



## NEWS HIGHLIGHTS

**NASSCOM asks SEBI to ease norms for offline testing of Fintechs**

**Digital lending start-up, Qbera in talks to raise \$15 million**

**Paytm poised to start its P2P lending business with Clix Capital**

**Oyo sees space for a global hospitality property fund**

## Today's View

### Automation in Energy Trading

Almost everything we see around us, requires energy to manufacture and to function — right from the phones and computers, to the lights and appliances at home. With rising living standards and a growing number of consumers enjoying the fruits of economic progress, demand for energy keeps going up. As per **DHL** estimates, energy demand will rise by more than 30% by 2035.

Today, numerous geographies in the world suffer from lack of energy supply. Almost all countries in the world cannot cover the required energy with their own energy sources. Hence, multiple energy trading exchanges have been set up to fulfil the unmet demand. There are numerous energy exchanges in Europe, and some of the most popular are the **NORDPOOL** in Norway and the **European Energy Exchange (EEX)** in Germany.

Artificial Intelligence (AI) and Robotic Process Automation (RPA) are expected to transform the energy trading landscape. RPA and AI are already adding value today, with companies actively replacing repetitive, process-oriented tasks. As per **Greysoft**, RPA can reduce processing times by about 50 percent while saving millions of dollars in operating expenditures.

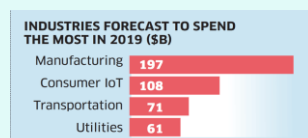
According to industry experts, several market participants, such as **Statkraft AS, EnBW AG, Axpo AG**, are already using partially automated tools for energy trading. Some of these tools complement the market data provided by official exchanges like **EEX**, whilst others also provide the suggestions for trades to conduct.

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### IoT Tech's big billion days are coming

EY India and FICCI's latest report outlines the future of IoT from a business potential and tech point of view while highlighting its impact on emerging technologies such as 5G and artificial intelligence (AI). Key industries for IoT in India are expected to be utilities (water and electricity), manufacturing, transport and logistics, automotive industries and healthcare.



Source – The Economic Times

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Date – 24<sup>th</sup> Jun 19

In contrast, there is now a new generation of auto-traders which can trade by themselves on the exchange using conditions pre-defined by the user. Some of these products trade directly on the market based on the planned power plant usage administered in the system. Thus open positions can be closed at low prices and the power plant can be controlled according to the market situation.

Though automation is on the rise, we believe that automated trading in the energy industry requires more than a set of algorithms. It needs trading platforms to integrate complex IT infrastructures and diverse communication processes and then monitor and keep them running around the clock. These platforms can, then, become a basis for the upcoming, fully digitised business models in energy trading.

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## Today's News

### NASSCOM asks SEBI to ease norms for offline testing of Fintechs

Technology industry association NASSCOM has proposed that special provisions for virtual testing of Fintech products be created in the capital market regulator's proposed regulatory sandbox, as some start-ups may not have the scope to test their products offline. The objective of the move is to use Fintech as an instrument to improve the fairness and transparency of the securities market ecosystem, according to SEBI.

In the eligibility criteria to enter the sandbox, SEBI has mandated "limited offline testing" by the applicants, a condition that NASSCOM wants it to relax. There are situations when a test environment does not exist or is a barrier in terms of entry into the sandbox, the lobby group said in its submission on the proposed framework. "Most of the Fintech companies, especially the start-ups, do not have scope for offline testing of solutions before entering or applying for the sandbox," the industry body said.

Source – *The Economic Times*

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### Paytm poised to start its P2P lending business with Clix Capital

Clix Capital is in advanced talks with One97 Communications, which controls Paytm, for a strategic stake in its planned peer-to-peer (P2P) lending platform. AION Capital, which has an 85 per cent stake in Clix Capital, was formed by buying the commercial lending and leasing business of GE Capital in India. The remaining portion of the equity in the company is held by former Genpact founder Pramod Bhasin and former head of DE Shaw in India Anil Chawla.

Paytm and AION Capital spokespersons declined to comment on the negotiations or share any details. However, a source close to Paytm said that talks were at an advanced stage, adding: "The two sides have had multiple discussions. Now the finer points of the deal are being discussed. This deal, if it happens, will help Paytm kick-start the P2P lending business."

Source – *Business Standard*

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

### Digital lending start-up, Qbera in talks to raise \$15 million

Digital lending start-up, Qbera is in talks to raise \$15 million in Series-B funding, which it expects to close by the year end. The start-up has raised \$5million to date. With total loan disbursements of Rs 130 crore since its inception in February 2017, of which Rs 90 crore were disbursed in FY 2019, the Bengaluru based start-up is targeting loan disbursement of Rs 300 crore in the current fiscal and expand deeper into smaller cities and towns.

Qbera provides loans to potential borrowers who are overlooked by banks and financial institutions. These borrowers make up a large segment of the population and include individuals with incomes less than Rs 6 lakh per annum.

Source – *BusinessLine*

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### Amazon invests Rs 450 crore in India payments unit

American retail giant Amazon has infused Rs 450 crore into its payments unit in India - Amazon Pay, according to regulatory documents. Amazon Pay (India) has allotted Rs 45 crore shares of Rs 10 each aggregating to Rs 450 crore to Amazon Corporate Holdings and Amazon.com.ins Ltd, documents filed with Corporate Affairs Ministry showed.

The documents, sourced by business intelligence platform Tofler, said the date of allotment was 6 June 2019. Amazon Corporate Holdings has pumped in Rs 449.95 crore, while the remaining came from Amazon.com.incs Ltd.

Source – *Mint*

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## Microsoft bans employees from using Slack, puts AWS, Google Docs on 'discouraged' list: Report

Microsoft has reportedly banned its employees from using Slack, a professional collaboration software tool that competes with the likes of Flock, Facebook Workplace, and Microsoft Teams. The company has put Amazon's Web Services (AWS) and Google Docs on its list of "prohibited and discouraged technology." Microsoft has also banned Grammarly grammar checking tool and Kaspersky security software for its employees, according to a Geekwire report. Interestingly enough, the 'discouraged' list includes the cloud version of GitHub, a popular software developer platform which Microsoft acquired last year.

The report said that the decision to ban Slack in particular was not because of the direct competition with Microsoft Teams but a measure to prevent risks to IT and intellectual property. Microsoft, however, has gone soft on Enterprise Grid version of Slack, saying other versions of the app "do not provide required controls" for security.

Source – Hindustan Times

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## Indian researchers figure out way to detect facial recognition fraud

Last month, San Francisco banned the use of facial recognition technology, taking a stand against its potential misuse, drawing appreciation as well as criticism in equal measure from different quarters. While the debate about the propriety of the technology rages on, this hasn't deterred other countries and individuals from continuing to experiment with, and deploy it. As facial recognition technology becomes increasingly 'intelligent,' as with any other technology, devising ways to 'fool' systems are also not far behind. It has become relatively easier to 'generate' conflicting or confusing images using AI algorithms, to fool such facial recognition systems.

A recent research by an Indian institute aims to fix some of these issues by developing a way to identify whether a facial recognition system has been attacked. The Image Analysis and Biometrics (IAB) Lab of IIIT-Delhi, led by Dr Mayank Vatsa and Dr Richa Singh, has come up with a solution for locating and mitigating these attacks. The team also includes PhD students Gaurav Goswami and Akshay Agarwal.

Source – Business Standard

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## Startup India fund falls short of allocation target by over Rs 1,000 cr

The Start-up India fund fell short of its capital allocation target by around Rs 1,000-1,200 crore, despite initial euphoria.

The Start-up India fund, launched in 2016, had a disbursement target of Rs 3,300-3,500 crore to venture capital (VC) firms at the end of the financial year ending March 2019, according to top officials at Small Industries Development Bank of India (SIDBI) — which manages the "fund-of-funds". The Start-up India fund has allocated Rs 2,265 crore to VC funds at the end of March 2019, according to data available with SIDBI

Source – The Economic Times

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## Oyo sees space for a global hospitality property fund

Oyo Hotels & Homes is looking into setting up a hospitality property fund and has held discussions with a number of global money managers on this, people in the know said, even as the SoftBank-backed hospitality chain continues to expand its presence across the globe.

The decision to set up a fund, which will acquire properties across markets and lease those to the Gurgaon-headquartered company at an agreed-upon yield, is still at an exploratory stage, the people said. The company, they said, has held conversations with some of the world's top asset management firms to come on board as a possible co-manager of the fund.

Source – The Economic Times

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## Flipkart charts road map for US listing by 2022

Flipkart will tap the US equity market by 2022, the board of the Walmart-owned e-commerce marketplace decided earlier this month, said people aware of the matter.

The Flipkart board meeting scheduled earlier this month, took place in Bentonville, Arkansas, on the sidelines of Walmart's annual shareholders conference. Krishnamurthy's discussions with his core team comprising senior vice presidents emphasized the need to tighten compliance and achieve profitability over the next two years as it prepares to go public, they said.

Source – The Economic Times

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