



## NEWS HIGHLIGHTS

Fintech industry accelerates financial inclusion, to push faster digital adoption

Digital payments to play key role in the next normal

Zerodha's stock market learning app for 'Robinhood Traders' crosses a million downloads

The biggest tech trends to watch out for in 2021, from Fintech to E-Commerce

## Today's View

### Edge AI

Edge AI is a system that uses Machine Learning algorithms to process data generated by a hardware device at the local level. Edge AI eliminates the privacy issue of transmitting millions of data and storing it in the cloud, as well as the bandwidth and latency limitations that reduce data transmission capacity.

Edge AI refers to AI algorithms that are processed locally on a hardware device. The algorithms are using data (sensor data or signals) that are created on the device. It can process data and take decisions independently without network connectivity. In order to use Edge AI, one need a device comprising a microprocessor and sensors.

Edge AI will allow real time operations including data creation, decision and action where milliseconds matter. Real time operations is important for self-driving cars, robots and many other areas. Reducing power consumption and thus improving battery life is super important for wearable devices. It will reduce cost for data communication because less data will be transmitted.

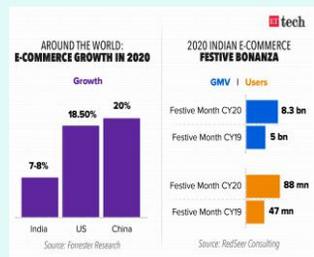
**Octonion**, a start-up that integrates artificial intelligence into low-power microcontrollers, exemplifies how intelligence can be imbued into industrial products. The technology helps companies make smart decisions in real time, locally, by using continuous learning models and machine health scores. Examples include deploying edge AI on industrial motors and pumps to improve monitoring and develop predictive maintenance capabilities.

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### India's e-commerce sector sees big growth in 2021

India's online retail sector failed to match the growth of ecommerce in mature and far larger markets such as the United States and China this year, despite recovering quickly after the nationwide lockdown and the most successful festive sales period ever.



Source— The Economic Times

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1<sup>st</sup> January 2021

The major key player in the global edge AI software market are International Business Machine (IBM), Microsoft, Foghorn Systems In Vision AI, Anagog, Amazon Web Services, TIBCO, Imagimob AB., Veeva Inc. and Tact.ai Technologies Inc.

Considered the next wave of artificial intelligence, edge AI is a network infrastructure that makes it possible for AI algorithms to run on the edge of a network. The sudden and dramatic changes in network traffic that have accompanied Covid-19 lockdowns and the shift to working from home are likely to accelerate the move already underway towards edge computing.

Edge Artificial Intelligence (AI) software market size is predicted to grow from US\$ 355 Million in 2018 to US\$ 1,152 Million by 2023, at a CAGR of 27%.

## Today's News

### Fintech industry accelerates financial inclusion, to push faster digital adoption

The rapid growth of fintech players has helped in accelerating financial inclusion and new age technologies like AI and ML will further quicken digital adoption in the country, benefitting both the industry and the consumers in the coming years, according to experts. India has an opportunity to become a USD 1 trillion-digital payments market. The country witnessed 3,435 crore digital payments in 2019-20. While the government is making efforts to give a big push for digital India, the Reserve Bank is enabling the sector's growth with regulatory interventions and there will also be a separate division for the fintech companies at the central bank.

Fintech players are hopeful that the industry will expand and will penetrate into newer areas of financial transactions. Payments and banking solutions provider Sarvatra Technologies Founder and Managing Director Mandar Agashe said previously most of the technology companies were giving products and services to banks through back-end support. Over the years, India has seen a very unique progress with adoption of fintech services in terms of speed and scale, he added.

Source – The Economic Times

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### Post Office Savings Bank likely to be interconnected with other banks by April

New Delhi: India Post expects to make the Post Office Savings Bank interoperable with other bank accounts by April and will focus on enhancing digitisation of all services in 2021, a senior official of the department said.

The postal department during the lockdown was at the frontline to deliver essential parcels when rail, road and air traffic were grounded and continues to enhance capacity as trains are not fully operational yet, Department of Posts Secretary Pradipta Kumar Bisoi told. "We will enhance our focus on digitising services and delivery of service at doorstep in the coming year. Our banking and financial services have been digitised already. We expect to make Post Office Savings Bank also directly interoperable with accounts of other banks by April," Bisoi said.

Source – The Economic Times

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### Digital lenders association tightens code of conduct for loan recoveries

The Reserve Bank of India (RBI), recently warned borrowers to be aware of digital lending entities that promise personal loans within minutes and charge exorbitant rates of interest.

The Central Bank's warning came after several complaints about retail borrowers falling prey to a growing number of unauthorised digital lending platforms and mobile apps that promise quick loans in a hassle-free manner. The suicide cases of borrowers being unable to pay loans associated with digital lending apps are also rising.

Source – Money Control

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### Zerodha's stock market learning app for 'Robinhood Traders' crosses a million downloads

Zerodha is to stock trading in India what Flipkart was to online shopping — a pioneer and a name synonymous with the industry itself. After creating an online discount broking empire with its suite of apps, the fintech unicorn set out to impart stock market education and demystify the workings of the bourses for noobs.

While learning and knowledge sharing have always been at the core of Zerodha — it holds webinars, trading Q&As, video lessons, etc. — it launched the Zerodha Varsity app in April 2019.

Source – Your Story

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## Digital payment companies continue to bleed as expenses pile up, profits remain elusive

Digital payments major PhonePe reported a net loss of Rs 1,772 crore as of March 2020 on revenue of Rs 427 crore, according to regulatory filings sourced from business intelligence platform Tofler. While the Flipkart-backed payments company has continued making massive losses, it has reduced the extent of losses from last year, when it had reported a net loss of Rs 1,905 crore, by almost 7 percent. Compared to last year it has boosted revenues as well, from Rs 245 crore to Rs 427 crore.

PhonePe has incurred a massive cost while promoting the platform through multiple channels. It has Aamir Khan and Alia Bhatt as its brand ambassadors. The top Bollywood celebrities promoted the app heavily during this year's Indian Premier League. While it might have incurred heavy costs in promoting the app, PhonePe has managed to gain significant market share. It reports one of the highest monthly UPI transactions, has sold more than 6 lakh insurance policies and has expanded its footprint across 1.5 crore merchant establishments in 500 cities.

Source – Money Control

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## The biggest tech trends to watch out for in 2021, from Fintech to E-Commerce

2020 is behind us. Welcome to a year of recovery. While we stayed home for most of last year to minimise the risk of contagion, technology — personal, systemic and institutional — helped us emerge from the Covid-19 crisis in ways that were big and small, obvious and surprising. ETtech reporters picked the biggest technology trends that defined last year and what's coming up in 2021.

Consumer Tech: Consumer-facing brands, especially those with heavy brick-and-mortar presence, were severely impacted when India announced one of the strictest lockdowns in the world. However, most of them quickly realigned their businesses to sell online and witnessed sales traction in the second of the year. Most direct-to-consumer or D2C brands have recovered from the jolt of the pandemic and are expected to better their previous year's performance. For digital-only D2C brands, the pandemic was a shot in the arm as stay-at-home restrictions accelerated digitisation and more people bought products online.

Source – The Economic Times

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## Digital payments to play key role in the next normal

The changes brought about by COVID-19 in our working and personal lives will not roll back when its severity subsides or treatments render it less dangerous. The disruption will have a lingering impact, particularly on marginalized sectors and communities — micro, small and medium enterprises and those employed in informal sectors like construction and agriculture.

The pandemic also alerted us to the vulnerability of cash and the resilience of digital technologies. Even with all of the restrictions at the time of lockdowns, commerce needed to keep flowing to fulfill basic needs. Digital technologies made this possible and quickly became a strategic and operational priority. The immediate consequence was a sharp reduction in discretionary spending along with reduced cash usage. Discretionary spending initially sank by 40 percent globally, according to a McKinsey report.

Source – CNBC TV

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## Small town startup ecosystems to emerge stronger in 2021

Small towns in India have seen an influx of youth in 2020, thanks to the pandemic. With many offices extending work from home policies indefinitely, Tier II and Tier III residents returned to their hometowns to work from the comfort of their homes.

But, increased digital penetration, new government initiatives, a lower cost of living, and innovative ideas have inspired many youngsters to startup in the hinterlands of India.

Source – Your Story

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## Digital Footprint And Behavioural Patterns Could Increase Your Credit Score

The credit landscape continues to evolve and the pandemic-initiated realignment in 2020 has accelerated the digital onboarding of customers. Mobile app-based strategy has moved from a “good to have” to a “must-have”. Anonymised, consented and ethical access to the digital footprint of the consumers/ borrowers opens up new vistas for effective credit analysis.

Traditional sources of data, including the credit bureau check, have remained the cornerstone of credit assessment for decades and will probably continue to have relevance going ahead too.

Source – Outlook Money

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