

NEWS HIGHLIGHTS

DPIIT to discuss with cos issues related with data storage in draft e-comm policy on Jan 14

Digital payment gains should be used to acquire merchants, says Nirmala Sitharaman

Neobank Epifi raises \$13.2M seed funding led by Sequoia, Ribbit & others

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Today's View

Cyber Diplomacy

Cybercrime is rapidly replacing traditional crime as the criminal's method of choice. Apart from the loss of trade secrets or personal information, it has the potential to damage the relations between countries who suspect each other of political or economic espionage. Hence, governments around the world are recognizing the need for a coherent strategy to tackle cybercrime.

Few years back, numerous financial institutions were targeted through dozens of compromised computers located across the globe. Thankfully, targeted banks applied innovative approach to resolve this: they leveraged diplomatic channels to connect with the governments where these compromised computers were located. This collaborative approach to cyber-threats, better known as cyber diplomacy, has turned out to be one of the most effective tools to resolve cyber crisis.

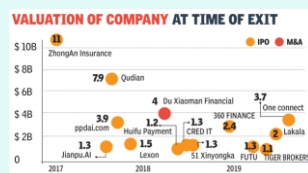
In **G20 summit**, the leaders of the world's twenty biggest economies, formed international law in cyberspace through which participating countries have agreed not to employ cyber means to steal the trade secrets of another country to benefit their commercial interests. Similarly, **European Union (EU)** has designed Cybersecurity Strategy for stable, safe and secure cyberspace by providing funding for capacity building in partner countries including the US, China, India, Japan, and South Korea.

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Billion-dollar fintech exits

Fifteen China-based financial technology firms have had exits valued at \$1 billion or more in the past three years. A look at the frenetic pace of investments and cash-outs. Fintech firms, whether in payments, insurance tech or lending, are piquing investors' interest.



Source – Times of India

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Date – 13th January, 2020

Major countries are also taking diplomatic steps to ensure safety of cyberspace. In US, Cyber Diplomacy Act has been enacted to set up the office of the coordinator for cyber issues to promote the vision of an open and secure internet and using diplomatic techniques to establish international norms and agreements with foreign partners including the **European Union Agency for Network and Internet Security (ENISA), the Central Leading Group for Internet Security and Information in China, the Centre for Information Security in Russia, and the National Cyber Security Centre in South Korea.**

Even Indian government has acknowledged the importance of Cyber diplomacy by making it an important element of foreign policy through framing national cyber security policies, sharing of critical information, research and development and capacity building with major stakeholders.

Considering the widespread consequences of cybercrimes, the effective collaboration between governments through cyber diplomacy would be crucial at keeping cyberspace a safe space.

Today's News

DPIIT to discuss with cos issues related with data storage in draft e-comm policy on Jan 14

The Department for Promotion of Industry and Internal Trade (DPIIT) has convened a meeting of industry representatives from IT and e-commerce sectors on January 14 to discuss the merits and de-merits of draft e-commerce policy on data storage, sources said. Representatives from different companies including Accenture, Adobe, Facebook, Genpact, Google, HCL, Infosys, Intel, Microsoft and TCS are expected to participate in the deliberations, they said. Besides, officials from Nasscom, E-commerce Council of India, Informational Technology Industry Council, CII and FICCI would also attend the meeting, they added. The meeting will be chaired by an additional secretary level officer of the DPIIT.

Source – *The Economic Times*

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Considering AI system for timely justice delivery, says CJI Bobde

Chief Justice of India (CJI) S A Bobde on Saturday said there is the possibility of developing a system of Artificial Intelligence for the courts with the purpose of ensuring that undue delay is prevented in delivery of justice. Justice Bobde also pitched for pre-litigation mediation against the backdrop of large number of pending cases in courts, observing that it is the need of the hour. It was important for courts to ensure that there is no undue delay in delivery of justice, the CJI said, addressing the 19th biennial state level conference of judicial officers, after inaugurating it here.

Source – *Business Standard*

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

Digital payment gains should be used to acquire merchants, says Nirmala Sitharaman

Finance Minister Nirmala Sitharaman on Friday told a representation of digital payment industry executives the government would neither amend nor withdraw the zero merchant discount rate (MDR) policy, nor compensate these companies on losses due to the waiving off the transactional charges in the upcoming budget. However, the FM assured the delegation, which included Paytm CEO Vijay Shekhar Sharma and PhonePe Founder Sameer Nigam, that the banks would be mandated to continue their investment in acquiring merchants through payment service providers (PSPs) from the capital they save up on account of handling less cash.

Source – *The Economic Times*

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Algos are changing India's stock markets

A few years ago, a company called Knight Capital launched a new algorithmic trading software, and put it to work. But there was a problem. It was losing £10 million every minute, and by the time they took it down, the company had lost £440 million. A similar event in India during a recent Diwali mahurat trading session (a short trading session on the festival, which is otherwise a holiday) saw prices in certain derivatives plunge nearly 20%. This, it was discovered later, was due to a faulty algorithmic trading software at a broker.

Source – *Live Mint*

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Neobank EpiFi raises \$13.2M seed funding led by Sequoia, Ribbit & others

EpiFi has raised \$13.2 million (about Rs. 94 crore) in a seed financing round led by a clutch of marquee investment firms, including Sequoia Capital, Ribbit Capital and Hillhouse Capital, a transaction that showcases investors' continuing interest in backing neo-banking startups. The eight-month-old Bengaluru-headquartered startup, which was founded by former Google Pay executives Sujith Narayanan and Sumit Gwalani, both of whom played a critical role in building and then launching the technology giant's payment business in India, has also brought on board Cred founder Kunal Shah and David Velez, founder of Brazil's Nubank, as early backers. "Fundamentally, we will be using the capital to further build out our technology stack, bring on board a crack team of people, as well as towards early marketing and consumer adoption.

Source – *The Economic Times*

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Ankur Capital makes first close of new fund at Rs. 240 crore

Early-stage VC firm Ankur Capital has made the first close of its second fund at Rs. 240 crore, with the investor bringing on board British development finance institution CDC as an anchor investor in its latest vehicle. In Ankur Capital Fund-II (ACF-II), which has a target corpus of Rs. 350 crore, the firm, which had previously raised Rs. 50 crore in its maiden fund in 2016, will also be increasing its cheque sizes to \$500,000-\$1 million, investing up to \$5 million in select portfolio companies, a senior executive at the investment firm told ET. "The fund strategy is to look at investing in technology and disruption and is aimed at what we term as the next billion or mass market in India," Ritu Verma, co-founder of Ankur Capital, told ET. "The underlying thesis is that we build on the digitisation or digital presence that has happened, which has allowed a lot of different types of business to be created," she added. The firm's existing Limited Partners, Dutch Good Growth Fund and government-backed Sidbi, which is investing out of its Fund of Funds Startup program, have also re-upped for ACF-II, Verma said.

Source – *The Economic Times*

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Cityflo in talks to raise funds from Lightbox

Venture capital firm Lightbox is in talks to invest in app-based bus commute startup Cityflo, said two people aware of the matter, requesting anonymity. They said talks for the potential deal are at an advanced stage and it could see Lightbox lead the funding round of about \$7-8 million. Cityflo runs air-conditioned buses in Mumbai for office-goers. It targets densely populated residential and commercial areas. The company was founded in 2015 by IIT graduates Jerin Venad, Rushabh Shah, Ankit Agrawal and Sankalp Kelshikar. Its investors include VC firms Chiratae Ventures (previously IDG), an early backer, and India Quotient, which acquired IDG's stake in June 2019. It has raised a total of \$750,000 (about Rs 5 crore) so far, according to Crunchbase data. While Cityflo is currently present only in Mumbai, it plans to use the fresh funds to expand its service frequency and fleet size, and also expand to other cities.

Source – *Live Mint*

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Unitus plans investments across jobtech, fintech, healthcare sectors

Unitus Ventures, a Bengaluru- and Seattle-based venture fund that supports early-stage tech startups, will invest in six or seven companies in jobtech, fintech, and healthcare this year, said its partner Srikrishna Ramamoorthy. "We started investing from the second fund in 2018. We have made 13 investments from this fund, we will probably add another six or seven this year," he said. The venture firm, backed by Microsoft co-founder Bill Gates' Family Office and Michael & Susan Dell Foundation, is at present investing from its second fund of Rs 300 crore.

Source – *Live Mint*

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Israeli health tech startups to head to UK to showcase wares

A delegation of 10 Israeli health technology startups will be visiting the UK next month as part of a bid by UK healthcare organizations to build more modern and effective healthcare services, and address the problems of overcrowded clinics and insufficient resources. AstraZeneca, NHSX, Care UK, Walgreens Boots Alliance and Amazon Web Services will host the startups for a series of events in London. The 10 startups, chosen out of 100 applicants, are a part of TeXchange program set up by the British Embassy in Israel that connects UK companies to Israeli firms with "promising digital solutions," the embassy said in a statement.

Source – *Times of Israel*

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