



## NEWS HIGHLIGHTS

Payments industry divided on RBI proposal to regulate sector

Insurers seek alternative to Aadhaar e-KYC as instant policies get delayed

Fintech ZestMoney eyes 8,000 e-commerce merchants by year-end

Swiggy drives into on-demand product delivery

## Today's View

### Finger Vein Payments

Biometrics is widely being implemented in mobile devices to ensure accessibility. The global biometrics market in the BFSI sector is anticipated to witness impressive growth and estimated to post a staggering CAGR of close to 20% by 2020, as per **Technavio's** report on the global biometrics market.

The concept of biometric technology for mobile banking and payments has become increasingly popular with **Oxford University** survey finding that 93% of consumers prefer the idea of biometrics to PINs or passwords, as do 92% of banks. However, payments companies have been reluctant to deploy such technology amid concerns that common biometric methods such as fingerprint or iris scanning are unreliable and susceptible to hacking.

Hence, institutions, as well as payment firms, are exploring innovative options like 'Finger Vein Payments' which provide a faster and safer way of making payments by scanning the structure of veins in customers' fingers.

For example, **Fingopay** has launched testing of finger vein payments at **Copenhagen Business School**. It has installed finger scanners at the check-outs in the business school cafeteria. Anyone with a Dankort, the Danish domestic card scheme, can enrol in the system and link the unique pattern of veins in their finger to their account. 880 customers signed up with the payment platform in just five weeks, with 85% found it more convenient than conventional payment methods. FingoPay successfully processed more than

**Akhil Handa**  
+91 22 6759 2873

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

### Zilingo raises \$226 million in latest funding round; on the cusp of Unicorn status

Zilingo has raised \$226 million in its latest round of funding, a development that values the fashion marketplace at close to a billion dollars, three years after being launched. The Series D round of funding was led by the company's existing backer Sequoia Capital, with new investors, Temasek, the government of Singapore-owned Investment Company.



Source – The Economic Times

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Date – 13<sup>th</sup> Feb 19

12,000 transactions, accounting for roughly 10% of total payments at the participating locations during the trial period.

Similarly, **Sthaler** carried out the trial of finger vein payments at **Brunel University's** Costcutter store. During this trial, footfall increased by 11% with approximately 4,500 customers signing up to use it.

While **Verteda** has integrated this technology with its point of sale (POS) system, which is being used both for employee attendance system and payments for food and beverages at UK stadiums. Customers can register their biometrics at the beginning of the soccer season to link their biometrics with a payment account, and make fast, secure payments using only a finger at subsequent matches. The technology can also be used to access hospitality and VIP areas.

Even Korean credit card companies like **Shinhan, BC, and Hana Card** are in process of developing a finger vein-based payment authorization solution. The companies recently signed a MoU with **LG-Hitachi** and **NICE Information & Telecommunication** to implement this innovative system.

In order to make this payment system even more secure, organisations are looking at integrating it with emerging technologies like blockchain. More on this in our next article!

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## Today's News

### Payments industry divided on RBI proposal to regulate sector

The Reserve Bank of India's intention to regulate payment gateway service providers has received a mixed response from industry players, with some welcoming the move and others cautioning that close regulatory scrutiny may cause operational challenges and stifle innovation. The central bank had last week announced it will release a white paper for discussion and consult companies before introducing regulations. Vishwas Patel, founder of CCAvenue Payment gateway, believes the sector doesn't need more regulations as it already has all the safety networks in place to ensure customer money is protected.

Source – *The Economic Times*

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### Fintech ZestMoney eyes 8,000 e-commerce merchants by year-end

ZestMoney, a digital consumer-lending Fintech, wants to emerge as the 'go-to' platform for EMIs in the country, and is eyeing a five-time increase in business volumes this year, said its co-founder and CEO Lizzie Chapman. The Fintech, which has the tagline 'EMI for everyone', and been live for three years now, believes that technology can be used to deliver EMI products for the mass markets without taking the credit card route. ZestMoney is a technology company that connects customers who come through e-commerce platforms to a lender in real-time.

Source – *BusinessLine*

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

## Swiggy drives into on-demand product delivery

Online food ordering and delivery service Swiggy has forayed into on-demand product deliveries from local stores, in a bid to diversify its delivery services beyond food. Called Swiggy Stores, the services will be available within the Swiggy app and will deliver products from physical stores across various categories like fruits and vegetables, kiranas and supermarkets, florists, baby care, health and supplements, pet care stores, meat stores, and pan shops among others in an hour or less.

Swiggy will use its growing delivery fleet of 1.25 lakh active delivery partners to make product deliveries, the company said in a statement.

Source – *The Economic Times*

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## ShopX acquires mobile phone retail brand GabbarDeals

Nandan Nilekani-backed ShopX, a business-to-business platform for small retailers, has acquired Omni-channel mobile phone retail brand GabbarDeals to power its expansion plan. Amit Sharma, chief executive of ShopX, did not disclose the financial details of the deal but said the quality of GabbarDeals' team and the access to brand partnerships were the primary reasons that drove the acquisition.

"We will use the ShopX technology and GabbarDeals expertise in retail and brand partnerships to expand our presence," said Sharma, adding that GabbarDeals' 10-member team has joined ShopX.

Source – *The Economic Times*

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## Global Artificial Intelligence of Things (AIoT) Solutions Market Report 2018: Global AI in Embedded IoT Devices Market will Approach \$26.2B USD by 2023

The "Artificial Intelligence of Things (AIoT) Solutions: AIoT Market by Application, Service, and Industry Vertical 2018 - 2023" report has been added to ResearchAndMarkets.com's offering. This report provides a multi-dimensional view into the AI market including analysis of embedded devices and components, embedded software, and AI platforms.

This research also assesses the combined Artificial Intelligence (AI) marketplace including embedded IoT and non-IoT devices, embedded components (including AI chipsets), embedded software and AI platforms, and related services. The report also evaluates leading solution providers including hardware, software, integrated platforms, and services.

Source – PR Newswire

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### Insurers seek alternative to Aadhaar e-KYC as instant policies get delayed

Insurance companies are trying to work out alternative solutions to Aadhaar-based e-KYC authentication as instant policy approvals and some POS products have had to take a backseat. Fintech innovations for the sector are being reworked or stopped, and insurers are now either using document-based verification or one-time passwords for online policies, along with scanned documents.

Following the Supreme Court ruling on Aadhaar in September, and new guidelines by UIDAI, the Insurance Regulatory and Development Authority of India (IRDAI) has asked insurers not to seek Aadhaar and PAN or Form 60 from the proposer and policyholder as part of KYC. In a recent circular, the IRDAI had said that an insurance company can accept Aadhaar card as one of the documents for proof of identity or address of the policyholder for KYC if the person voluntarily gives it.

Source – BusinessLine

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### Open raises \$5M funding from Beenext, Speedinvest & others

Bengaluru-based new-age digital banking services start-up for small enterprises Open has raised \$5 million in its series A round of funding from Beenext, Speedinvest and 3one4 Capital. The round was led by Beenext, an early-stage fund investing across South East Asia, India and Japan and Speedinvest, an early stage VC fund in Europe. Existing investors Unicorn India Ventures and AngelList Syndicate also participated in this round.

It had also raised funding from prominent tech entrepreneurs like Citrus founders Amrish Rau and Jitendra Gupta, along with TaxiforSure founder Aprameya Radhakrishnan among others. Open, which caters to SMEs in the business to business space and in the trading sector, helps them automate business payments combined with an automated bookkeeping tool.

Source – The Economic Times

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### Still no land for angels, feel startups

Notifications from the Central Bureau of Direct Taxes (CBDT) and the Department for Promotion of Industry and Internal Trade (DPIIT) related to the contentious 'angel tax' issue are unlikely to provide any clarifications on Section 68 of the Income Tax (I-T) Act. Sources told that the anticipated notifications will not provide any sort of exemption to startups under Section 68 of the I-T Act, and will only give a blanket exemption to the DPIIT registered startups from Section 56.

The notifications from the two regulatory authorities, tasked with looking into the issue that has dominated the discourse across India's startup ecosystem, are expected to be published over the next 24-48 hours.

Source – The Economic Times

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### Driverless delivery startup Nuro gets \$940 million SoftBank investment

Autonomous technology startup Nuro said it has raised \$940 million from SoftBank Group, which valued the Silicon Valley-based company at \$2.7 billion.

With this, Nuro has raised more than \$1 billion from investors, including Greylock Partners and Gaorong Capital, which had participated in its Series-A funding round. The funding by SoftBank came through its \$100-billion Vision Fund, which usually picks up big stakes in fast-growing technology companies.

Source – The Economic Times

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