



NEWS HIGHLIGHTS

Top 4 Fintech Companies Which Are Using AI & ML

Indians prefer digital swipe, but keep cash handy amid Covid

IAMAI, ISPIRT in fray to set up regulatory body for digital payments in India

RBI grants PPI license to Eroute Technologies

Today's View

Floating Farms

Tap a button on your phone and hop into the shower; walk downstairs 15 minutes later, and you have a fresh pot of coffee waiting for you. This is no longer just a fantasy for many people. The rise of the internet of things has allowed us to control remote appliances with just a tap of the touchscreen. Until now, the scale of these processes has largely been limited to personal devices: anything from brewing a pot of coffee to warming up your car on a frosty morning. But what if we could grow food for thousands of people, with that same tap of a button with "Smart Floating Farms".

Forward Thinking Architecture a Barcelona based firm's design comprises a multi-level agricultural farm that can be constructed, pushed out to sea, and left to work mostly on its own. The farm is designed to operate on three levels: a bottom level containing wave barriers, an aquaculture fish farm, a slaughterhouse, a packing facility and desalination plant; a second tier for hydroponic and aeroponic food production; and a rooftop level having skylights to let in light and photovoltaics to provide the energy required to power everything.

Each level is roughly 750,000 square feet – with enough room to grow up to 8.1 tons of vegetables and 1.7 tons of fish per year. The architects estimate that this would cover the project's expenses within 10 years. And since the farms are modular, a few or many of these structures could be grouped together to provide enough food for entire communities, especially those located in areas without arable land, or with a population so large it overwhelms its food supply capabilities.

Akhil Handa
+91 22 6759 2873

Clint James
Clint.James@bankofbaroda.com

Embedded finance: How fintech can democratise opportunity in the pandemic era and beyond

The business case for fintech innovation and broader financial inclusion is clearly made in the book *Beyond Good: How Technology is Leading a Purpose-driven Business Revolution* by Theodora Lau and Bradley Leimer.

Fintech Ecosystem Players	
Player	Startups
Payal	Acquisitions: BrainTree (social payment), Zettle (Square of Europe), Honey (shopping deals)
Pragati Ventures	Portfolio startups: Hippo (home insurance), Steady (gig workers community), Charlie (laboratory startup)
Goldman Sachs	Acquisitions: United Capital (wealth management), Clarity Money (personal finance)
SBVA	Investments/acquisitions: Atom (mobile-only bank), Prosper (digital lender), Simple (neo-bank), Tula (insurtech)
Village Capital	V5Cap investments: MPOWER financing (international students), Vault (student loan payments), PiggyVest (Nigeria: savings discipline)
Floorish Ventures	Investments: digital-only banks (Aspiration, Chime), Pragati (managing safety-net benefits)
Financial Solutions Lab	Portfolio: Nova Credit (credit scoring for immigrants), HoneyBee (financial coaching, extra pay), Even (financial decision support)

Source – *Your Story*

[READ MORE](#)

14th May 2021

And unlike other forward-thinking agricultural techniques like urban farming, it spares valuable land space for alternate uses.

The world population is predicted to grow from 6.9 billion in 2010 to 8.3 billion in 2030 and to 9.1 billion in 2050. By 2030, food demand is predicted to increase by 50% (70% by 2050). The main challenge facing the agricultural sector is not so much growing 70% more food in 40 years, but making 70% more food available on the plate. To meet this ever growing demand, new agricultural techniques must be developed.

Floating Farms envisage making the farming process autonomous, placing the structures on top of the water allows the farms to adapt to rising sea levels and avoid flooding issues common to traditional agricultural techniques. While this strategy may seem outlandish, it actually has a long and successful pedigree, having been employed for centuries by Bengali farmers as a response to dramatic changes in water level during flood seasons. The farmers construct beds in lakes and rivers using several layers of bamboo and water hyacinth, fill them with semi-decomposed aquatic plants and then seed. The beds are tethered to the lakebed to prevent them from floating away. As a result production rates have increased manifold compared to existing land-based practices.

However, the true innovation of the Smart Floating Farms project is in taking non-traditional farming techniques and combining them with already-existing technologies. Jan Willem van der Schans, a senior researcher at **Wageningen Economic Research** who specialises in urban farming and circular economy issues, said such floating farms could be the future for sectors of agriculture such as fruit and vegetables in parts of the world.

As the architects acknowledge in their design statement, the project “is not meant to solve all of humanity’s hunger problems or to replace existing traditional agriculture.” One project alone will not save the world, but embracing the technologies available to us is a great start towards tackling these issues. If only it were as easy as the touch of a button.

Today’s News

Top 4 Fintech Companies Which Are Using AI & ML

In today’s era of the digital world, one has to be updated with all the technological advancements. Past years have seen a lot of growth in the fintech industry, specifically in the uses of Artificial Intelligence and Machine Learning. These days fintech companies are dependent on AI & ML for most of their work. AI & ML have a lot of potential to take the fintech industry to the next level.

AI capabilities are embedded in solutions across fintech industries which optimizes processes, results and profits across the whole value chain. Financial services have to deal with immense volumes of personal and operational data and thus capitalize on robotic process automation, computer vision and ML technologies for their business processes.

Source – Business World

[READ MORE](#)

How fintech offerings can become the backbone of India’s banking sector in at least 5 years

The Indian economy has undergone a radical transformation in the last decade. The confluence of technology and finance, or fintech, has been at the centre of the change. India has emerged as one of the biggest fintech hubs in the world as new-age companies leveraged technology to change the way people and businesses avail banking and financial services.

In the next five years, the valuation of the sector is expected to touch \$140 - \$150 billion, according to a joint report by BCG and FICCI. Attracted by rapid growth, domestic and foreign investors have poured in \$10 billion into Indian fintech companies in the last few years.

Source – Your Story

[READ MORE](#)

Digital Payment Platform Paytm To Get 7% Stake In Japanese PayPay

Paytm is in talks to acquire a 7% stake in Japan’s PayPay, two years after the Indian digital payment start-up was given a call option to convert its holding into shares.

This deal was announced by SoftBank, which owns a 20% stake in One97 Communications, the parent company of Paytm.

Source – Business World

[READ MORE](#)

Indians prefer digital swipe, but keep cash handy amid Covid

Digital modes of payment have soared manifold since the demonetisation in late 2016, but cash too has kept pace, more so during the Covid pandemic. Digital transactions have grown at a CAGR of 66.4% to 40.1 billion transactions in FY20 from 3.1 billion transactions in FY15, as per the Reserve Bank of India data. The average daily digital transactions in India in January 2021 were at 142.6 million, up from 8.6 million in 2015. Interestingly, the currency in circulation is also at its highest in a decade, as people prefer cash storage in anticipation of medical emergencies amid restrictions in movements.

Cash conundrum: From 12% of the GDP in FY16, currency usage slumped to 8% in FY17 following demonetisation and has been gradually rising since. Currency in circulation rose 17% (year-on-year) to Rs 28.6 lakh crore by end-March 2021, compared with 14% at the end of the previous fiscal year, the latest Reserve Bank of India (RBI) data showed. Cash in the system further increased to Rs 29.4 lakh crore as of May 7. Withdrawal of benefit payouts and subsidies from Jan Dhan accounts, better agriculture output and farm-gate receipts are among the various factors attributed for the cash shortage.

Source – The Economic Times

[READ MORE](#)

IAMAI, iSPIRT in fray to set up regulatory body for digital payments in India

India's two most influential technology and internet associations are in the fray to set up an industry body to supervise the country's burgeoning digital payments ecosystem under Reserve Bank of India's Self-Regulatory Organisation (SRO) framework, three sources aware of the matter told ET.

The Internet and Mobile Association of India (IAMAI), an industry body of all the leading internet and technology companies in the country, is preparing a proposal led by its digital payments arm, the Payments Council of India (PCI). The Indian Banks' Association (IBA) is also considering joining the bid with PCI to form this SRO, the sources said. Bengaluru-based thinktank, Indian Software Products Industry Round Table (iSPIRT), the architect of several of India's core digital rails like Unified Payments Interface and Aadhaar, is also preparing its bid through a group entity—Digital Collective for Empowerment (DICE), the sources said.

Source – The Economic Times

[READ MORE](#)

RBI grants PPI license to Eroute Technologies

The Reserve Bank of India has issued authorisation to Eroute Technologies Private Limited with perpetual validity to commence issuance and operations of semi-closed pre-paid instruments in the country. The company aims to Serve the Underserved segments which comprise almost 680 million people, by creating user-friendly payment solutions addressing the specific needs of various consumer segments of our society.

Sanjeev Pandey, MD & CEO of the company said, "Amidst the outbreak of COVID pandemic, digital payments have become crucial for the people and the Government to fight covid spread between human to human. In such unprecedented times, we are delighted and grateful to the Reserve Bank of India for granting us a greenfield licence as we concentrate on enriching payment experiences across sections of our society by offering safe, secure, and reliable payment solutions to match the lifestyle of our users."

Source – The Economic Times

[READ MORE](#)

Airtel Payments Bank launches gold investment platform in partnership with SafeGold

Airtel Payments Bank Thursday launched gold investment platform 'DigiGold' in partnership with SafeGold, a provider of digital gold, as part of its growing bouquet of digital services, The DigiGold investment platform will enable Airtel Payments Bank's saving account customers to invest in 24K gold using the Airtel Thanks App, and they will also be able to gift DigiGold to their family and friends, who have a savings account with Airtel Payments Bank.

The gold purchased by customers is stored securely by SafeGold free of cost and can be sold through the Airtel Thanks app at any time conveniently.

Source – The Economic Times

[READ MORE](#)

How digital payment systems can boost Bangladesh's push to meet the SDGs

As we grapple with the challenges presented by the pandemic, Bangladesh continues to clock impressive growth and is in fact an outlier in the global economic scenario. Its gross domestic product (GDP) grew an estimated 5.2% in 2020 and is likely to grow 6.8% this year.

In comparison, the global economy shrank 3.5%. Among Bangladesh's neighbours, Pakistan, Sri Lanka and India are facing GDP contractions.

Source – Weforum

[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.