myntra and Jabong comes despite the customer overlap between the two platforms being just 28%. Even after 18 months of the acquisition, customers of Jabong continue to be largely different from those on Myntra, with just a 2% increase in overlap.

Source – Business Standard

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Lending company Avail Finance raises \$17.2 million

Online lending startup Avail Finance has raised \$17.2 million in Series-A round from investors led by VC firm Matrix Partners. Ankit Bhatia and Bhavish Aggarwal from Ola, FreeCharge founder Kunal Shah, Flipkart cofounder Binny Bansal and Mswipe founder Manish Patel also participated in the round.

The fundraising was a mix of equity and debt from banks and other NBFCs. Avail Finance lends to consumers who work as office boys, cleaning staff and in other blue collar jobs at big companies and not served by banks.

Source – The Economic Times

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PayU, Kreditech to offer cardless EMI option of Rs.1lac for online purchases

PayU, in partnership with Kreditech, launched a lending product in India that offers cardless EMIs up to Rs 1 lakh for online purchases. The product, PayU Monedo, is live on a few ecommerce sites in beta phase. PayU Monedo will combine PayU's 3,00,000 merchant distribution network with Kreditech's ML-based real-time underwriting and its lending-as-a-service platform. The product is currently live on onlymobiles.com and velvetcase.com.

Source – The Economic Times

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France to sue Google, Apple over developer contracts

France said it will take Google and Apple to court and seek fines of \$2.5 million over what it termed "abusive" contractual terms imposed by the tech giants on startups and developers.

Apple and Google unilaterally imposed prices and contract changes on developers selling software on Google Play and Apple's App Store.

Source – Reuters

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Google will prioritize stories for paying news subscribers

Google users who subscribe to newspapers will find articles from those publications appearing higher in their search results, to help media companies find and retain paying readers.

The Alphabet unit will also begin sharing search data that show who's most likely to buy a subscription. The moves could help publishers better target potential digital subscribers.

Source – Bloomberg

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YouTube to work with Wikipedia

YouTube will introduce a new tool to combat online conspiracy theories in the coming weeks, to halt the spread of misinformation. Videos propagating conspiracy theories about events will now be accompanied by text from Wikipedia providing facts.

Source – Bloomberg

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