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Today's View

Operation Clean Money

India is a country with a vast geography and adding to it, is the diversity of population and businesses. This adds to the woes of our tax authorities to ensure the tax compliance of all income groups. In order to carry out this herculean task effectively, Income Tax (I-T) Department has recently been leveraging the benefits of technologies like big data analytics and even machine learning for the first time ever.

The I-T Department has initiated an "Operation Clean Money" this year to trace unreported income. Initial phase of the operation has started with e-verification of large cash deposits made during demonetisation period. Data analytics is being used to compare tax returns filed by individuals and tax paid by companies with information collected from banks on how much money was deposited. In the first batch, around 18 lakh persons have been identified in whose case, cash transactions do not appear to be in line with the tax payer's profile.

In the subsequent phases, Big Data can help improve both the tax collection and improve risk scoring process by operating on a much richer and wider set of data than ever possible before. This can be achieved by creating a 360 degree view of an entity for taxation. Putting a machine learning process on this will help detect micro patterns of fraud across accounts of multiple geographies.

The focus will be on grouping the massive data based on identifying linkages or relationships. For individuals, the groupings will be based on common addresses, mobile numbers, email IDs and joint ownership of assets, bank accounts and investments. In case of firms, the linkages will be based on the company's directors, employees and addresses of all its offices.

Never before has the I-T department attempted an operation of this scale but it becomes all the more important for the I-T office to make intelligent and optimal use of technology for fighting tax evasion without harassing law-abiding citizens. We feel when successfully implemented in full swing, technology will play a critical role in helping tax authorities to nab the culprits along with serving a potent deterrent to potential evaders.

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Proposed RBI norms worry mobile wallets

Mobile wallet company executives expressed their concerns to Reserve Bank of India over the proposed guidelines for the sector.



RBI had issued draft guidelines for prepaid payment instrument (PPI) licence holders in March.

Source-The Economic Times

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Date- 17th April 17

'Free' credit reports from fintech portals

Online financial marketplaces are offering free credit scores and reports. A fintech company, with authorization from its consumers, can access their credit reports and scores from a credit bureau for a price. It may, in turn, choose to offer this report or score to the consumer for free or as part of its services.

This model of free credit reports is distinct from the RBI-mandated free credit report, which the bureaus provide once a year.

Source-Mint

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Cash, ATM management firms may get 100% FDI approval from govt

Cash and ATM management companies will soon be allowed to attract 100 per cent foreign direct investment as they are not required to comply with the Private Security Agencies (Regulation) Act (PSARA). A clarification to this effect is likely to be issued by the home ministry shortly.

The clarification will be against the backdrop of the confusion among firms in cash and ATM management relating to compliance with the Act, under which they can receive FDI only up to 49 per cent.

Source-Business Standard

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Withdrawal trend reverses in Jan Dhan accounts

Arresting the trend of withdrawals that began in December, the net balance in Jan Dhan accounts swelled by Rs 1,000 crore to Rs 63,971.38 crore during the week ended April 5.

As per the PMJDY data for April 5, it is for the first time the net balance in the accounts has shown an increase on a weekly basis. PMJDY was launched in August 2014 to increase banking penetration and promote financial inclusion in the country.

Source-The Economic Times

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State Bank of India to reach 5.2 lakh acceptance points this year

State Bank of India plans to reach 5.2 lakh acceptance touch points to further the Modi government's Digital India initiative. The bank plans to install 4 lakh digital point of sale terminals – a combination of the newly launched Bharat QR and Aadhaar Pay.

Under the NABARD scheme, the bank is also targeting a deployment of 25,000 terminals in 12500 villages. As part of its digital initiatives, the SBI has also adopted 110 villages across the country to develop a digital ecosystem.

Source-The Economic Times

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This News Letter has been prepared with the assistance of Pankaj Tadas and Manish Kulkarni

Razorpay plans overseas foray

Razorpay, a payment gateway solution provider focused on online merchants, plans to go international. It is looking to enter South East Asia and West Asia markets in 2018-19.

Harshil Mathur, co-founder, Razorpay said that Indonesia will be the first market they will look at. Sri Lanka and Middle East will be next. Till recently, Razorpay was helping merchants accept consumer payments. Now, this fintech has started focusing on B2B payments, which is a large but underserved market.

Source-Business Line

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Wishfin sets e-loan disbursement target at \$1 billion this fiscal

Wishfin, an online financial marketplace, is targeting incremental loan disbursement of \$ 1 billion through its platform this fiscal.

After getting rebranded into a broader platform, Wishfin has got into other financial products including mutual funds and credit cards. Plans are afoot to offer general insurance products like motor insurance, health, travel insurance through an insurance broker model.

Source-Business Line

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Visa, MasterCard lobby government to ensure they don't lose out to homegrown apps like UPI, BHIM

Visa and MasterCard are said to be lobbying the government to make sure that they don't lose out amid India's digital payments push, which is being forged through homegrown applications such as the Unified Payment Interface (UPI), Bharat Interface for Money (BHIM) and now Aadhaar Pay, also known as the BHIM-Aadhaar interface.

The card companies are highlighting avenues such as QR codes and contactless payments as part of a bouquet of options to stay relevant in a cashless economy apart from the traditional avenues such as debit and credit cards.

Source-The Economic Times

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Combining human, artificial intelligence to automate process

The SaaS (software-as-a-service) start-up Squad combines human intelligence (HI) with artificial intelligence (AI) to break down the process in an efficient and cost-effective manner.

Data automation start-up SquadRun has raised \$2.1 million in its second round of funding from Blume Ventures, Contrarian Capital, 91springboard, angel investors, and others. Besides, it has partnered Uber, Sephora, Tata group, Flipkart, and others.

Source-Smart Investor

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Food delivery space to get hotter with UberEATS set to enter India

Cab aggregator Uber is set to launch UberEATS in India in the second quarter of the year. The platform, which is different from the cab-hailing app, has started on-boarding restaurant partners to create a network.

UberEATS started as a pilot in Los Angeles in 2014 and is currently live across 62 cities globally. Ola had also launched its food delivery service Ola Café in April 2015 which was rolled back by the company in less than a year.

Source-The Economic Times

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Indian Fintech Startup Perfios Raises \$6.1M in Series A

Perfios, a fintech startup based in Bangalore, announced it had raised approximately US \$6.2 Million (400 Million INR) in its Series A round of funding. The funding is a sign of how much the fintech market has been steadily growing in India the last few years.

Perfios provides several software products that help banks and financial institutions analyze data about their clients.

Source-Crowd Fund Insider

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Hike may roll out payments platform ahead of WhatsApp

Hike Messenger is set to launch a payments mechanism on its app that will be linked to the government-backed unified payments interface (UPI), a move that can make the messaging app the first in India to have the capability ahead of peers such as WhatsApp.

Hike may launch peer-to-peer payments within the app and provide a platform for making digital transactions such as recharges for mobile phone subscriptions.

Source-Telecom

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Paytm partners with Genesis Luxury for payment gateways in India

Digital wallet player Paytm has partnered with luxury brand distributor Genesis Luxury in India which markets and distributes global luxury and premium brands in the country. This would allow users to scan the store QR code and pay using the balance on their Paytm wallet.

Sanjay Kapoor, managing director at Genesis Luxury said that their great mix of designer labels from across the globe combined with a superlative payment experience using Paytm would help them to treat our customers with the most state-of the art retail experience ever.

Source-The Economic Times

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