



## NEWS HIGHLIGHTS

E-payments industry counts the costs after zero MDR jolt

Microsoft launches new program for B2B startups

BharatPe gets \$75M from Coatue, Ribbit

India Inc scales the wall as China can't mask its pain

## Today's View

### Defence, with a force of AI!

The impact of AI is already being felt in many areas, such as speech recognition in digital assistants like Siri and Cortana and consumer behaviour prediction by Amazon and Google; some unconventional sectors like defence are also being transformed with AI.

As per **Centre for Land Warfare Studies (CLAWS)**, Artificial Intelligence Industry in India is currently estimated to be \$180 million annually in revenues. Considering the future potential of AI to strengthen the defence capabilities of the armed forces, multiple governments are structuring their policies to initiate AI-focussed plan of action.

For instance, **India** has established **Center for Artificial Intelligence and Robotics (CAIR)** for dedicated AI-based research in defence. It primarily focusses on artificial neural networks, computer vision and situational awareness for network-centric operations and decision making using a vast knowledge base of battlefield tactics data. The government has started working on incorporating AI to enhance the operational preparedness of the armed forces which would include equipping them with unmanned tanks, vessels, aerial vehicles and robotic weaponry.

Similarly, **US** Administration has formed **National Science and Technology Council (NSTC)** sub-committee on AI and Machine Learning, to help coordinate Federal activity in AI. It has also developed a defence project based on 'Explainable Artificial Intelligence (XAI)', focused on machine learning and human/computer interaction.

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## The rise of self-improvement & productivity apps

An ecosystem of blogs, books, videos, podcasts and apps feeds the desire to improve oneself to the point that it feels like the central purpose of life, that failing at it would mean failing at life itself.

**Sleep & Meditation**  
**Over 10 mn**  
Installs each for meditation apps Calm and Headspace on Android  
**\$100-200**  
Price range of popular, sleep-tracking wearable gadgets  
Source: Wearable.com, Play Store

Source – *The Economic Times*

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It enables end-users to understand, trust and manage the emerging generation of artificial intelligence (AI) systems.

Concurrently, **China** is advancing in gathering top talent and establishing initial frameworks for laws, regulations, ethics and policy around use of AI to bolster its defence capabilities. It has recently developed 'Swarm Intelligence', which involves autonomous cooperative behaviour among masses of distributed robots in collaboration with **China Electronics Technology Group Corporation**. On the other side of the globe, **Australia** is leveraging IBM's Watson platform for its armed forces for employing AI, cognitive learning and advanced analytics on its past military data.

Some of the research papers have looked at how AI might be used in potentially destructive way, in form of 'killer robots' like 'Lethal Autonomous Weapons Systems'. However, considering the increasing awareness about the disastrous effects of such applications, we believe that, for the foreseeable future, AI will continue to be used for seemingly routine, monitoring and analytical tasks in the defence sector.

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## Today's News

### Microsoft launches new program for B2B startups

Microsoft has launched the 100X100X100 program for B2B SaaS startups in India. This initiative will bring together 100 committed companies and 100 early and growth startups that have enterprise-ready solutions to offer. Each participating company will commit to spend \$100K over a course of 18 months on solutions provided by the SaaS startups. More than 50 startups are part of the program at launch.

In a statement, Anant Maheshwari, President, Microsoft India, said, "India has one of the largest B2B SaaS startup ecosystems in the world, and it's growing exponentially. This initiative will help build scale and create amazing opportunities for startups. Businesses can now fast-track their digital journeys through easy adoption of enterprise-grade solutions. We're excited to see the outcomes of these partnerships."

Source – *The Economic Times*

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### BharatPe gets \$75M from Coatue, Ribbit

Fintech startup BharatPe has raised \$75 million led by hedge fund Coatue Management and Palo Alto-based fintech investor Ribbit Capital, as it looks to fund its non-banking financial company (NBFC) arm that is awaiting licence approval from the Reserve Bank of India.

The latest funding round has nearly doubled BharatPe's valuation to \$425 million. New investor Amplo, a US-based venture capital firm, and existing investors Insight Partners and Steadview Capital also participated in the Series C round.

Source – *The Economic Times*

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

## \$70M funding may take Khatobook valuation to \$300M

Accounting services provider Khatobook, which helps merchants record and track business transactions, is in the final stages of closing a \$70 million (about Rs 503 crore) funding round led by new investor B Capital Group, according to three people directly aware of the development.

Existing backers Sequoia Capital and Tencent are also expected to participate in the financing round, the people said. The round more than triples the valuation of the Bengaluru-based startup to between \$275 million and \$300 million in less than four months, indicating continued bullishness among investors to back high-growth financial services startups.

Source – *The Economic Times*

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## Hyundai to source more components locally for EV play

Hyundai Motor India, the country's second-largest carmaker, said it was accelerating the localisation plan for its electric vehicles (EV) as the government is set to hike basic customs duties on completely-built as well as knocked-down EVs and components, making imports more expensive.

Source – *The Economic Times*

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## India Inc scales the wall as China can't mask its pain

India Inc is sending face masks, sanitisers, soaps and disinfectants as companies do their bit to help China cope with shortage as the world's most populous nation grapples with the Covid-19 outbreak that's claimed about 2,500 victims so far.

Companies across the world have been seeking to assess the impact of the coronavirus outbreak that has halted manufacturing in China for global supply chains as well as the domestic market. In India, this has come as a business opportunity for some and a chance to help a neighbour for others.

Source – *The Economic Times*

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## E-payments industry counts the costs after zero MDR jolt

The year 2019 was an important one for the growth of digital payments in India. In October, Unified Payments Interface (UPI), the country's instant payment system, clocked up over 1 billion transactions for the first time. Since then, it has done so every month.

Its growing popularity has benefited home-grown startups such as Paytm and PhonePe (now owned by Flipkart) and global players like Google Pay. But this momentum now faces a hurdle that industry representatives fear could seriously hurt the sector.

Source – *The Economic Times*

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## Paytm founder Vijay Shekhar Sharma reveals road to profitability; may take 2 years to come out of red

Digital payment giant Paytm expects to turn profitable after two years as it is monetising the existing customer base and eyes financial services as its next major frontier for growth, its founder CEO Vijay Shekhar Sharma said.

Noida-based firm, which had an astonishing rise after infamous demonetisation in 2016, is betting on financial services, commerce and payments as three key focus areas. Sharma said Paytm's growth is divided into three phases - first three years of finding the right product-market fit; the next was revenue and monetisation; and the last phase will be about profitability and free cash flows.

Source – *The Economic Times*

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## Uber says EVs will electrify its India fleet in two years

Ride-hailing app Uber plans to quadruple its electric vehicles fleet in India by the end of the year, leveraging strategic partnerships across the ecosystem, its top country executive told ET. Uber has more than 350 electric vehicles and plans to expand that to 1,500 by year-end.

Source – *The Economic Times*

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## India is driving Puma's global growth: CEO

India's growing young population and increasing interest in fitness and sports will set Puma up for success in the future, the sportswear brand's global chief executive Bjorn Gulden said. "It's great to see the brand record sustained growth in India. It is a strategic market for Puma. A combination of global strength and local execution has accelerated the brand's momentum in the country," Puma SE's chief Gulden said in a statement.

In an earnings statement released late last week, the German sportswear maker called out the Asia-Pacific region as its strongest market with 26% sales growth last year at €1,556.9 million, adding that growth in the region was primarily driven by China and India.

Source – *The Economic Times*

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## E-commerce companies seek more time for 1% TDS levy

The ecommerce entities, including Amazon.com and Walmart-owned homegrown e-tailer Flipkart, have said they need time to upgrade IT systems in order to enable them to collect the 1% tax deduction at source (TDS) from sellers, a senior government official said.

Source – *Mint*

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