

NEWS HIGHLIGHTS

HDFC Bank witnesses 160% m-o-m growth on orders processed by the AI bot

RBI notifies P2P lending platforms as NBFCs: Agencies

Bitcoin regains some lost ground

Power2SME raises \$36 million

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Today's View

Enticing the credit card averse

Recent studies on credit usage have portrayed consumers, particularly millennials as debt or credit card averse. According to a research by Bankrate.co in the U.S., almost 63% individuals aged 18-29 don't own a credit card.

This debt and credit card wariness stems from the fact that the millennial generation has witnessed the 2008 recession and waded through the struggles of repaying an education loan through an uncertain job market.

Undoubtedly, there are multiple benefits of using credit cards; be it the ease of using a plastic card or the fact that you can borrow at no cost. Earning reward points and cashbacks through higher spends on the card makes the proposition all the more alluring.

But then again, like everything else, this has its share of disadvantages too. If one does not pay their credit card bills on time, they run the risk of racking up interest, subsequently getting stuck in a vicious credit cycle.

So, for those who believe that credit card usage is a debt trap, Fintechs have heard them and are working on a solution. A Fintech called Debitize has come up with a way to merge the benefits of both debit cards and credit cards. The solution lets you use your credit card with the discipline and convenience of a debit card.

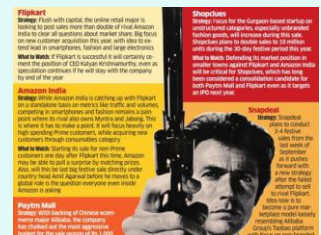
It works in the following fashion: when a user makes a purchase with a credit card, Debitize charges the user's savings account and stores the funds in a Debitize reserve account. At the end of the month, Debitize automatically pays off the credit card bill.

Even the credit card providers are trying to transition these debt opposed potential customers from debit to credit cards. In the U.S., American Express recently launched features that allow customers to borrow for big ticket purchases like furniture, medical

INTERESTING NEWS

Online battle begins with Flipkart aiming for 70-30 lead over Amazon

Start of annual festive sales sees ecomm biggies suit up to fight the sales war. Apart from usual suspects - Flipkart and Amazon India - Paytm Mall, Snapdeal and ShopClues will also enter the battleground this year.



Flipkart has tasked execs with registering "70-30" lead over Amazon.

Source- The Economic Times

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Date- 20th Sept 17

expenses, airplane tickets or weddings, while separating those balances from everyday expenses such as a \$5 taxi ride.

American Express is also introducing a feature that would allow customers to immediately pay for small purchases from their bank accounts. While customers can convert purchases up to \$1,000 (or 10 purchases of \$100 each) into 'instalment plans', to be paid back in the form of monthly EMIs. Undeniably, some of these features would be chargeable and the test of success of these features would come down to whether debt-weary customers are willing to pay AmEx a little more for the big-ticket items.

We feel that owning a credit card is a responsibility which has its benefits as well as its risks. It remains the quickest way to build a healthy credit score which could be very useful for big ticket credit purchases such as a house.

But with changing times, the color of the credit card will have to suit customer preferences.

Today's News

HDFC Bank witnesses 160% m-o-m growth on orders processed by the AI bot

HDFC Bank's OnChat, the Facebook Messenger chatbot created in partnership with Niki.ai, has observed 160% month-on-month growth in transactions since its launch in December 2016.

The chatbot is the Bank's maiden foray into conversational banking. Since launch HDFC Bank OnChat has also witnessed an exponential growth in the number of users garnering over 2.4 Mn messages.

Source- *The Economic Times*

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RBI notifies P2P lending platforms as NBFCs: Agencies

The Reserve Bank of India on Wednesday notified that peer-to-peer (P2P) lending platforms would be treated as non-banking financial companies (NBFCs), an agency reported. This suggests the lending interface will now come under the purview of RBIs regulation under the RBI Act.

The RBI had floated a consultation paper in April 2016 on peer to peer (P2P) lending platforms. P2P lending has gathered momentum globally and is taking root in India.

Source- *The Economic Times*

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Power2SME raises \$36 million from Inventus Capital, others

Power2SME, a platform that services the raw material needs of small and medium enterprises (SMEs) in the manufacturing sector, has raised \$36 million from its investors Inventus Capital Partners, Accel, Kalaari Capital, International Finance Corp. (IFC) and Infosys chairman Nandan Nilekani.

Power2SME aggregates demand from SMEs and procures raw material such as steel, polymers and chemicals, among other industrial inputs, from large suppliers at competitive prices.

Source- *Mint*

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Cloud storage start-up Minio raises \$20 million

Palo Alto- and Bengaluru-based cloud storage start-up Minio Inc. on Tuesday said it has raised \$20 million in a funding round led by Dell Technologies Capital, General Catalyst Partners and Nexus Venture Partners.

Minio is an open-source application that gives users the ability to store their data across a range of cloud storage solutions including Amazon S3. The funding will be allocated to accelerating product development.

Source- *Mint*

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This News Letter has been prepared with the assistance of Pankaj Tadas and Aparna Anand

Government to strengthen surveillance, laws to check cybercrimes

In view of the growing incidents of financial cybercrimes, including frauds using cards and e-wallets, Home Minister Rajnath Singh has ordered strengthening of the surveillance and legal frameworks to check the menace.

Representatives from various agencies made presentations and appraised the home minister of the current trends of financial cybercrimes in the country and the steps being taken by their agencies to address this challenge.

Source- *The Economic Times*

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Google not interested in becoming a financial provider: Diana Layfield

Diana Layfield, vice president of product management at Google said that the absolute core of our app model is to collaborate with banks and help them. We are the first one in India to launch with the multi-payment service provider model. We are working with four of India's largest banks.

Obviously, Tez works for more than 55 banks in India as it works on any UPI-enabled account, but our payment service providers are the four largest banks and we are closely partnering with them. So I do not see tech firms replacing banks in the payment space.

Source- *Mint*

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Bitcoin regains some lost ground

After reaching \$4,960 a fortnight ago, the bitcoin's price nosedived to the \$3,000 level last Friday when one Chinese bitcoin exchange said it was closing its operations.

However, on Tuesday, the bitcoin was back above \$4,000. In India, bitcoin fell from a high of Rs 354,000 to Rs 212,000 on Friday, jumped to Rs 280,000. Explaining the roller-coaster ride, Sandeep Goenka, founder, Zebpay, India's largest bitcoin exchange, said, "It shows how resilient bitcoin has become globally."

Source- *Business Standard*

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Cypher 2017 to decode data analytics

The third edition of Cypher will focus on understanding the changing dynamics of data with the increasing usage of analytics. The event, which will happen at Park Plaza in Bengaluru from September 21-23.

This year, Cypher is looking to be a bigger and better version of its previous two editions, bringing together 100 speakers, 70 talks, 15 workshops and 700 delegates from various industries across India, to learn and network on disruptive technologies such as data science, analytics, machine learning, and artificial intelligence.

Source- *Business Line*

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HighRadius raises \$50 million from Susquehanna Growth Equity

HighRadius, a provider of cloud-based integrated receivables software solutions, has raised \$50 million in growth funding from Susquehanna Growth Equity.

Sashi Narahari, Founder-CEO, said that we have more than 350 clients on our platform powered by Rivana Artificial Intelligence engine and the RadiusOne B2B payment network. This funding will help us accelerate our platform to thousands of companies globally.

Source- *Business Line*

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App development company Softweb launches AI-based solutions for small units

Chicago-based mobile app development firm Softweb Solutions has launched artificial intelligence-supported 'smart factory' solutions for small and medium enterprises in India. The company, which currently caters to US-based clients such as Bosch and GE, has initiated engagements with entrepreneurs in Gujarat to provide solutions through Internet of things (IOT) to remotely monitor machines and factories.

Besides smart factory solutions, the company is also focussing on predictive maintenance, remote monitoring, data science and visualisations, enterprise mobility and augmented/virtual reality.

Source- *Business Line*

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