

Gist of YOJANA

April 2022



FINTECH

Fintech Beyond Boundaries

**Accelerating
Socio-economic Development**

Digital Identity

Fintech Revolution

Outstanding performance by BYJU'S students in IAS 2020

Congratulations to our toppers

02

Ranks in
Top 10

18

Ranks in
Top 50

36

Ranks in
Top 100



RANK 02

Jagrati Awasthi



RANK 8

Kartik Jivani



RANK 13

Gaurav Budania



RANK 14

Karishma Nair



RANK 17

Sarthak Agarwal



RANK 25

Vaibhav Rawat



RANK 26

Pulkit Singh



RANK 28

Divya Mishra



RANK 30

Divyanshu
Choudhary



RANK 31

Megha Swaroop



RANK 32

Rallapalli Jagat Sai



RANK 35

Aparna Ramesh



RANK 37

Narwade Vinayak



RANK 38

Varuna Agarwal



RANK 41

Aswathy Jiji



RANK 42

Pooja Gupta



RANK 46

Jubin Mohapatra



RANK 50

Abhishek Shukla

Incredible Results

CSE 2019

4 Ranks
in top 10

13 Ranks
in top 50

22 Ranks
in top 100



Rank 3
Pratibha Verma



Rank 6
Vishakha Yadav



Rank 8
Abhishek Saraf



Rank 10
Sanjita Mohapatra

CSE 2018

11 Ranks
in top 50

28 Ranks
in top 100

183 Ranks
in the final list



Rank 11
Pujya Priyadarshni



Rank 16
Dhodmise Trupti Ankush



Rank 21
Rahul Jain



Rank 24
Anuraj Jain



Rank 31
Mainak Ghosh

CSE 2017

5 Ranks
in top 50

34 Ranks
in top 100

236 Ranks
in the final list



Rank 3
Sachin Gupta



Rank 6
Koya Sree Harsha



Rank 8
Anubhav Singh



Rank 9
Soumya Sharma



Rank 10
Abhishek Surana

CSE 2016

8 Ranks
in top 50

18 Ranks
in top 100

215 Ranks
in the final list



Rank 2
Anmol Sher Singh Bedi



Rank 5
Abhilash Mishra



Rank 12
Tejaswi Rana



Rank 30
Prabhash Kumar



Rank 32
Avdhesh Meena

CSE 2015

5 Ranks
in top 50

14 Ranks
in top 100

162 Ranks
in the final list



Rank 20
Vipin Garg



Rank 24
Khumanthem Diana Devi



Rank 25
Chandra Mohan Garg



Rank 27
Pulkit Garg



Rank 47
Anshul Agarwal

CSE 2014

6 Ranks
in top 50

12 Ranks
in top 100

83 Ranks
overall selections



Rank 4
Vandana Rao



Rank 5
Suharsha Bhagat



Rank 16
Ananya Das



Rank 23
Anil Dhameliya



Rank 28
Kushaal Yadav



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Team BYJU'S

Gist of Yojana April 2022: Fintech

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Chapter 1: Fintech Beyond Boundaries

Background:

With the establishment of two institutions in 2009, India's fintech journey began. The [National Payments Corporation of India](#) was the first to take over ATM networks in India in order to modernize retail payments and settlements. The second step was the establishment of India's Unique Identification Authority.

India Stack

- The India Stack is a set of APIs that allow the government and private sector to deploy cashless and paperless technology.
- Although the owners of these APIs are responsible for their upkeep, the India Stack encourages developers to use them by hosting events.
- **Key Parts of India Stack**
 - - **Unique Identification Number:** The UIDAI makes up the India Stack, also known as the Aadhaar Stack. This is the individual's unique identification number, which is linked to their biometric readings.
 - **e-KYC:** The e-KYC project allows businesses to obtain instant customer verification.
 - **AEPS:** AEPS expands financial inclusion by allowing government entitlements and bank-to-bank transfers to be disbursed at retail outlets that can go cashless.
 - **UPI:** A payment request and a customer can use the [Unified Payment Interface](#) to send funds to a beneficiary and collect payment requests from customers.
 - **eSign:** eSign is enabled through an API that facilitates an Aadhaar cardholder to electronically sign documents. This is authenticated through biometric readings and through an OTP.
 - **DigiLocker:** DigiLocker is used as a Government of India repository for documents.
 - **Digital Signature:** Digital Signature provides the capability that allows individuals to electronically sign contracts with any entity without a pen or paper.

Digital Public Infrastructure (DPI)

- DPI refers to digital solutions that enable basic functions such as collaboration, commerce, and governance, which are critical for public and private service delivery.

Digital Public Goods (DPGs)

- DPGs refer to open source software, open data, open AI models, open standards, and open content that adhere to privacy and other applicable best practices.
- They're an important tool for constructing infrastructure in ways that avoid some of the drawbacks of proprietary software-based solutions.

FSCA - The Governing Body

- The IFSCA was established under the International Financial Services Centres Authority Act of 2019.
- In India, the [IFSCA](#) is the single body in charge of the creation and regulation of financial goods, financial services, and financial institutions.
- India's first international financial services centre is the GIFT IFSC.
- IFSC serves as a unified authority for the development and regulation of financial products, financial services, and financial institutions.

Data and standards

- People and small businesses can now retrieve and use their data thanks to digitised infrastructure.
- To make this open-banking system work, a standard language will be needed, similar to how UPI created a payment protocol.
- The National Payments Corporation of India (NPCI) is launching an Open Credit Enablement Network (OCEN) to connect lenders and marketplaces.

Conclusion:

India has demonstrated to the rest of the world that it is unrivalled in terms of technology adoption and innovation. Digital India's transformational initiatives have paved the way for innovative Fintech solutions to be used in governance.

Chapter 2: Accelerating socio-economic development

Jal Jeevan Mission:

- The Jal Jeevan Mission (JJM) aims to provide functional household tap connections (FHTC) to every rural household by 2024.
- The programme focuses on providing services at the household level, such as regular water supply in adequate quantity and of prescribed quality.
- Know more about [Jal Jeevan Mission](#).

Challenges:

- **Changing rainfall patterns:** Rainfall varies greatly in space and time as a result of climate change, resulting in less surface storage of water thereby impacting the functioning of JJM.
- **Water quality issues:** Due to geogenic and anthropogenic causes, approximately half of the assessment units are found to be contaminated with arsenic, fluoride, chlorine, nitrate, and/or salinity.
- **Lack of resource efficiency:** Lack of responsible consumption, wastage of water, leakages at distribution & end-use points, biological contamination, over-usage for agriculture, etc. are prevalent leading to inefficient resource utilization.

Critical analysis of Jal Jeevan Mission:

With numerous challenges, JJM provides an opportunity to carry out a SWOT analysis for better planning and implementation. The same has been attempted and is as under:



Chapter 3: Digital Identity

What is Digital Identity?

- A digital identity is an online or networked identity that an individual, organization, or electronic device adopts or claims in cyberspace.
- It is a collection of unique identifiers and behavioural patterns that can be linked to a specific person, company, or device.

Aadhaar Project

- India established the Unique Identification Authority of India (UIDAI) in 2008 to create the Aadhaar number for citizens.
- The goal was to create a single, unique identification document or number that would connect everyone's lives across their various business accounts.
- Know more about [Unique Identity \(UID\) Aadhaar Project](#).

Significant Aspects of Aadhaar

- **Lowest-Cost Solution:** Aadhaar has proved to be a robust and unique low-cost solution. It provides a smartcard-based solution to all the stakeholders such as UIDAI, residents and corporates using the system.
- **Safeguarding Inclusion of Poor:** The Aadhaar system is convenient for residents, leading to the inclusion of all. Identity in a centralized repository can be managed to weed out duplicates.
- **Digital ID Platform:** A unique number that can be plugged into databases of names of users or beneficiaries of other systems serves the larger purpose of cleaning those databases while authenticating identities.
- **Diverse Usage:** Aadhaar can be used at work to verify a person's identity in systems like banking, providing proof of presence, lifting rations from PDS shops, and getting mobile SIMs, among other things.



Chapter 4: Fintech Revolution

What is FinTech?

- FinTech refers to new digital technology that aims to improve and automate the delivery and use of financial services.
- FinTech is a combination of "financial technology" and "finance."
- In the twenty-first century, the term FinTech was coined to describe the technology used in the back-end systems of established financial institutions.

The Rise of FinTech in India

- India's payments infrastructure has improved significantly in recent years, thanks to the introduction of new payment mechanisms and interfaces like the Immediate Payments Service (IMPS), Unified Payments Interface (UPI), [Bharat Interface for Money \(BHIM\)](#), and others.
- The government's "Make in India" and "Digital India" initiatives also played a key role in accelerating Fintech adoption.
- The Reserve Bank of India (RBI) has pushed the growing use of electronic payments to establish a truly cashless society in recent years, which is commendable.

- Furthermore, government initiatives such as demonetization and the GST have created a significant growth opportunity for fintech projects across the country.
- Digital payment systems have undeniably been the flag bearers of the Indian FinTech market, with the introduction of breakthrough platforms such as PayTM, PhonePe, MobiKwik, and others.
- Furthermore, the global partnership between Facebook and Reliance Jio is expected to have a significant impact on India's digital payments sector, with a particular focus on hyperlocal digital commerce that will reach tier 2 and 3 cities as well as rural areas.

FinTech Trends for 2022

- In 2022, this growth is defined by several prevailing trends:
 - **Digital banking continues to grow:** Digital banking is easier to access than ever before. Many consumers already manage their money, request and pay loans, and purchase insurance through digital-first banks.
 - **Blockchain:** Blockchain technology that allows for decentralized transactions is likely to continue this trend in 2022 as more industries turn to advanced data encryption.
 - **Artificial Intelligence (AI) and Machine Learning (ML):** Client services have been redefined as a result of [AI](#) and machine learning technologies. AI and machine learning can help businesses cut costs, improve client value, and detect fraud.

Covid-19 and Digital Payments

- The Reserve Bank of India noted in its Annual Report 2020-21 that the [Covid-19 pandemic](#) fueled the proliferation of digital modes of payment.
- FinTech's prospects in India's financial system in 2021-22 will be determined by the extent to which digital usage has become entrenched.
- As a result of Covid's recent trend of remote working, the world has become smaller and financial as well as geographical borders have been broken.
- In a world where boundaries are dissolving and the scope is vast, there are many opportunities for international expansion post-Covid.

Way Forward:

In India, a large portion of the country remains unbanked, underserved and subject to a constantly changing regulatory environment. The Indian FinTech industry has received a much-needed boost as a result of the growing awareness of financial technology. All of these developments point to a positive shift toward FinTech, which has huge growth potential as the country moves toward widespread adoption.

Chapter 5: Artificial Intelligence in Financial Sector

Why Artificial Intelligence in the Banking Sector?

- The banking industry's quality of products and services is changing as a result of artificial intelligence.
- It has improved customer experience by providing better data handling methods.
- It has also improved the efficiency of traditional processes by simplifying, speeding up, and redefining them.
- Data has become the most valuable asset in a financial services organization, thanks to the availability of technologies like AI.

What are the drivers of AI disruption in banking?

- **The explosion of Data (Big Data):** Because of changing customer expectations, the explosion of the big data market has had a significant impact on the banking industry. Banks are now able to provide more personalized services thanks to big data.
- **Availability of infrastructure (Fast computers, hardware, software, Cloud):** The rapid advancement of cloud technology allows for the processing of large amounts of data at lower costs and with greater scalability.
- **Regulatory requirements:** By automating data collection processes, improving the speed and quality of decisions, and enhancing the organization's readiness to meet regulatory compliance obligations, AI-driven solutions offer a chance to address some of the challenges in today's financial systems.
- **Competition:** Banks are always competing with their industry peers, and more recently with FinTechs, to provide the best services to their customers. Banks are employing artificial intelligence to improve current service offerings, launch new ones, and provide a more personalized experience for their customers.

Significance of AI in banking:

- **Continuous monitoring of user behaviour:** Continuous monitoring of user behaviour through AI can help banks identify anomalies more quickly and efficiently, letting them take remedial action before end users are impacted and regulators spring into action.
- **Risk management and compliance:** AI-assisted underwriting gives banks a more detailed picture of a borrower, allowing them to make more informed loan decisions. To improve the accuracy of credit card fraud detection, AI and analytics-aided techniques can detect anomalous behaviour, provide multivariate forecasting, and improve risk control.
- **Anti-money-laundering screening:** Government systems and large financial institutions can benefit from machine learning (ML) combined with deep learning to monitor for potentially fraudulent activity. These technologies aid in the improvement of alert quality.

- **Effective forecasting of cash flows:** Users will find forecasting to be simple and accurate thanks to artificial intelligence. When an organization uses AI, it learns the cash flow patterns over time and provides an accurate forecast that is unique to that company.
- **Customer Support and Helpdesk:** Humanoid Chatbot interfaces can be used to improve customer interaction efficiency and lower costs.
- **Wealth management for masses:** Bot Advisors can manage individualized portfolios for clients based on their lifestyle, risk appetite, and expected returns on investment, among other factors.

Challenges

- Large-scale implementation of high-end technology like AI in India will be difficult.
- Experts believe that a number of challenges exist for the Indian banking sector using AI, ranging from a lack of credible and quality data to India's diverse language set.
- The availability of relevant data is a significant challenge.
- Any AI work that banks do revolve around data access and privacy. Banks in India will have to design AI systems that comply with GDPR and other privacy regulations.
- More skilled engineers are also needed to drive the segment, according to experts.
- The most significant challenge is a lack of qualified human resources; the current workforce is unfamiliar with the most up-to-date tools and applications.
- Artificial intelligence (AI) poses a significant threat to bank employees who would be laid off. The widespread adoption of AI could result in a serious labour shortage in the industry.

Chapter 6: Rural Banking and Financial Services

What is Rural Banking?

- The term "rural banking" refers to the provision of banking services to people who live in rural areas.
- With the majority of the Indian population living in rural or semi-urban areas, rural banking has become an important part of the Indian financial markets.

Rural Bank: A rural bank can be defined as a rural financial institution/cooperative/community bank or deposit-taking financial institution that provides customized financial services to rural communities.

Digital Payment Procedure in Rural India

- By integrating more than half a million volunteers, also known as banking correspondents (BCs), job seekers in various rural schemes have achieved a new goal.

- By providing effective training based on cashless transactions, the new goal is to enrol shops and people in the e-economy.
- The National Payment Corporation of India has simplified the two payment systems, UPI and USSD.
- Furthermore, villagers are much more at ease with fingerprints than with other security features. It would, however, help to increase enrollment rates.

Phygital Banking

- **Phygital Banking:** Phygital banking is a combination of the words physical and digital banking. It's a type of banking that combines the convenience of a physical bank branch with the benefits of digitalization.
- **Need for Phygital Banking:** The banking industry has advanced in terms of technology, and as a result, all digital customers expect real-time solutions to their problems. Digital is the driving force behind this expectation. However, it is important to note that the digital approach alone may not be sufficient to meet the needs of customers.
- **Impact of Covid-19 on Phygital Experiences**
 - People have shifted to the digital landscape as a result of Covid-19 and social distancing norms being followed across the country.
 - During the lockdown, there was a significant increase in the use of digital banking.
 - Many customers have begun to use digital banking, which they were previously hesitant to do.
 - In this way, phygital has emerged as a reform to create an engaging customer journey; user experience is assisting in online banking transactions.
 - As a result, it is anticipated that Covid-19 will hasten phygital experiences.

Challenges in Rural Areas for Digital Banking

- **Digital illiteracy:** The digital world and computers/smartphones are less familiar to the rural population. They don't even have a basic understanding of how to use a smartphone or a computer. The situation is also being exacerbated by a poor internet connection.
- **Vulnerable system and the mistrust:** The misconception is that if money is parked in a bank, it can be cheated or kept from being withdrawn, making people even more wary of digital transactions. Furthermore, the frauds that occur aggravate the situation.
- **Selective to non-acceptance of digital payments:** Due to the limited number of entities willing to commit transactions in rural areas, non-acceptance by any of these limited entities may soon result in a non-digital payment mode, regardless of willingness to pay.
- **Limited number of transactions:** When a person makes a large number of transactions with the same merchant, he or she may be pushed to focus on payment convenience. People may be less willing to conduct transactions through the digital mode if there are a limited number of transactions, especially at the end of the month.

- **Inadequate infrastructure:** Smartphone adoption, internet access, electricity, and banking services are all insufficient. Even India's largest nationalized banks are struggling to provide basic banking services to the rural population.

Way Forward:

- The Indian government should decouple the regulation of digital payments from central banking functions. As a result, this law allows payment regulation to be independent of central banking.
- The digital payment function should be independent of the RBI's central banking utility.
- In addition, [SHGs](#) may be able to assist individuals involved in the rural area's digital banking system campaign.
- Another way is to partner with various educational organizations and non-governmental organizations to raise awareness about digital transactions and financial literacy among rural people.

Chapter 7: Inclusive Infrastructure

Background:

Due to a stable and democratic political landscape, favourable demographics, a large captive domestic market, and sustainable external debt, the country's economic growth prospects are still viable. The Indian economy, on the other hand, is not without its flaws. The Indian government has introduced laudable policy initiatives such as the [Production Linked Incentive \(PLI\) Scheme](#), PM Gati Shakti National-Master Plan, and the Atmanirbhar Bharat Mission to transform the economy and boost its long-term potential.

Build Infrastructure, Enable Growth

- Infrastructure will essentially pave the way for a \$5 trillion economy and beyond. From physical infrastructure to social infrastructure to digital infrastructure involving telecommunications and broadband to transportation networks, infrastructure creation and upgrade must be comprehensive.
- All of these require significant investments, and given the recent lull in private investment, the funds will essentially have to come from the government.
- The government unveiled the [National Infrastructure Pipeline \(NIP\)](#) in 2019, which set targets for infrastructure building across various sectors and regions over the next six years (until FY25) by the government in collaboration with the private sector.

- The central and state governments are proposed to fund the majority of this investment (approximately 80%). However, due to the continued slowdown and resulting lower revenues, their ability to do so effectively and in a financially prudent manner remains a challenge.

Focus: Manufacturing and Exports

- Along with infrastructure development, key policy reforms and measures aimed at boosting the manufacturing sector, such as the PLI scheme, are expected to boost economic output in the coming years.
- The PLI scheme will not only change the manufacturing landscape, but will also make India more competitive in terms of global supply chain integration.
- As a result, the country's exports, job creation, and aid demand could all benefit.
- The [Gati Shakti programme](#), which promotes multimodal infrastructure connectivity, has the potential to boost local manufacturing and facilitate exports.
- The success of these programmes, however, is contingent on the creation of enabling infrastructure and structural reforms.

Digital Drive

- The digitisation of the Indian economy is one of the major transitions accelerated by the pandemic. In the coming years, technology and digitisation are expected to dominate the Indian economy's narrative.
- Despite the rapid and widespread adoption of digital technology over the last two years, there are still gaps and challenges in terms of accessibility and ability to use it.
- Though the government has been working on programmes to close the gap, the most pressing need is for the country's telecom and broadband infrastructure to be improved, as well as its digital literacy.
- Know more about the [Big Push for Infrastructure Development in the Country](#).

Chapter 8: Quality Education

Background:

India has made tremendous educational progress, with a primary school enrollment rate of 99 percent. The [Sustainable Development Goals](#) have now shifted their focus to improving educational quality in order to ensure that children are actually learning in school.

Concerns with Quality Education in India

- From a young age, our educational system fails our children. According to Pratham's Annual Survey of Education Report 2019, only about 51% of our children in Std III can read the Std I text. This means that half of all students in third grade are already two years behind where they should be.
- Private schools are becoming increasingly popular among Indian parents, and demand for private education tends to rise in tandem with income levels.
- For example, while nearly 90% of children in Bihar, India's poorest state, attended government schools in 2018-19, the same figure is less than 38% in Tamil Nadu, one of India's wealthiest states.
- Due to a lack of opportunities and financial resources, the majority of rural youth skip school. They take menial jobs and relocate to other states, contributing significantly to a vicious cycle of poor educational quality.

Digital Education:

- While technology and online education are becoming more prevalent, there is no substitute for face-to-face education if no child is to be left behind.
- Access to complementary goods and services, such as smartphones and reliable internet access, is required for e-learning.
- According to Pratham's 2020 survey for rural India, 38 percent of children's families do not have a smartphone, and another 45 percent have only one smartphone to which a child does not have exclusive access.
- In any case, the development of cognitive and interpersonal skills is critical during a child's formative years, and these can primarily be fostered through face-to-face learning methods.

New Education Policy, 2020:

- The goal of the New Education Policy, 2020 is to increase public investment in education to 6% of GDP.
- Multiple regulators in the education sector are causing conflict and increasing the compliance burden on educational institutions, according to NEP 2020.
- This would increase private and foreign funding in India's traditional education system, similar to what has happened in the E-education sector in recent years, which has been less regulated.

Key initiatives to achieve the aim of the New Education Policy 2020

New India Literacy Programme (NILP)	The scheme will be in line with the National Education Policy 2020 and the 2021-22 Budget Announcements. Increased access to resources, and online modules covering the entire gamut of adult education, were announced in the Union Budget 2022.
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Operation Digital Board	The 'Ministry of Human Resources Development' launched 'Operation Digital Board' in February 2019 to improve education quality in the country (MHRD). All government schools, government-aided schools, and government-aided higher education institutions will be equipped with digital/smartboards under this scheme.
DHRUV	The Pradhan Mantri Innovative Learning Programme 'DHRUV' is a government-led initiative with support from the Union Ministry of Human Resource Development. Its goal is to improve a gifted child's skills and knowledge, as well as to encourage them to reach their full potential and contribute to society's development.
STARS	STARS is an acronym for 'Strengthening Teaching-Learning and Results for States Program'. It would be implemented as a new Centrally Sponsored Scheme under the Ministry of Education's Department of School Education and Literacy.
PARAKH	Under National Education Policy 2020, a National Assessment Centre, PARAKH (which stands for Performance Assessment, Review, and Analysis of Knowledge for Holistic Development), will be established as a standard-setting body for all recognised school boards.

Conclusion:

Harnessing India's [demographic dividend](#) is largely dependent on the country's educational ecosystem. Almost a quarter of India's population is in the age group (6-23 years) that is expected to attend educational facilities and contribute to the country's human capital base. Furthermore, due to the Indian people's financial constraints, public education is critical. At a time when budget outlays for implementing the SDGs are limited, maximizing financial resources for educational infrastructure is critical.

Chapter 9: Digital Currency

Background:

A digital currency is a type of electronic money that can be used in contactless transactions. Union Budget 2022 announced that the Reserve Bank of India (RBI) would soon launch its digital currency, the Central Bank Digital Currency (CBDC), in 2023.

What is Central Bank Digital Currency (CBDC)?

- CBDC is a digital or virtual currency, but it differs from the private virtual currencies and cryptocurrencies that have exploded in popularity over the last decade.
- Because there is no issuer, private virtual currencies do not represent any person's debt or liabilities. They aren't money, and they aren't even close to being currency.
- The Reserve Bank of India has been a vocal opponent of private cryptocurrencies, claiming that they could jeopardize national security and financial stability.
- The Reserve Bank of India (RBI) will issue Central Bank Digital Currency (CBDC), which will be a digital form of legal tender.

Difference between digital rupee and cryptocurrency

The fundamental difference between the digital rupee and cryptocurrency is that the digital rupee, which will be issued by the RBI, will almost certainly be centralised. Cryptocurrencies, on the other hand, are decentralised and cannot be controlled by a single entity.

Significance of CBDC

- CBDC is the sovereign currency in electronic form, and it would appear on a central bank's balance sheet as a liability (currency in circulation).
- In addition, the digital currency will result in a more efficient and cost-effective currency management system. As a result, it is proposed that the Reserve Bank of India would issue a digital rupee beginning in 2022-23, based on blockchain and other technologies.
- Players all over the world have the technology to use cryptocurrency as a form of payment for goods and services.
- Coinbase, a cryptocurrency exchange based in the United States, allows merchants to accept cryptos.

Know more in detail about [Central Bank Digital Currency](#).

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