



NEWS HIGHLIGHTS

Government electronic market (GeM) is expected to achieve \$100 billion of transactions

Fintechs, DBT data key for small loans to poor

How digital adoption will help India get economically stronger

CityCash created India's first Micro-Payments Ecosystem

Today's View

Robotic Fulfilment

COVID-19 has changed the way the world thinks, including the way the world shops. As a result, online shopping has become not only a necessity but a new normal.

The pandemic has driven unprecedented demand for online shopping, especially grocery services, with many consumers trying online grocery delivery for the first time. This has accelerated the growth of ecommerce beyond estimates for the coming year.

A recent Bain & Company report noted, "The Indian e-retail market is primed to reach nearly 300 to 350 million shoppers over the next five years — propelling the online Gross Merchandise Value (GMV) to \$100 to 120 billion by 2025."

Independent e-tailers and nationwide chains alike are struggling to keep up with the humungous demands. In the US, larger players with significant spending power, like Amazon and Walmart, have invested in emerging technologies, such as automated fulfilment. Meanwhile, many smaller players that lack the resources to invest in automation have turned to third-party services.

The pandemic has made robotic fulfilment solutions even more relevant and has accelerated market adoption.


Akhil Handa
+91 22 6759 2873

Aparna Anand
+91 22 6759 2885
Aparna.Anand@bankofbaroda.com

PM monitoring Niti Aayog project to ensure credit for bottom of pyramid borrowers

Millions of daily wage workers, small farmers and beneficiaries of various government welfare schemes may soon get access to organised credit through a project that is being directly monitored by the Prime Minister Narendra Modi's office.

Digital Lending Project Prototypes

<p>KASHI OR CASH OVER INTERNET</p> <p>Would involve banks giving cash credit through DBT</p> <p>Repayments through future deduction of DBT inflow</p> <p>Credit limit and tenure to be banks' prerogative</p>	<p>KYC SETU</p> <p>Common protocol for KYC sharing using UPI rails</p> <p>Would prevent need for repeated authentications</p>	<p>FIs including banks, NBFCs and insurers to get access</p> 
--	--	--

Source— *The Economic Times*

[READ MORE](#)

12th August, 2020

The robotic technologies used in warehouses include Automated Storage and Retrieval Systems (AS/RS), Goods-to-Person technology (G2P), Automated Guided Vehicles (AGVs), Autonomous Mobile Robots (AMRs) and Drone technology.

Amazon deploys palletizers with robotic arms that have grips which identify and grab totes from conveyor belts and stack them on pallets for shipping or stowing. Another type of robotic arm lifts pallets of inventory to different levels or places them on drive units to be carried to their next destination. The drive unit is a robot that transports packages around facilities. The company started using robotics after its 2012 acquisition of Boston-based Kiva Systems, since renamed Amazon Robotics.

Although UK-based e-grocer Ocado's fulfilment centers do employ human workers, the facilities are extensively automated with sophisticated robotics. The company has licensed its technologies to other retailers such as Kroger in the US.

In January this year, **Walmart** unveiled **Alphabot**, an automated, 20,000-square-foot warehouse that could make its grocery pickup service faster and more efficient. Alphabot's robotic carts quickly retrieve items and deliver them to employees at a picking station, who then pack and deliver the order to customers' cars in the parking lot.

We believe that with vulnerabilities being revealed by the pandemic the pace of investments in such kind of technology will accelerate, as e-commerce players would like to insulate themselves and protect their employees from future public health emergencies.

Today's News

Fintechs, DBT data key for small loans to poor.

India's leading fintech startups would play a critical role in project Kashi (cash over internet), which is being reviewed by the Prime Minister, to provide quick small-ticket loans to tide over the liquidity crisis caused by Covid-19.

The fintechs are looking to build a platform using direct-benefit-transfer (DBT) data and other available information like demographics and micro-finance institution loan history that will help assess creditworthiness and issue loans directly in bank accounts within 10 minutes.

Source – *The Times of India*

[READ MORE](#)

CityCash created India's first Micro-Payments Ecosystem

CityCash, a fintech company focused on creating India's first transit led micro-payments ecosystem, announced the closure of its seed round of \$1Mn from Oris Venture Partners, India's leading early-stage venture capital fund.

Earlier, CityCash has raised funds from FinoPaytech, the promoter of Fino Payments Bank and a leading fintech company that works towards enabling financial inclusion.

Source – *BW Disrupt*

[READ MORE](#)

ZipLoan raises Rs 15 Cr in debt round led by Stride Ventures

Stride Ventures, a venture debt fund firm, has led a debt round of Rs 15 crore in ZipLoan, a fintech lending platform that provides loans to MSMEs.

According to a statement from Stride Ventures, this is its first foray into fintech lending and the funding will be disbursed across two tranches. The firm believes this funding underlines its commitment to leverage traditional banking capital to cater to the startup ecosystem. ZipLoan caters to the need of working capital loans for kirana stores and micro-industries.

Source – *Your Story*

[READ MORE](#)

A year into business, Indian-American remote working startup valued at \$600 million

Startups in the remote working space raising money quickly and at high valuations seem to be the new normal as a coronavirus-hit world embraces work from home.

On August 11, document collaboration startup Coda said it raised \$80 million in a funding round led by Kleiner Perkins, one of Silicon Valley's oldest and marquee venture capital funds, valuing it at \$636 million. Its other investors—Khosla Ventures, Greylock and General Catalyst—also participated in the round.

Source – *Money Control*

[READ MORE](#)

Axis Mutual Fund rolls out its services via Whatsapp

Many of the mutual fund companies are using Whatsapp as medium to avail services to the customers. Recently, Axis Mutual Fund has also launched its whatsapp services. In order to avail the services from the Axis Mutual Fund, one needs to save the number '7506771113' in the cell phone and start a conversation by sending 'Hi'. The Axis Mutual Fund's chatbot will get activated and the required services can be easily accessed.

With the help of the whatsapp bot, one can evaluate the net asset value (NAV) of the funds and also portfolio valuation with the axis mutual fund can be done. It will also help in examining the status of systematic investment plan (SIP) in any of the mutual fund schemes. Additionally, it will help to file any other queries or complaints with Axis Mutual Fund. Along with this, it will avail an option to make lump sum buy. Once you choose it, the chatbot will redirect you to Axis Mutual Fund login page and from there you can do further formalities online.

Source – The Economic Times

[READ MORE](#)

Government electronic market (GeM) is expected to achieve \$100 billion of transactions

As the government electronic market (GeM) platform is preparing to upgrade in September, it is expected to achieve \$100 billion in transactions. The online platform ushered in four years of business on August 9, with 441,043 sellers and service providers registered, with a total transaction volume of Rs. 58,578 crore. On Tuesday, GeM CEO, Talleen Kumar at a session organised by the Indian Chamber of Commerce said that they are planning a unified procurement system that will integrate all public procurement platforms and allow suppliers to use it on one platform.

The merger will lead to better economies of scale, the dissemination of best practices, and effective price discovery. He also added, "The products and services amenable to procurement in a marketplace is about 5% of the GDP. In India, this translates roughly to Rs 5-8 lakh crore per annum. If we consider Rs 7 lakh crore per annum it translates to \$100 billion. Our aim is to get as close to \$100 billion per annum as possible."

Source – The Economic Times

[READ MORE](#)

Cash closes in to regain crown from Digital after atypical decline in usage

Cash withdrawals through ATMs using Debit Cards increased sharply in May, after a sharp drop in transactions in April, according to data from the Reserve Bank of India (RBI). Between April and May, ATM transactions using Debit Cards increased by almost 40% from 29.96 crore transactions to 41.50 crore transactions. Inversely, ATM withdrawals through Credit Cards continued to decline for the third consecutive month between March and May.

In April, Cash withdrawals using Debit Cards at ATMs slumped to an all time low of 29.96 crore transactions, which in the previous month were recorded at 55.56 crore transactions, declining by almost 46%. Further, the Cash value of these transactions also fell by a whopping 50% from Rs 2.76 lakh crore in March to Rs 1.35 lakh crore in April. Notably, in the same period, UPI transactions done on the National Payments Corporation of India (NPCI) platforms by rupee value crossed Cash Withdrawals from ATMs for the first time, the gap of which however reduced in May.

Source – The Economic Times

[READ MORE](#)

How digital adoption will help India get economically stronger

I have been a conservative Indian native as far as medium of exchange while transacting in this increasingly consumer-oriented world is concerned. Even the unique experiment of demonetisation could not move me to the digital economy, which incidentally has happened now during Covid-19.

It is the call of choosing between the two evils and obviously using digital payments suits the time—reminds me of Odysseus's plight, caught between Scylla and Charybdis.

Source – Financial Express

[READ MORE](#)

How Artificial Intelligence can help improve air quality

When we think of air pollution, we often think of Delhi, perhaps Beijing, or even Shanghai. Yet, our neighbourhoods from across the country as well as cities - from London and Paris to Toronto and New York - struggle with similar issues. Hence, the World Health Organisation (WHO) reports that 9 out of 10 people around the world breathe polluted air.

As humans, we contribute the most to air pollution by using energy to drive our vehicles, power our houses, run our data centers, and to travel. So much so that everything we use today was made at a factory that has contributed to air pollution.

Source – Your Story

[READ MORE](#)

Disclaimer: The views expressed in this newsletter are personal views of the author and do not necessarily reflect the views of Bank of Baroda. Nothing contained in this publication shall constitute or be deemed to constitute an offer to sell/ purchase or as an invitation or solicitation to do so for any securities of any entity. Bank of Baroda and/ or its Affiliates and its subsidiaries make no representation as to the accuracy; completeness or reliability of any information contained herein or otherwise provided and hereby disclaim any liability with regard to the same. Bank of Baroda Group or its officers, employees, personnel, directors may be associated in a commercial or personal capacity or may have a commercial interest including as proprietary traders in or with the securities and/ or companies or issues or matters as contained in this publication and such commercial capacity or interest whether or not differing with or conflicting with this publication, shall not make or render Bank of Baroda Group liable in any manner whatsoever & Bank of Baroda Group or any of its officers, employees, personnel, directors shall not be liable for any loss, damage, liability whatsoever for any direct or indirect loss arising from the use or access of any information that may be displayed in this publication from time to time.