



## NEWS HIGHLIGHTS

**NPCI raises scope and limit of debit transactions on NACH platform**

**ATMs get covid-ready, set to go contactless soon**

**Digitisation, disruption, transformation, agility: What small businesses need to focus upon.**

**South India leads in Digital KYC adoption; metros ahead of non-metros**

## Today's View

### Context-aware computing (CAC)

**Context awareness** is the ability of a system or system component to gather information about its external environment at any given time and adapt behaviours accordingly. Contextual or context-aware computing uses software and hardware to automatically collect and analyse data to guide responses.

Like a tablet computer switching the orientation of the screen, maps orienting themselves with the user's current environment and adapting the zoom level to the current speed and switching on the backlight of the phone when used in the dark are examples of computers that are aware of their environment and their context of use.

Technology experts predict that, by 2020, there will be a mind-blowing proliferation of contextually sensitive smart machines and personal assistants.

Highly developed cognitive computing systems like **IBM's Watson** will produce response to our queries in our natural language. Our physicians will be able to heal disorders by digging deep up to the DNA level. All these will impel individuals and enterprises to make investments, triggering the most chaotic era in the IT history.

**Akhil Handa**  
+91 22 6759 2873

**M T Rao**  
+91 22 6759 2879  
M.Rao@bankofbaroda.com

**Non-banking finance companies seek special fund for small and medium-size peers**

Non-banking finance companies have written to the finance minister, seeking a separate fund for small and medium-sized NBFCs.



Source – *The Economic Times*

[READ MORE](#)

17<sup>th</sup> July 2020

The global CAC market size stood at USD 27.46 Billion in 2018 and is expected to reach USD 132.15 billion by 2026, exhibiting a CAGR of 21.8%. Context is anticipated to be the most adopted component and is expected to lead the industry over next few years.

Industry participants holding substantial share include **Amazon, Apear Networks, Apple, Autodesk, Facebook, Microsoft, Nokia** and **Google**. Numerous industry players such as **Apple, Intel** and **Nokia** are focusing on creating context aware APIs (Application Programming Interfaces) for development of innovative commercial applications.

Rising demand to augment productivity and collaboration is likely to propel context aware computing market share over the next seven years. Budding context-enriched services are predicted to use situational and environmental information about the user's presence, social attributes, location etc. to foresee end users' immediate requirements. Thus, the companies can proactively offer situation awareness with more sophisticated and better utility functions.

---

## Today's News

### Digitisation, disruption, transformation, agility: What small businesses need to focus upon

"It used to be that the big eat the small; now it's the fast that eat the slow. Fast is the new big," says Daniel Burrus, the best-selling author of New York Times. And quite rightly so! Today, the flexible, agile, and risk-taking Micro, Small and Medium Enterprises (MSMEs) are giving the big firms a run for their money that continue doing business in their conventional style.

With VC funding becoming more accessible for entrepreneurs, the constraint of funds is no longer an impediment to the growth of MSMEs. MSMEs — the growth engine These small businesses form the backdrop of the Indian economy as they are among the largest employment generators and contribute significantly to the country's GDP growth.

Source – Your Story

[READ MORE](#)

### NPCI raises scope and limit of debit transactions on NACH platform

Bank customers can soon automate the payment of their credit card bills, insurance premiums, loan instalments and all such transactions of recurring nature up to an increased limit of Rs 10 lakh. The National Payment Corp of India (NPCI) has enhanced the limit for giving e-mandate on debit card and net banking transactions through their National Automated Clearing House (NACH) platform to Rs 10 lakh from the current Rs 1 lakh.

Furthermore, the facility has been extended to all categories of service providers who generate periodic bills, except for prepaid recharge, NPCI said in a circular issued to member banks on Thursday. The development comes at a time when digital payments adoption in India has seen a massive surge due to the Covid-19 pandemic.

Source – The Economic Times

[READ MORE](#)

## The cashless dividend: Indian digital payments spike over virus fears

The COVID-19 pandemic has given a body blow to the Indian economy. Its effect was worse in sectors such as travel, hospitality, retail, and entertainment. Hence, it is no surprise that digital payments methods for goods and services such as cards, wallets, UPI etc have witnessed a steep fall since the lockdown started.

It is predicted that many commercial establishments (pertaining to retail and entertainment etc) will probably not survive after the end of pandemic.

Source – SME Futures

[READ MORE](#)

## How one successful venture changed the narrative of an entire ecosystem

It takes just one startup to change the narrative of an ecosystem. Last week, Chandigarh-based PrepLadder became that startup, when the medical entrance test preparation platform was acquired by Facebook-backed educational technology company Unacademy for \$50 million in a cash-and-stock deal.

The exit, hailed by founders and investors alike, is indicative of a fledgling startup ecosystem in Chandigarh, which a clutch of homegrown venture capital-backed companies — in sectors such as ed-tech, agri-tech, content tech, Software as a Services (SaaS) and consumer goods — call home.

Source – The Economic Times

[READ MORE](#)

## Focus on ease of use helped PhonePe reach 20M daily transactions

When Sameer Nigam and Rahul Chari started PhonePe in 2015, they had four main constructs for helping consumers in their financial journey: Send, Spend, Manage, and Grow. Each of these stages has since then seen different steps of product evolution and growth, and impacted the startup's journey.

The seeds of PhonePe were sowed when Flyte, a music downloading platform launched by Sameer and Rahul in 2012, didn't pan out as they had planned. One of the main reasons for its shutdown was that payments and micro-transactions were not solved for.

Source – Your Story

[READ MORE](#)

## IndusInd Bank Successfully Completes Integration With CRMNEXT Across All Its Customer Touch Points

IndusInd Bank has announced its successful integration with CRMNEXT, the enterprise solution provider for banks and financial services. This integration will enable the Bank to simplify the process of customer on-boarding, introduce new products and meet customer demands by automating and customizing processes to fit the modern-day financial requirements.

The CRMNEXT platform will empower IndusInd Bank with an intelligence-driven 'Customer Action Center' which will provide complete information on customers acquired from multiple sources and make it available on a single intuitive screen.

Source – Business World

[READ MORE](#)

## ATMs get covid-ready, set to go contactless soon

Digital lending startups, which restarted disbursing loans in June, are focusing on existing customers instead of acquiring new ones amid business uncertainty. Loan disbursement volumes rose to about 50% of pre-covid levels in June, but 80-90% of new loans/top-ups were given to old customers.

"Banks and NBFCs are now taking low-risk bets and focusing on borrowers having a steady income flow. This would mean choosing salaried persons working in MNCs with more job security versus the self-employed. Lenders are pushing existing customers to draw more capital and utilize the full loan amount given to them," said Bhavik Hathi, managing director, Alvarez and Marsal (India), a management consultancy.

Source – Live Mint

[READ MORE](#)

## South India leads in Digital KYC adoption; metros ahead of non-metros

Contactless credit applications via Digital KYC has seen a strong uptick in May and June, with South India leading the adoption with close to 41 per cent of Digital KYC applications coming from this region.

City-wise, Delhi-NCR accounted for 21 per cent of the total applications, followed by Hyderabad at 16 per cent which remained in absolute lockdown for a much smaller period, says BankBazaar.com, a financial marketplace and free credit score provider with 100 million visits per quarter.

Source – The Hindu Business Line

[READ MORE](#)

## How founders of KhataBook were able to clinch the deal with Y-Combinator and Surge despite multiple rejections

When Ravish Naresh started Kyte (now pivoted to KhataBook) with his friends in 2016, he hadn't anticipated one problem. As one of the co-founders of the real-estate startup Housing, he wasn't exactly a favourite of the startup ecosystem.

"Let's be honest, we didn't have a good rap. We had gone through \$100 million in cash in a short timeframe. And when I started again, Housing's reputation preceded me. It was hard to get angel funding and in those days, India wasn't as forgiving towards failures as Silicon Valley," says Ravish.

Source – Your Story

[READ MORE](#)

## 10 challenges plaguing small sellers in the Indian e-commerce market

Driven by increased internet penetration, smartphone usage, and digitization of services, the e-commerce market in India has progressed unimaginably in recent times. In fact, India is home to one of the fastest-growing e-commerce markets in the world.

Accounting for 3.4% of the overall retail market, India's e-commerce market is expected to see 300-350 million shoppers by 2025.

Source – The Economic Times

[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.