



A Bimonthly Magazine on BFSI Sector

elets the Banking & Finance

SEPTEMBER-OCTOBER 2017 | VOLUME 03 | ISSUE 4 | US \$10 | ₹75 **Post**

>> SPECIAL ISSUE

Banking & Finance
**TOP
50
NBFCs'
RANKING**
2017

>> COVER STORY

NON-BANKING FINANCIAL COMPANIES

Scripting Dawn of New Age Banking



ENTERPRISE IT

SEE
THE FUTURE
OF
**NETWORKED
COMMUNICATIONS**

TRANSFORMATIVE INNOVATIONS FOR THE ENTERPRISE IT PROFESSIONAL

Maximum productivity – that is what AudioVisual (AV) and Information Communications Technology (ICT) together promise. Enterprise automation solutions, now powered by proximity-detection apps, allow office-goers to book a meeting room nearest to them. Participants can then connect their own devices to a central screen and share content with one another. Their mobile phones also act as a remote control for presentations, lights, shades and air-conditioning. In corporate and financial sectors, such efficiency is certainly a boon.

Reimagine the Next Generation of Intelligent Enterprises

This September at InfoComm India 2017, discover pro-AV and ICT solutions that can help you build 21st-century workspaces. Solutions on show span from automation controls to unified communications as well as board room solutions. And become privy to insider market information at the Summit.

Register your visit at www.infocomm-india.com/mp17

Admission is FREE.

Opening Hours

26 September 2017
Tuesday 10am – 6pm

27 September 2017
Wednesday 10am – 6pm

28 September 2017
Thursday 10am – 4pm



/InfoCommIndia



/InfoCommIndia



/InfoCommIndia



InfoComm India

Organized by:

infocommAsia

A project of:

infoComm
INTERNATIONAL

SINGLE PARTNER FOR ALL YOUR PAYMENT NEEDS



AMERICAN EXPRESS
Maestro MasterCard
RuPay VISA

CARD



Sent Received

SMS PAY



airtel money
vodafone m-pesa
freecharge
idea MONEY JioMoney
OLA MONEY

WALLET

Speak to Us

CONTENTS

SEPTEMBER - OCTOBER 2017

INDUSTRY PERSPECTIVE

- 12 **Machine Learning and Business Intelligence in BFSI Vertical**

DIGITAL PERSPECTIVE

- 14 **Citrix Addressing Scalability Concerns with Ease**
Nikhil Bagalkotkar
Chief Technologist, Citrix

NBFC PERSPECTIVE

- 18 **Manappuram Finance Ltd Catering to Demands at Forefront of Technology**
VP Nandakumar
Managing Director and Chief Executive Officer, Manappuram Finance Ltd
- 36 **Insta Capital Leveraging Technology for Financial Inclusion**
Ashok Bajaj
Managing Director and Chief Financial Officer Insta Capital
- 39 **M Power MF Ensuring Livelihood Options for Sustainable Living**
K M Vishwanathan
Managing Director and Chief Executive Officer M Power Micro Finance Pvt Ltd

FINANCING URBAN INFRASTRUCTURE

- 40 **Municipal Bonds as an Instrument of Financing Urban Infrastructure in India**

COVER STORY 08

NON-BANKING FINANCIAL COMPANIES SCRIPTING DAWN OF NEW-AGE BANKING

COOPERATIVE BANK'S PERSPECTIVE

- 20 **Maharashtra – A Pioneer of India's Cooperative Movement**
Pramod Karnad
Managing Director
Maharashtra State Cooperative Bank Ltd (MSCB)

DIGITAL TRANSFORMATION

- 22 **The first digital revolution in revenue courts administration in India**
V Srinivas
Chairman, Board of Revenue, Government of Rajasthan

SMALL FINANCE BANK'S PERSPECTIVE

- 24 **Future of Financial Services Lies in Digitisation and Analytics**
R Baskar Babu
Managing Director and Chief Executive Officer
Suryoday Small Finance Bank

43 CONFERENCE REPORT



TOP 50 NBFCs' RANKING 2017

26



2nd **BFSI**

CLOUD & SECURITY

SUMMIT 2017

December - Mumbai

MARK YOUR CALENDAR FOR DECEMBER

Elets Technomedia is organising "2nd BFSI Cloud and Security Summit 2017" in December, which promises to serve as a huge platform for leaders across the BFSI Industry and Technology providers, enabling exchange of ideas on cloud computing and deliberating on its rising demand.

The summit will also be a unique amalgamation of eminent stakeholders from the IT and Banking Industry, linked to ensuring safety for a robust network.

This cause will be supported by The Banking and Finance Post, Middle East and Asia's premier magazine on banking and financial services.

KEY CONSIDERATIONS

Cloud and its
Significance
in
BFSI Sector

Cloud
Disaster
Recovery

Security
Concerns for
Cloud Based
Environment

Safe and
Secure
Banking

Data
Security and
its Concerns

Risk and
Fraud
Assessment

For Enquiries, Contact: **Manu Raj Singhal** | +91-9871543890 | banking@eletsonline.com

Stay Connected with us:



BFSIPost



Banking & Finance Post



@BFSIPost

SEPTEMBER - OCTOBER 2017

EDITOR-IN-CHIEF

Dr Ravi Gupta

EDITORIAL TEAM - DELHI/NCR

Senior Assistant Editors: Souvik Goswami, Gautam Debroy

Assistant Editors: Sandeep Datta, Vivek Ratnakar, Priyanka Sharma, Gopi Krishna Arora

Senior Correspondents: Shivani Tyagi, Akash Tomer

Correspondents: Rashi Aditi Ghosh, Rajbala, Dipen Pradhan

BENGALURU BUREAU

Associate Editor: T Radha Krishna

MUMBAI BUREAU

Senior Assistant Editor: Kartik Sharma

Senior Correspondents: Poulami Chakraborty, Rakesh Kumar Roy

Correspondent: Harshal Yashwant Desai

JAIPUR BUREAU

Senior Assistant Editor: Kartik Sharma

CHANDIGARH BUREAU

Assistant Editor: Priya Yadav

HYDERABAD BUREAU

Assistant Editor: Sudheer Goutham B

LUCKNOW BUREAU

Assistant Editor: Arpit Gupta

AHMEDABAD BUREAU

Assistant Editor: Hemangini S Rajput

ODISHA BUREAU

Senior Correspondent: Biswajit Sahoo

RAIPUR BUREAU

Correspondent: Susmriti Sahu

BHOPAL BUREAU

Correspondent: Divakar Mukherjee

SALES & MARKETING TEAM

Manager: Manu Raj Singhal

Senior Executive: Shivam Pathania

SUBSCRIPTION & CIRCULATION TEAM

Manager, Subscriptions: +91-8860635832; subscription@elets.in

DESIGN TEAM

Creative Head: Anjan Dey

Deputy Art Directors: Om Prakash Thakur, Gopal Thakur, Shyam Kishore

Senior Graphic Designer: Pradeep G

WEB DEVELOPMENT LEAD

Farhan Khan

DIRECTOR, ADMINISTRATION

Archana Jaiswal

the Banking & Finance Post

Published by
Elets Technomedia Pvt Ltd

elets
www.eletsonline.com



Our Publications and Initiatives



EDITORIAL & MARKETING CORRESPONDENCE

BFSI - Elets Technomedia Pvt Ltd: Stellar IT Park Office No: 7A/7B, 5th Floor, Annexe Building, C-25, Sector-62, Noida, Uttar Pradesh - 201301, Phone: +91-120-4812600, Fax: +91-120-4812660, Email: info@elets.in

Owner, Publisher, Printer - Dr Ravi Gupta, Printed at Vinayak Print Media, D - 249, Sector-63, Noida 201 307. Uttar Pradesh and published from 710, Vasto Mahagun Manor, F-30 Sector-50, Noida, Uttar Pradesh

© All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic and mechanical, including photocopy, or any information storage or retrieval system, without publisher's permission.

Send your feedback about our interviews, features, articles, and news. You can either comment on the webpage of the story, or mail at editorial@elets.in

EDITORIAL

SEPTEMBER - OCTOBER 2017

Technology-Driven NBFCs Enabling Inclusive Growth

The banking and finance sector in India has been experiencing enormous expansion in alignment with the technological advancements. Taking this growth to the next level, several new segments are coming into prominence, promising inclusive growth of the society.

Filling the gaps left by the public sector banks and large private banks in serving the underserved, Non-Banking Financial Companies (NBFCs), Small Finance Banks, Payments Banks, etc, are stepping up their game to meet new demands of customers with diverse credit offerings and transactional feasibilities.

In the light of this changing landscape, our cover story - 'Non-Banking Financial Companies: Scripting Dawn of New Age Banking' - analyses the significance, challenges and the way forward for the NBFCs. The story touches upon various aspects concerning the revamping of the banking sector and the significant role to be played by NBFCs in effecting that change.

The latest issue of The Banking & Finance Post also carries an analysis, written jointly by Ashwini Kumar, Additional Economic Adviser, Ministry of Housing & Urban Affairs, Government of India and Reema Jain, Assistant Director, Ministry of Housing & Urban Affairs, Government of India, highlighting the role municipal bonds can play in financing some of the big urban infrastructure projects.

In July this year, Elets Technomedia organised the 2nd BFSI CTO Summit in Mumbai. The summit highlighted the growing interface of technology in the banking sector.

It saw the esteemed presence of eminent personalities like Padma Jaiswal, Secretary, Department of Cooperation, Goa, Kaustubh Dhavse, Joint Secretary, Chief Minister Office and Officer on Special Duty to Chief Minister, Maharashtra and Shiv Kumar Bhasin, Chief Technology Officer, State Bank of India and Chief Technology Officers, Chief Information Officers, Chief Information Security Officers, General Manager-Information Technology of the leading Public and Private banks across India, senior level executives, technology innovators and solution providers. This issue also carries the report of the 2nd BFSI CTO Summit.

In keeping with its vision to help the stakeholders in BFSI sector find innovative solutions to various issues in the ever evolving sector, Elets plans to organise 2nd BFSI Cloud & Security Summit in Mumbai in the month of December to enable exclusive exchange of ideas on cloud computing. We hope to see you there.

Looking forward to our readers' invaluable feedback.



रविगुप्त

Dr Ravi Gupta

CEO

Elets Technomedia Pvt Ltd and
Editor-in-Chief

The Banking & Finance Post

NON-BANKING FINANCIAL COMPANIES SCRIPTING DAWN OF NEW-AGE BANKING

With India striving to join the developed nations' club, there is a lot that needs to be done in various sectors. As the country's development narrative is being influenced by banking sector, the Central Government driven schemes like Pradhan Mantri Jan Dhan Yojana (PMJDY) could be key to effect a major transformation as it has already surged the number of bank accounts, writes **Rashi Aditi Ghosh** of **Elets News Network (ENN)**.

Evolution of NBFCs

NBFCs started their operations in India in the 1960s. Today, they have transformed themselves into a substantial contributor in the country's economic growth by supplementing the effort of banks and other financial institutions.

"NBFCs (unlike banks) have operational viability at lower volumes due to relatively fewer regulatory requirements, which makes it possible for NBFCs to focus on niche products or market segments, and have a greater understanding of their focus segments. This, in turn, leads to better customised products, lower delinquency rates, greater customer satisfaction and overall Financial Inclusion," says Ashok Bajaj, Managing Director and Chief Financial Officer, Insta Capital.

In a country like ours, where 70 per cent of the population resides in rural areas, NBFCs certainly have a greater role to play.

The inevitable role of NBFCs in nation building through Financial Inclusion and assisting banks in providing credit facilities to the unbanked segments of the society and Micro, Small and Medium Enterprises (MSMEs) is undeniable.

"NBFC are the last mile connectivity in the overall financial intermediation chain. Banks do not have adequate



branches and their ability to reach out is restricted. Hence, NBFCs are very important in the financial chain," says KM Vishwanathan, Managing Director and Chief Executive Officer, M Power Micro Finance Pvt Ltd.

NBFCs' grassroots level understanding of their customers' socio-economic profile and relevant knowledge of their credit needs provide them an edge over other financial institutions. Their ability to innovate and customise products based on clients' needs has enabled them to deliver credit to the MSMEs.

"India is a land of financial diversity that garners most of its Gross Development Product (GDP) from Micro, Small and Medium Enterprises (MSMEs).

It is a matter of irony that most of these enterprises are starved of capital to a large extent," adds Vishwanathan.

"While banks have not been able to fulfill the requirements of these underserved segments, NBFCs have been able to create greater Financial Inclusion by lending on the basis of business potential and cash flow rather than credit history or collateral cover," he says.

Understanding NBFCs

According to the Reserve Bank of India, "an NBFC is a financial entity registered under the Companies Act, 1956, that can deal with business of loans and advances, shares, stocks, bonds,



debentures, securities, leasing, hire-purchase, insurance, or chit business”.

However, it is important to note that any institution that primarily does business of handling agriculture, industrial activity, purchase or sale of any goods, or is related to selling, buying or building of immovable property is not necessarily an NBFC. A non-banking company that deals with receiving deposits in any form can be termed as an NBFC. (Source: Reserve Bank of India)

Rising Significance of NBFCs

The mounting debt on the public sector banks due to the exponential rise of the Non-Performing Assets (NPAs) is affecting their capacity to meet the lending demands, especially in the rural areas. This is elaborating the scope of NBFCs among the rural populace by befitting the credit necessities.

The consistent growth of NBFCs is credited to the wide range of product line, better affordability, effecting reach, strong risk management capabilities and relevant understanding of the customer segments.

It is evident that the latent growing

demands of the digitally rising India will further fuel up the growth of NBFCs. Consulting firm PricewaterhouseCoopers (PWC) has predicted that the improving macroeconomic conditions, greater credit penetration, inflated consumptions and increasing digital trends will enable the NBFC's credit growth to attain a healthy rate of 7 to 10 per cent (real growth rate) over the next five years.

In terms of financial assets, NBFCs have recorded a Compound Annual Growth Rate (CAGR) of 19 per cent over the past few years, comprising 13 per cent of the total credit which is expected to reach nearly 18 per cent by 2018-19.

“NBFCs that are truly bringing down the turnaround time of loan applications to as little as a few hours or even minutes (for small ticket sizes). Such short turnaround time is only possible due to e-Know Your Customer, online banking and cloud based lending systems that are being implemented rapidly. Today, every company knows that they must innovate or sooner or later they will cease to be relevant,” says Bajaj from Insta Capital.

NBFCs have recorded a Compound Annual Growth Rate (CAGR) of 19 per cent over the past few years, comprising 13 per cent of the total credit which is expected to reach nearly 18 per cent by 2018-19.

The Way Forward

Introduction of various specialised players is transforming the banking value chain completely. This offers a strategic opportunity for the NBFCs to assure a sustainable growth in the long run.

Collaboration with players like Payments Banks, bill payment providers

and other financial institutions, such as insurance and asset management companies, will assist NBFCs a complete reposition, starting, from deposits to lending, investments and transactions.

The government and regulatory bodies have taken positive measures to increase this number (and subsequently financial access) by allowing, in principal, licenses to as many as 21 players to establish specialty banks over the next 18 months. This will also enable the NBFCs to escalate their sustenance further.

It is evident that the strong understanding of the market enables the NBFCs to extend their reach to a greater extent. This is emerging as a better alternative to the traditional ways of banking.

In addition, the Indian consumers are increasingly getting inclined towards digital way of living. According to PWC, India is currently the second biggest smartphone market, with a user base of 220 million, and is expected to cross 300 million users by 2017.

For staying relevant in this rapidly changing environment, NBFCs need to coin a strategy to enhance their product portfolio (positioning and pricing), processes (internal and customer facing) and end-to-end customer experience.

Further, NBFCs need to leverage the vast digital and social customer data available for offering a better customer

service to the customers.

For accelerating their growth, NBFCs need to work in sync with Narendra Modi Government's ambitious Digital India programme, a flagship programme initiated to digitally empower the citizens. To sustain in this dynamic environment, NBFCs will have to find ways to serve the millennial customers through digital means.

Credit rating agency ICRA has predicted that NBFCs, excluding NBFC-MFIs, are likely to attain an increase in the 90-plus day delinquencies, by about 20-50 basis points.

The firm has predicted that the implementation of the Goods and Service Tax (GST) is likely to have a transitional impact on small businesses and self-employed borrowers, the key target segments of NBFCs.

Factors Leading to NBFCs' Growth:

- Stress on Public Sector Units (PSUs)
- Latent credit demand
- Digital disruption, especially for micro, small and medium enterprises (MSMEs) and small and medium enterprises (SMEs)
- Increased consumption
- Distribution reach and sectors where traditional banks do not lend

Role of RBI in boosting NBFCs

Narrating a new growth story for the NBFCs, the RBI is planning to prune

various categories of the sector.

According to the banking regulator, NBFCs are getting hindered due to the massive number of categories and regulations managing them. As of now, there are 11 categories under which NBFCs are divided.

India's central bank is now planning to trim these segments to initiate activity-based regulation from an entity-based one.

Prior to this, in November 2014, the RBI had reviewed the complete regulatory framework for NBFCs to analyse its activity-based supervision.

Then the apex bank had laid emphasis on making the regulations convenient by integrating the norms with banks to a limited extent.

But it is assumed that the initiations were made in the wake of RBI Deputy Governor NS Vishwanathan's comment on the scope for harmonising the regulations for the sector.

The RBI deputy governor was quoted as saying that several categories of NBFCs are creating the need for arbitrage.

Recently, the RBI made it mandatory for the NBFCs to appoint a grievance redressal officer. The important credentials such as the name and contact details of the officer is mandatorily required to be displayed in the premises of the NBFCs.

In case of any complaint, the customer can approach the grievance redressal officer of the NBFC.

If the customer is not satisfied by the settlement assured by the grievance redressal officer, the complainant can approach the nearest office of the RBI.

Details of the respective RBI offices have to be mandatorily displayed in the premises of all NBFCs.

However, if complaint is related to a credit card operated by an NBFC, then a fee is charged in the process. If the complain is not handled satisfactorily within 30 days of filling the complaint, the complainant can approach the concerned bank's 'banking ombudsman'. ●



customer, the conversion metric wouldn't be optimised to its maximum potential. Our approach to solve this problem was to look at the issue from a machine learning perspective wherein we try to look for correlations between multiple variables that may affect a customer's conversion behaviour vis-à-vis their final status as to whether they convert or not.

Random Forest Classifier

The information available to us from the call centre is at a call level record. Initially, we tried combining duration of the call and breaking the time/day/week of the call to identify a correlation. Even though correlation was present but the features themselves were relatively weak and to further enhance them, we decided to combine and form new features along with different dispositions (stage of customer journey) and other available data. Once we extrapolated weak features to around 1000 granular features, we used a combination of Random Forests and Gradient Boosting to identify the correct number of parameters to use for predicting the conversion, without overfitting the data. Since we are trying to identify customers who show an inclination towards buying, it's reasonable to have a small per cent of false positives but false negatives need to be minimised in the scenario. Cross validation techniques

were also used to balance the data bias. The metric we chose for boosting were Assets Under Custody (AUC) and log_loss. The classifier is able to give a probability score between 0-1 indicating the confidence of the classification. We then simply sort the probability scores in descending order.

Since, bulk of the data are captured under True Negatives (i.e both prediction and actual states are "No"), we have a concentrated distribution of users at the lower end of predicted probabilities.

When we consider the probability distribution for the customers who have indeed converted, we see that the distribution is significantly skewed towards higher propensity of conversion.

Based on the graph plot of Report on Compliance (ROC) and the distribution plot of probability scores of validation data, we are able to come-up with a priority list with a cut-off probability for the test/daily-feed data for active leads in the system.

Key Learning

| Confusion Matrix | | |
|-------------------|----------------------|-------|
| Actual Conversion | Predicted Conversion | |
| | N | Y |
| N | 92.11% | 0.62% |
| Y | 0.62% | 6.65% |

The model shows a high accuracy of 98.76 per cent across all cases under consideration. It also has a precision of 91.53 per cent (i.e. < 10 per cent of false positives), which typically in this use case is an opportunity to the enterprise to further target additional customers who show the potential/behaviour of a typical customer.

Business Impact

The endeavour in this analysis was to minimise False-Negatives so that we are not identifying the cohort of customers which actually shows converting behaviour and classify them as non-converts. The accurate classification of customers into relevant segments essentially helps the decision makers in prioritising the set of customers who should be specifically targeted and driving the conversion through call centres. Based on the recommendations of the classification, the expected incremental conversion rate is ~60 bps from the baseline conversion rate and result in incremental revenue of \$750K per product. However, having said that, the classification algorithm could further be improved with the incorporation of features like:

- Associating call centre representatives and their performance vis-à-vis customer classification
- Incorporation of web related events at the customer level to further solidify the classifier
- Looking at cross-sell opportunities within the customer base
- Integrating the sentiment displayed in actual conversations with the representative and determining intent ●

About Kuliza

Kuliza helps financial enterprises power their digital business with scientific design process, open source computing and artificial intelligence. Its suite of transformation solutions helps enterprises design and build end to end Digital Lending Platforms, Mutual Funds Commerce Engines and Digital Insurance Platforms. To know more reach out to contact@kuliza.com



CITRIX

ADDRESSING SCALABILITY CONCERNS WITH EASE



Financial institutions are changing and the transformation is accredited to massive digitisation drive initiated by the Centre. Ensuring sustenance in this era of transition, Citrix is offering a wide range of solutions, firming the growth of organisations, says **Nikhil Bagalkotkar**, Chief Technologist, Citrix, in conversation with **Arpit Gupta** of **Elets News Network (ENN)**.

Tell us about the product line and services offered by Citrix in India.

Citrix as a brand has perennially aimed at secure delivery of apps and data. With our advanced offering of integrated virtualisation, mobility, data sharing and networking capabilities, we not only firmed our position as a leading solution provider in the market but also have been enabling and accelerating organisations' transition into the future of work.

Widely recognised as the leaders in app and desktop virtualisation space, we deliver the benefits of centralised delivery of Windows or Linux-based desktops, thick apps, web apps and Software as a Service (SaaS) apps over any network, to any device located anywhere.

Additionally, we also offer Citrix Netscaler application delivery controller, an engine that powers the web and as much as 75 per cent of the world's internet traffic passes through this platform. Our NetScaler Software Defined-Wide Area Network (WAN) technology, on the other hand, is redefining enterprise WAN, setting new benchmarks for availability, resilience, consolidation and simplicity.

With our technology acumen, we are pioneering in the space of Internet of Things (IoT) and Mobility. Our efforts are directed towards helping organisations maintain their security posture in a world where workspaces are becoming increasingly virtual and networked devices are everywhere.

As Cloud Services are turning popular within the banking segment but safety issues associated with it being a major concern, what measures are you taking in this regard?

With the Digital India movement gaining impetus, financial institutions are increasingly taking the digitisation plunge. As more and more SaaS is getting adopted in the banking and insurance sector, the significance of the control close to the user is also rising. The control and visibility that one loses to cloud sourcing, however, can be regained via focus on access as well as 360 degree control and visibility. In alignment to this business requirement, Citrix is the only company that has the breadth of controls to give 360 visibility and control for applications, irrespective of whether these applications are SaaS-based apps, Cloud hosted apps, or core applications running in the Data Centre or legacy apps.

Additionally, Citrix, with its security-by design perspective has been accelerating transition to Cloud by providing a software defined security parameter while addressing performance as well as scalability concerns of financial institutions.

What drastic changes will cloud technology bring in the banking and financial services industry?

If you consider the broad range of new technologies that came to the financial services world, in the last 10 or 15 years, there's one that has emerged as



CHIEF GUEST
Shri Manohar Parrikar, Hon'ble Chief Minister of Goa

GUEST OF HONOUR



Shri Rohan Khaunte
 Hon'ble Minister of
 Information Technology
 Goa



Shri Francis D'souza
 Hon'ble Minister of
 Urban Development
 Goa



PROGRAMME CHAIR
Ameya Abhyankar
 Secretary,
 Department of Information Technology
 Government of Goa

KEY THEMES

- Digital India
- Smart Cities
- Startup India
- Skill India
- Make in India
- Digital Payment Transformation
- Aadhaar
- Smart Health
- Innovation in Education

For Queries Contact

Poulami Chakraborty | Mobile: +91-9850876677
 knowledgeexchange@egovonline.net

STAY CONNECTED

egovonline @egovonline eGov Magazine

HOST PARTNER



YOGI ADITYANATH
 Hon'ble Chief Minister of Uttar Pradesh



SURESH KUMAR KHANNA
 Hon'ble Minister of Urban Development
 and Parliamentary Affairs, Uttar Pradesh

ORGANISER



'Lock City' is all set to become 'Smart City.'

Aligarh has come a long way from being known as 'Kol' to becoming the smart Educational and Industrial hub. It is one of the 13 Smart Cities identified in the state out of 100 in India. With the Smart City Mission in place, the City now envisages to "Re-define" itself into an attractive, vibrant and liveable destination. In line with this vision, **Elets Technomedia Pvt Ltd, Asia & Middle East's premier media & technology research organization, is proud to announce its '23rd Smart City Summit-Aligarh on 10th November 2017.** The 'Aligarh Municipal Corporation' is an esteemed 'Host Partner' of this summit. 'Elets 23rd Smart City Summit-Aligarh 2017' will be unfolded in three parts:- **Conference, Awards & Expo**

FOCUS AREAS

- Make in Aligarh
- IT & Digital Governance
- Uninterrupted Power Supply
- Smart Water Meters
- Effective Drainage System
- Recycling of Waste Water & Solid Waste Management
- Traffic Management
- Smart Education
- Smart Energy
- Smart Security & Surveillance
- Creation & Beautification of Open Space

For Queries Contact

Gautam Debroy: +91-8800733558 | **Pushp:** +91-9870101237
 upsmartcity@egovonline.net

STAY CONNECTED

smartcity.elets @SmartCityElets Smart City

Subhash Chand Sharma
 Divisional Commissioner
 Aligarh
Programme Chair

Santosh Kumar Sharma
 Commissioner
 Aligarh Municipal Corporation
Co-Programme Chair

DIGITAL SOLUTIONS FOR A CONNECTED WORLD

MOBILE | WEB | WEARABLES | EMERGING TECHNOLOGIES

At Robosoft, we partner with enterprises in crafting end-to-end digital solutions for the connected world. So be it strategy, cutting edge design or robust engineering - we deliver it all. Connect with us to experience how we can partner with your enterprise in digital transformation for today's connected world.

Write to us at
services@robosoftin.com

Select Clients:

 **ICICI Bank**  **kotak**  **paytm**  **SBI**


ADITYA BIRLA GROUP


SOUTH INDIAN Bank


RBL BANK


uti


Robosoft

www.robosoftin.com

MANAPPURAM FINANCE LTD

CATERING TO DEMANDS AT FOREFRONT OF TECHNOLOGY



Manappuram Finance Ltd has long been at the forefront of technology in gold loans and it continues to invest in technology. The first corporate entity to get into gold loans, Manappuram is now expanding its profile catering to customers' diversified demands, says **VP Nandakumar**, Managing Director and Chief Executive Officer, Manappuram Finance Ltd, in conversation with **Elets News Network (ENN)**.

Give us an overview of Manappuram Finance Ltd and its services in India.

Manappuram Finance Ltd is a Non Banking Financial Company (NBFC) established in 1992 and predominantly engaged in gold loans the business of lending against used household gold jewellery.

We were the first corporate entity to get into gold loans. Prior to our entry, this used to be the preserve of moneylenders and pawnbrokers operating in lanes and bylanes. As the first corporate to get into this business, we introduced scientific management practices to this hidebound business and pioneered the use of technology in gold loans. The most recent example of our tech focus is "Online Gold Loans" (OGL) which we launched in September 2015. A customer who has completed the initial formalities can now avail a gold loan 24X7, from anywhere in the world, even if he is sitting at home. The loan proceeds are instantaneously transferred to his bank account.

After nearly two decades of exclusive focus on gold loans, we have now diversified into promising new areas like microfinance, home finance, vehicle loans, Small and Medium Enterprises (SME) lending, insurance broking etc. The entry into microfinance followed our acquisition (and turnaround) of the Chennai-based Asirvad Microfinance Pvt Ltd in 2015. Over the next few years, we hope to become a multi-product NBFC with a range of products from housing loans, vehicle finance, microfinance, SME loans etc, besides our core offering of gold loans.

Today, new businesses contribute about 18 to 19 per cent to our total business. Over the next two to three years, that share is likely to go up to about 25 per cent, in line with our vision to become a multi-product NBFC.

Technology is transforming banking, what measures have you taken to remain updated in this context?

Manappuram has long been at the forefront of technology in gold loans and we continue to invest in technology. We are preparing for future challenges with innovative products with a focus on technological development. Given the rapid growth in online platforms, there's no doubt that conventional ways of doing business through brick and mortar branches will become less important in future and we are prepared for that eventuality.

This May, we launched a co-branded prepaid money card. The card can be pre-loaded up to a maximum amount of Rs 50,000 and then used to withdraw money from all ATMs. We are planning to issue the prepaid card to our customer base and link their existing gold loan accounts to the card.

Along with the prepaid card, we have also launched eWallet brand "MaKash", which we hope to scale up in the coming months. We expect that the prepaid card and the eWallet will eventually help in making our Online Gold Loans a more compelling proposition for our customers. We are also working on an SGL, or SMS-based gold loan product, for customers who find it difficult to access the Internet. And, we are continuing



with our long term work to develop a high tech IoT (internet of things) based network enabled keyless gold storage technologies that will significantly address the security aspect at a branch.

India is progressing,so does its choices of investments,how do you maintain consumers' interest in gold investment?

Regarding gold as an investment option, it is true that there has been a substantial correction in price from the peak levels of 2011 and 2012. However, beginning from January 2016, gold prices have regained ground and generally held steady in the range of \$1,200 to \$1,300.

Investment in gold and jewellery for the long-term is a safe option because the supply of physical gold continues to be meagre in relation to the demand. Therefore, while the price may fluctuate, there is protection on the downside. Recently, Gold bonds have emerged as a useful alternative to those who buy gold purely for investment purpose who now earn some interest on their investments. However it may not interest those who

“Manappuram has long been at the forefront of technology in gold loans and we continue to invest in technology.”

buy gold jewellery for consumption.

Digital payments is the new trend, how are you encouraging it?

Post-demonetisation, we have entered an era where the role of cash is being systematically downgraded. We recognise that the future is of cashless or “less cash”, and therefore, we have to think of ways to ease the transition for our customers by offering them a choice of convenient alternatives to cash. Even before the demonetisation

announcement, a significant proportion of our total disbursements was made through NEFT payment or by cheque. We had set up alternative repayment channels like online repayments using net banking, debit cards and e-wallets and we have been encouraging our customers to make use of these channels.

We have tie-ups with PAYTM, MPESA, M-RUPEE, ITZCASH and other new-age mobile wallet services to enhance our brand positioning, collection, lead generation, and customer experience.

In October 2015, we launched our online gold loan (OGL) product, which is totally cashless at our end. A customer has to come to our branch only once to deposit his gold and execute necessary documents. After that, he can avail a loan up to his eligibility anytime, from anywhere in the world using a smart phone, computer, or other Internet-Enabled devices. The loan proceeds are instantaneously transferred to his bank account. Even after repayment, the gold will continue to remain with the Manappuram branch for future loans to be availed online. ●

MAHARASHTRA – A PIONEER OF INDIA'S COOPERATIVE MOVEMENT: PRAMOD KARNAD

While a large section of the financially excluded population inhabits the rural areas, some of the unbanked populace resides in urban and semi-urban areas as well. With this the scope of financial inclusion is widening and therefore fuelling up the demand of the cooperative banks, says **Pramod Karnad**, Managing Director, Maharashtra State Cooperative Bank Ltd (MSCB), in conversation with **Rakesh Roy** of **Elets News Network (ENN)**. Excerpts:



What role did the cooperative sector (banks) play in uplifting the social economy and financial inclusion of Maharashtra?

Maharashtra cooperative sector is very vibrant. Though the first cooperative bank was established in Gujarat in 1904 under the Bombay State; however, the pioneers were from Maharashtra. Today, 31 District Cooperative Central (DCC) Banks, more than 20,000 Primary Agricultural Credit Societies (PACS), 507 Primary Urban Cooperative Banks are working in Maharashtra. These cooperative banks are playing a significant role in social inclusiveness and financial inclusion, mostly for the rural and semi-urban people of the state. Urban Cooperative Banks, District Cooperative Central Banks (DCCBs) have traditionally played an important role

in mobilising resources from lower and middle-income groups and in providing direct finance to small entrepreneurs and traders.

What kind of challenges are being faced by cooperative banks?

Banking sector in India has seen a lot of competition after Narasimham Committee Recommendation and due to the rise of globalisation. Foreign banks have started their operations in India. Public Sector Undertaking (PSU) and private banks have increased their presence in rural and semi-urban areas. The revenue generated by the cooperative banks is sourced from the agriculture term, crop loan, and short term loans, that have narrow margins. Therefore, these banks have gradually downgraded their Income Asset

Recognition Norm, thus liable to Non Performing Assets (NPAs).

While a large section of the financially excluded population inhabits in rural areas, some of unbanked populace resides in urban and semi-urban areas as well. So the scope of financial exclusion is wide. Here, these cooperatives banks play a major role in addressing financial inclusion of the people, mainly farmers, small vendors, agricultural and industrial labourers, people engaged in unorganised sectors, the unemployed, women, and older.

One of the advantages of the cooperative banks is that it acquires consequent information about the local residents. Being an integral part of the community, these banks have an advantage over their commercial rivals in terms of having information both about

upcoming business opportunities as well as borrower quality, which national-level banks have a hard time gathering.

Recently, these cooperative banks have increasingly started adopting the three-pronged financial inclusion strategies to compete with other PSU and private banks. They are adopting initiatives like corporate governance, risk assignment management, adopting digital technologies, and many more.

How has MSCB evolved its strategies and adopted new technologies in sync with the changing banking environment in the digital era?

Since 2011, we already have active Core Banking Solution (CBS) along with all the ancillary applications such as Treasury, anti-money laundering enabled branches with latest technology applications. MSCB is using online Human Resources Management System (HRMS) system for payroll and biometric attendance system. Our bank has adopted multi party video conferencing system that has enabled remote locations (RO) meeting among branch managers to have a review of the sale/business targets.

We have our own in-house Data Centre and Disaster Recovery (DR) site, equipped with CCTV cameras, Uninterruptible Power Supply (UPS) and Air Conditioners running 24x7 with support personnel in place. MSCB Bank has provided RUPAY cards with e-com enabled transactions and the cards are fully secured with Europay, MasterCard, and Visa (EMV) chips embossed on each cards. MSCB ATMs have been set up across regional locations for wide acceptance of cards based transactions in rural areas too.

Our bank has its own dynamic website which keeps on updating the recent changes in interest rates and other financial products. We have implemented Cheque Truncation System (CTS) for cheque clearance. Real Time Gross Settlement (RTGS) and National Electronics Funds Transfer System (NEFT) are also offered to the customers.

Further, we have recently launched



“Urban cooperative banks, DCC banks have traditionally played an important role in mobilising resources from lower and middle-income groups and in providing direct finance to small entrepreneurs and traders.”

the SHIKAR Mobile App which facilitates instant transfer of money through RTGS/NEFT and soon going live with Immediate Payment Service (IMPS). In our strategy to make banking system easier like other banks, we have planned to adopt Unified Payment Interface (UPI)

in the coming phase and our bank will also participate in the BHIM app.

With an increase in digital transactions in the banking system, security issues have increased simultaneously. What measures MSCB has taken to safeguard the interest of its customers?

As far as the security aspects are concerned, we do periodic auditing to safeguard our Information Technology assets; bank is already going to appoint NABCONS (NABARD Consultancy Services) for information security audit services.

Our mobile banking channel is digitally encrypted with flow of traffic using encryption algorithm, we have appointed Application Service Provider (ASP) which is Payment Application Data Security Standard (PA-DSS) and Payment Card Industry Data Security Standard (PCI DSS) certified to secure our payment channel.

As a part of our roadmap and our consultant KPMG, we are going to implement Data Loss Prevention (DLP) and encryption. ●

THE FIRST DIGITAL REVOLUTION IN REVENUE COURTS ADMINISTRATION IN INDIA



The Board of Revenue would seek to create a Rajasthan Revenue Courts Grid which would provide the litigants a wide array of judgments of Revenue Courts on a common platform, says **V Srinivas**, Chairman, Board of Revenue, Government of Rajasthan, in an interaction with **Gautam Debroy** of **Elets News Network (ENN)**. Excerpts:

What is your vision as Chairman of Rajasthan's Board of Revenue?

The Board of Revenue currently has 65,000 court cases the highest case load among Revenue Boards in the country. The Board of Revenue currently has 20 members and decides about 900 cases every month. My vision is to establish a fully Digital Rajasva Mandal that would represent a fully online institution, meeting the needs of 21st century land reforms – the First Digital Revolution in Revenue Courts Administration in India.

On September 27, the Board of Revenue for Rajasthan has undertaken a major step towards a fully Digital Rajasva Mandal. It has placed its first set of judgments on the website of the Board of Revenue providing for easier access of court decisions to millions of litigants approaching the Board of Revenue. In the coming days, the Board of Revenue for Rajasthan would be

placing all judgments in public domain.

There are huge benefits of transparency in revenue administration. The Board of Revenue for Rajasthan would hand-hold all Revenue Courts including Courts of District Collectors, Additional Collectors, Sub-Divisional Officers and Tehsil Courts to place case lists and judgments on the Rajasthan Courts Management System (RCMS). All efforts would be made to cater to the needs of litigants to provide them information on real time basis. The Board of Revenue would seek to create a Rajasthan Revenue Courts Grid which would provide the litigants with a wide array of judgments of Revenue Courts on a common platform.

How are you planning to reform the Revenue Department and what are your thrust areas?

The Board of Revenue is implementing

the Digital Land Records Management Programme (DILRMP). The DILRMP seeks digitisation of land records in a single standardised format across various departments, overhauling litigation in land with reduced timelines with fast-tracked courts and judicial processes, streamlining property registration system and linking land records to stamp registration, providing easy access to government data and other land related information.

The Digital Rajasva Mandal would include the following:

- Classification and bunching of cases in cause lists;
- Online follow-up of files in revision cases called from Subordinate Courts;
- Online follow-up of the campaign on reference cases;
- Online follow-up of campaign on revision cases;

- Online linking of Sub-Registrar offices with the Tehsils for recording of timely mutations in registered documents;
- SMS messages to Advocates on the listing of cases in cause lists;
- Digital panels for displaying the cases being heard in the court.
- Online Judgements.

How do you perceive transformation in rural administration?

The Government of Rajasthan has accorded high priority to strengthen revenue administration at field level. There has been a significant expansion in revenue administration with Sub-Divisional Officer Courts being opened in every Tehsil. In 2017-18 Budget, Rajasthan has allocated significant resources for modernisation and strengthening of SDO offices, construction of Tehsil offices and for procurement of vehicles. The Board of Revenue has been advising the Sub-Divisional Officers to conduct court work in a timely and consistent manner.

What is your view on land reforms?

Land is the summum-bonum of rural India. The Board of Revenue is at the

“The Board of Revenue currently has 65,000 court cases which are amongst the highest case loads of Revenue Boards in the country.”

forefront of implementation of land reforms in Rajasthan. The major thrust areas of the Board of Revenue are timely justice and protection of rights of Khatedar tenants.

The thrust areas for timely justice are (a) a major campaign in reference cases where the Hon'ble Rajasthan High Court in Abdul Rehman Vs State has ordered that all nadi/nallah/guachar which have been transferred wrongly may be restored back to the State with effect from 15/8/1947 and (b) a major

campaign for expeditious disposal in revision cases. The Board of Revenue has 7,498 reference cases, and summons notices have been served in nearly 6,000 cases in two months of campaign. These cases would be taken up for decisions and completed by March 2018. In the revision cases, the Board of Revenue is identifying cases where case files have been received for expeditious disposal and also the cases where case files have been called from sub-ordinate courts and yet to be received.

The Board of Revenue has also identified Sub-Divisional Officer Courts with high case loads where Members of the Board of Revenue would be conducting inspections to motivate young Sub Divisional Officers for taking up court work on priority and provide speedy justice.

Are you planning digital transformation steps?

In the run-up to a Digital Rajasva Mandal, the Board of Revenue would be working closely with the Department of Information Technology, Government of Rajasthan and the National Informatics Centre, New Delhi.

The Board would also cooperate with the Directorate of Evaluation to conduct a transactions study to identify specific areas of which are time-consuming in disposal of court cases.

Further the Board has sought cooperation from the State Archives and National Archives of India for preservation of its permanent records.

It must be recognised that there has been a transformation in rural administration with the Jan Dhan-Aadhar-Bhim applications and direct benefits transfers. The Board of Revenue must keep pace with the changes. Transparency in Revenue Courts is a major step forward. We hope to establish a Digital Rajasva Mandal that would provide the roadmap for Revenue Courts of India for providing timely justice to millions of litigants waiting for justice in partition of holdings, declaration of rights, land allotments etc.” ●



FUTURE OF FINANCIAL SERVICES LIES IN DIGITISATION AND ANALYTICS: R BASKAR BABU



Small Finance Banks (SFB) are catering to the demands of a particular customer segment which is not the main focus for the well-established banks. We are equipped with all the digital and technology solutions to deliver the best of services to our customers, says **R Baskar Babu**, Managing Director and Chief Executive Officer, Suryoday Small Finance Bank, in an interview with **Rakesh Roy** of **Elets News Network (ENN)**. Excerpts:

Survodaya Micro Finance is now into a Small Finance Bank (SFB), how has been the transition?

The journey so far has been very challenging but exciting at the same time. As we were transforming from a microfinance institution into a bank, we had to put new structures, functions, policies, processes, systems and technology solutions in place, just within 18 months only. So, in that sense, it was challenging. Simultaneously, it was a huge learning experience and the thought of launching a bank was always exciting. It propelled us to complete the transformation in less than 16 months after we received the in-principle approval from the Reserve Bank of India (RBI).

How are the small finance banks contributing to the financial inclusion and social inclusiveness?

As eight of the small finance banks were microfinance institutions, we were always a part of the financial and social inclusiveness initiatives. All microfinance institutions have played a significant role in providing much-needed credit facilities to the unbanked and under-served segments of the population. Now as small finance banks, these institutions will be able to further enhance financial inclusion by offering savings and investment products to their existing and new customers.

Tell us about the measures taken by your institution in this regard.

When we started as an MFI, we realised that our services would be restricted only to one side of the customer's financial needs, i.e. providing credit facilities. But without getting constrained by this limitation, we started imparting financial literacy and facilitated opening of bank accounts for all people in our sphere of operations, not just our customers. We are now building a comprehensive savings, credit and investment product suite for our customers as an SFB, which would help them in achieving higher incomes



leading to better standards of living.

How have IT and Digital technologies evolved in the small finance banks in the last few years?

Even as MFIs, our technology solutions were quite advanced and we had already implemented robust front-end and back-end applications that were scalable. We also invested in supporting infrastructure, analytics, etc. As we transformed into a Small Finance Bank, we did need a host of new solutions but we have had the benefit of planning afresh and putting in place all the necessary technology solutions without being burdened by legacy systems.

How has Suryoday Small Finance Bank adopted technologies in providing digital banking to its customers?

As we were planning our proposed technology architecture and solutions, we made a very critical decision - to put a Customer Relationship Management application at the forefront of all on-boarding and servicing transactions, thereby, enabling us to have a

“One of the key challenges for Small Finance Banks, being new in this area, is the need to build trust with our potential customers.”

360-degree view of the customer in a seamless manner rather than have to stitch it with multiple applications each with their own on-boarding and servicing transactions. Our system architecture has been designed to be able to easily integrate with any future applications we will implement. We also have developed front-end/field-force mobility solutions that integrate real-time for credit decisions, eKYC validation, etc, and would eliminate the need for paper-based processes and improve turn-around times.

In addition, we have also invested in many support systems for Compliance, Risk Management, Governance and Analytics.

What are the challenges and opportunities you foresee for Small Finance Banks in India, looking at their counterparts - the Public Sector Banks and large private banks?

At this point, one of the key challenges for Small Finance Banks, being new in this area, is the need to build trust with the potential customers. Further, as we transform into a bank it is critical to diversify the asset portfolio and include non-microfinance products. We have already launched additional products including secured and unsecured Micro, Small & Medium Enterprises and small business loans and will also be starting our affordable housing business this financial year.

There is an ocean of opportunity and lots of space for all players. The Small Finance Banks are in particular targeting a customer segment that is not the main focus for the well-established banks. And as stated earlier, we have all the digital and technology solutions in place to deliver the best of services to our customers.

With the changing business scenario and penetration of more digital technology in the banking and non-banking finance sectors, what are your business growth plans for the future?

We believe that the future for financial services is in digital and analytics. We have invested in both and will continue to do so to stay in tune with the changing scenarios. Given our existing microfinance customer base, we are hopeful of delivering technology enabled yet cost efficient banking services to with focus on new products and customers. However, this cannot happen overnight and our aim is to build a best in class financial institution with a strong compliance and risk framework. ●



TOP 50 NBFCs' RANKING 2017



INDIA'S TOP 50 NBFCs RANKING 2017

For the first time, The Banking and Finance Post, Asia and Middle East's premier magazine has come up with the ranking of India's top 50 Non-Banking Financial Companies (NBFCs). The "India's Top 50 NBFCs Ranking 2017" has been introduced with an aim to provide useful insights into this important segment of the economy, which is being streamlined to fund the unfunded.

NBFCs play a critical role in the Indian financial system. They provide services such as personal loans, housing loans, gold loans, insurance and loans for purchasing commercial vehicles, machinery, and farm equipment, among others. The ability of NBFCs to understand their customer profile, their credit portfolio and deliver customised products and services are driving their fast growth in India.

NBFCs are also crucial for achieving the 'Financial Inclusion' goals by offering lending services to the unbanked population in rural, semi-rural or few urban areas. These are also important source of financial services for the Micro, Small and Medium Enterprises (MSMEs) – the backbone of an economy like ours.

The experience of NBFCs in understanding the customers' profile and analysing their credit needs has been invaluable. Moreover, like most of the other segments of India's financial sector, NBFCs too are transforming rapidly by using digital technology to improve customer interface.

A recent report by the Microfinance Institutions Network (MFIN) focused on adoption of 'cash-lite' models among MFIs in the country revealed that over 60 per cent of the NBFC-MFIs have adopted cashless methods to disburse money.

All this guided us to carry out an objective ranking of NBFCs in the country. Through our methodologies, we have tried to break the barriers of demography. Our rankings, as you will find, are spread across the length and breadth of the country and not limited to the metros and big cities alone. It is hoped that the ranking will be equally beneficial for NBFCs and those touched by them.

Ranking Methodology:

"India's Top 50 NBFCs Ranking 2017" was carried out on the basis of three parameters: Annual turnover, social media engagement and customer satisfaction. As is evident by the name, under the annual turnover parameter, NBFCs were ranked based on their yearly turnover. Under the other two parameters – social engagement and customer satisfaction – the NBFCs were ranked on the basis of the result of our survey and the perception score.

Top 50 NBFCs ranking is a unique benchmark. Based on the scores secured by the NBFCs under the parameters, the cumulative score of all the institutions was calculated. The NBFC with highest cumulative score was ranked first, while the institution with lowest score was ranked last.

RANKING PARAMETER ANNUAL TURNOVER

Non-Banking Financial Companies (NBFCs) are fast emerging as an alternative to mainstream banking. They are playing an integral part in the Indian Financial System and have immense potential to take forward the Central Government's agenda of financial inclusion.

Their contribution to the economy has grown exponentially over the years. As a matter of fact, the growth of NBFCs is

not just driven by traditional products like commercial vehicle financing, but also financial products like personal and housing loans, etc.

The growth of the sector is accredited to cost efficiency, bad debt control, customised products and better customer services. In terms of annual turnover for financial year 2016-17, NBFCs have scripted a great success story. The financial assets of NBFCs have

recorded a compound annual growth rate (CAGR) of 19 per cent over the past few years, comprising 13 per cent of the total credit which is expected to reach nearly 18 per cent by 2018-19.

Keeping the continual growth of NBFCs in mind, India's Top 50 NBFCs Ranking 2017 considered the annual turnover as one of the parameters in judging their level of excellence.





RANKING PARAMETER CUSTOMER SATISFACTION

Banking operations are increasingly becoming customer dictated. As far as Indian finance sector is concerned, financial institutions offering one-stop integrated financial services are on the rise. There is an intense competition in the market to gain customers. Therefore, the leaders in Indian banking domain are not only competing with each on the price factor, but also how their customers feel about their services.

Realising the customer satisfaction as the most important factor to become a business leader, all NBFCs are focusing more on better services, improved financial plans for customers and more engagement with their clients. Perception-based ranking under this parameter helped us determine how satisfied the customers are with NBFCs' services

Customer Value Improved Service Quality:

In the current economic scenario, NBFCs are rendering efficient services to gain competitive advantage and, thereby, enhancing their customer relationship. The NBFCs are emphasising more on creating loyal customers by customising their services to serve their customers better as per their needs. This in turn is expected to pave the way for achieving greater customer satisfaction to a larger extent.

In the era of ICT (Information, Communication and Technology), the mode of direct pay, online financial services have gained value which leads to flexible hours of operation as per customers' needs. Increased market competition is resulting into higher defection rates of customers.

Thus, research on service quality and satisfaction of customers in finance sector is considered important.

Handling Customer Expectations:

Meeting customer expectations plays a central role resulting into higher satisfaction ratings for any service provided by NBFCs. However, the NBFCs also have to handle negative perception about their services and have to constantly make improvements to keep their customers satisfied. At the same time, it is also true that the non-banking institutions can improve their ratings where customers have positive preconceptions and high expectations for the services.


TOP 50 NBFCs' RANKING BASED ON ANNUAL TURNOVER*

| NBFCs List | "Total Income (₹ mn)" | Rank |
|--|-----------------------|------|
| Power Finance Corporation Limited | 270185.70 | 1 |
| Rural Electrification Corporation Limited | 240953.50 | 2 |
| Shriram Transport Finance Company Limited | 108306.10 | 3 |
| Bajaj Finance Limited | 100033.10 | 4 |
| Indian Railway Finance Corporation Limited | 90476.60 | 5 |
| Mahindra & Mahindra Financial Services Limited | 62375.40 | 6 |
| Muthoot Finance Limited | 57467.00 | 7 |
| HDB Financial Services Limited | 57145.40 | 8 |
| Cholamandalam Investment and Finance Company Limited | 46603.50 | 9 |
| Shriram City Union Finance Limited | 44345.30 | 10 |
| Tata Capital Financial Services Limited | 41924.00 | 11 |
| Family Credit Limited | 41449.70 | 12 |
| IFCI Limited | 40066.40 | 13 |
| India Infrastructure Finance Company Limited | 39026.40 | 14 |
| Aditya Birla Finance Limited | 34260.00 | 15 |
| Manappuram Finance Limited | 30084.30 | 16 |
| Kotak Mahindra Prime Limited | 29221.48 | 17 |
| Capital First Limited | 27268.50 | 18 |
| L&T Infrastructure Finance Company Limited | 26784.71 | 19 |
| Religare Finvest Limited | 25694.26 | 20 |
| Sundaram Finance Limited | 24582.90 | 21 |
| IL&FS Financial Services Limited | 23464.60 | 22 |
| SREI Infrastructure Finance Limited | 22996.20 | 23 |
| India Infoline Finance Limited | 22642.20 | 24 |
| Reliance Capital Limited | 20710.00 | 25 |
| Magma Fincorp Limited | 20220.50 | 26 |
| Tata Motors Finance Limited | 19006.15 | 27 |
| ICICI Securities Primary Dealership Limited | 16271.40 | 28 |
| Hinduja Leyland Finance Limited | 14863.10 | 29 |
| Indian Renewable Energy Development Agency Limited | 14816.71 | 30 |
| Ujjivan Financial Services Limited | 13976.00 | 31 |
| PTC India Financial Services Limited | 13518.80 | 32 |
| Bajaj Holdings & Investment Limited | 8884.30 | 33 |


TOP 50 NBFCs' RANKING BASED ON ANNUAL TURNOVER*

| NBFCs List | "Total Income (₹ mn)" | Rank |
|--|-----------------------|------|
| JM Financial Credit Solutions Limited | 7883.60 | 34 |
| Satin Creditcare Network Limited | 7766.70 | 35 |
| Kotak Mahindra Investments Limited | 7617.00 | 36 |
| IndoStar Capital Finance Limited | 7199.17 | 37 |
| STCI Primary Dealer Limited | 6026.60 | 38 |
| SBI DFHI Limited | 6025.54 | 39 |
| Axis Finance Limited | 5756.00 | 40 |
| PNB Gilts Limited | 5005.40 | 41 |
| Edelweiss Finance & Investments Limited | 4504.70 | 42 |
| Tata Motors Finance Solutions Limited | 4340.83 | 43 |
| STCI Finance Limited | 4219.60 | 44 |
| Indiabulls Commercial Credit Limited | 4085.98 | 45 |
| Credila Financial Services Private Limited | 3918.10 | 46 |
| L&T Infra Debt Fund Limited | 3462.35 | 47 |
| Muthoot Capital Services Limited | 2842.00 | 48 |
| Tata Investment Corporation Limited | 2713.70 | 49 |
| Vistaar Financial Services Private Limited | 2711.70 | 50 |



*Limitation of the survey: Due to the unavailability of credible data on annual turnover of all NBFCs, some of the firms could not be ranked.

 **CUSTOMER SATISFACTION**

| | |
|--|----|
| Bajaj Finance Limited | 1 |
| Tata Capital Financial Services Limited | 2 |
| Kotak Mahindra Investments Limited | 3 |
| Cholamandalam Investment and Finance Company Limited | 4 |
| JM Financial Limited | 5 |
| JM Financial Credit Solutions Limited | 6 |
| Manappuram Finance Limited | 7 |
| Capital First Limited | 8 |
| Ujjivan Financial Services Limited | 9 |
| Indiabulls Commercial Credit Limited | 10 |
| Reliance Capital Limited | 11 |
| The National Small Industries Corporation Limited | 12 |
| Religare Enterprises Limited | 13 |
| LKP Finance Limited | 14 |
| HDB Financial Services Limited | 15 |
| Indian Renewable Energy Development Agency Limited | 16 |
| Rural Electrification Corporation Limited | 17 |
| Shriram Transport Finance Company Limited | 18 |
| Religare Finvest Limited | 19 |
| L&T Finance Limited | 20 |
| Nabard Financial Services Limited | 21 |
| Vistaar Financial Services Private Limited | 22 |
| Family Credit Limited | 23 |
| Balmer Lawrie Investments Limited | 24 |
| Hinduja Leyland Finance Limited | 25 |
| Muthoot Finance Limited | 26 |
| IL&FS Financial Services Limited | 27 |
| Power Finance Corporation Limited | 28 |
| IFCI Limited | 29 |
| IFCI Factors Limited | 30 |
| Sustainable Agro-Commercial Finance Limited | 31 |



TOP 50 NBFCs'
 RANKING BASED
 ON CUSTOMER
 SATISFACTION



CUSTOMER SATISFACTION

| | |
|---|----|
| ICICI Securities Primary Dealership Limited | 32 |
| Intec Capital Limited | 33 |
| Motilal Oswal Financial Services Limited | 34 |
| Tata Motors Finance Limited | 35 |
| Shriram City Union Finance Limited | 36 |
| SICOM Limited | 37 |
| PTC India Financial Services Limited | 38 |
| Muthoot Capital Services Limited | 39 |
| ECL Finance Limited | 40 |
| CSL Finance Limited | 41 |
| Fullerton India Credit Company Limited | 42 |
| Satin Creditcare Network Limited | 43 |
| India Infoline Finance Limited | 44 |
| Edelweiss Retail Finance Limited | 45 |
| Tata Investment Corporation Limited | 46 |
| L&T Infrastructure Finance Company Limited | 47 |
| Magma Fincorp Limited | 48 |
| Muthoot Fincorp Limited | 49 |
| SREI Infrastructure Finance Limited | 50 |



    **SOCIAL ENGAGEMENT AND REACH**

| | |
|--|----|
| India Infoline Finance Limited | 1 |
| Edelweiss Retail Finance Limited | 2 |
| Reliance Capital Limited | 3 |
| Capital First Limited | 4 |
| Motilal Oswal Financial Services Limited | 5 |
| Tata Investment Corporation Limited | 6 |
| Tata Capital Financial Services Limited | 7 |
| Religare Enterprises Limited | 8 |
| Fullerton India Credit Company Limited | 9 |
| HDB Financial Services Limited | 10 |
| L&T Infrastructure Finance Company Limited | 11 |
| Magma Fincorp Limited | 12 |
| Shriram Transport Finance Company Limited | 13 |
| Muthoot Fincorp Limited | 14 |
| SREI Infrastructure Finance Limited | 15 |
| JM Financial Limited | 16 |
| JM Financial Credit Solutions Limited | 17 |
| Tata Motors Finance Limited | 18 |
| Shriram City Union Finance Limited | 19 |
| Bajaj Finance Limited | 20 |
| Cholamandalam Investment and Finance Company Limited | 21 |
| IL&FS Financial Services Limited | 22 |
| Hinduja Leyland Finance Limited | 23 |
| Aditya Birla Finance Limited | 24 |
| Mahindra & Mahindra Financial Services Limited | 25 |
| Religare Finvest Limited | 26 |
| IDFC Limited | 27 |
| Rural Electrification Corporation Limited | 28 |
| Power Finance Corporation Limited | 29 |
| Nabard Financial Services Limited | 30 |
| Manappuram Finance Limited | 31 |
| S. E. Investments Limited | 32 |



TOP 50 NBFCs'
 RANKING BASED
 ON CUSTOMER
 SATISFACTION SOCIAL
 ENGAGEMENT AND
 REACH



**SOCIAL ENGAGEMENT
AND REACH**

| | |
|--|----|
| Muthoot Finance Limited | 33 |
| Ujjivan Financial Services Limited | 34 |
| Satin Creditcare Network Limited | 35 |
| IFCI Limited | 36 |
| IFCI Factors Limited | 37 |
| Intec Capital Limited | 38 |
| Indiabulls Commercial Credit Limited | 39 |
| India Infrastructure Finance Company Limited | 40 |
| IndoStar Capital Finance Limited | 41 |
| Sakthi Finance Limited | 42 |
| SICOM Limited | 43 |
| Indian Railway Finance Corporation Limited | 44 |
| L&T Finance Limited | 45 |
| PNB Gilts Limited | 46 |
| Muthoot Capital Services Limited | 47 |
| Sundaram Finance Limited | 48 |
| STCI Primary Dealer Limited | 49 |
| Axis Finance Limited | 50 |



INSTA CAPITAL LEVERAGING TECHNOLOGY FOR FINANCIAL INCLUSION



In the frequently transforming banking industry, Non-Banking Financial Companies (NBFCs) have been fulfilling the requirements of the unbanked segments by promoting Financial Inclusion, purely on the basis of business potential and cashflow rather than credit history or collateral cover, says **Ashok Bajaj**, Managing Director and Chief Financial Officer, Insta Capital, in conversation with **Rakesh Roy** of **Elets News Network (ENN)**. Excerpt:

What is the significance of NBFCs in terms of Financial Inclusion in India?

India is a land of financial diversity that garners most of its Gross Development Product (GDP) from Micro, Small and Medium Enterprises (MSMEs). It is a matter of irony that most of these enterprises are starved of capital to a large extent.

While banks have not been able to fulfill the requirements of these underserved segments, NBFCs have been able to create greater financial inclusion by lending on the basis of business potential and cash flow rather than credit history or collateral cover.

Further, NBFCs (unlike banks) have operational viability at lower volumes due to relatively fewer regulatory requirements, which makes it possible for NBFCs to focus on niche products or market segments, and have a greater understanding of their focussed segments. This, in turn, leads to better/customised products, lower delinquency rates, greater customer satisfaction and overall Financial Inclusion.

NBFCs with a vast network of branches are also providing other financial products such as insurance and investment products to those who may not have access to banks.

What are the USPs of Insta Capital that make it unique as compared to others, to serve SMEs?

Speed is our key differentiating factor. At Insta Capital, we process loans from application to disbursement in less than

12 hours for repeat customers and 72 hours for new customers.

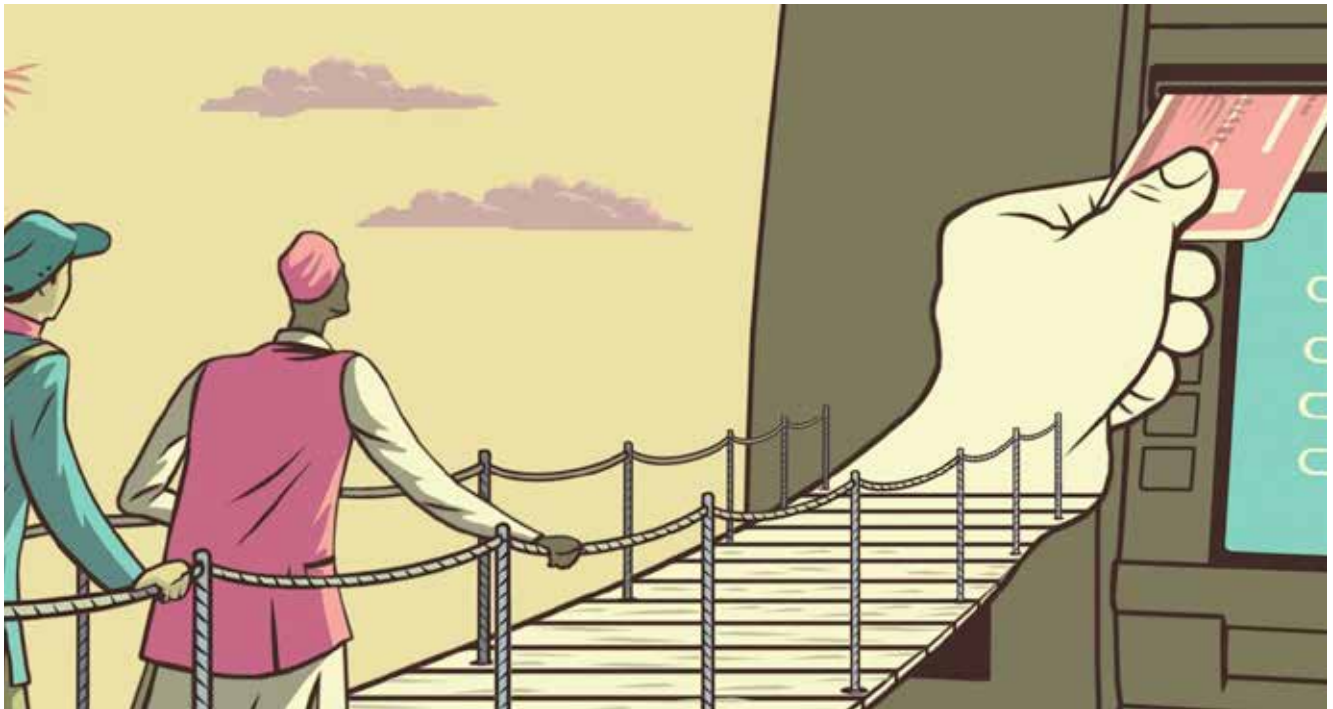
Quick decision-making and disbursement has been enabled by our proprietary underwriting system which we have developed and calibrated from years of experience and historical data spanning over four decades. We are also using latest technologies and analytics in our underwriting, which allows a deeper understanding of risk and thereby low delinquency rates – the most important success factor for this industry.

We also provide a high degree of flexibility to the borrower in terms of tenure and repayment options to suit their cash flow. The entire loan process is completed with minimal paperwork.

How have NBFCs in India evolved with the changing business environment and customers' expectations?

We are living in digital age. Customers' attention span is shrinking and they want every service at the click of a button. Most traditional businesses have been disrupted by online players, and finance is no exception.

But this disruption is being led by new-age NBFCs rather than banks. We do have banks that offer one-minute loans, however that's for the existing clients of the banks and this is just cross selling. It is some of the new-age NBFCs that are truly bringing down the turnaround time of loan applications to as little as a few hours or even minutes (for small ticket sizes). Such short turnaround time is only possible



due to e-Know Your Customer (eKYC), online banking and cloud based lending systems that are being implemented rapidly. Today, companies know that they must innovate otherwise sooner or later they will cease to be relevant.

As banks are burdened with Non Performing Assets (NPAs), they have not been able to cater to the increasing demand for credit-of-late. This is where the NBFCs are playing a pivotal role.

How will technology transform NBFCs in future?

The Central Government is taking a lot of initiatives for digitising the banking sector and Digital India initiative is playing a major role in this regard. With the introduction of Aadhaar and India Stack, eKYC is now a reality. It has made it simpler, faster and secure for NBFCs to verify the identity of its customers through biometrics. Frauds can also be prevented using these technologies.

The most disruptive technology, however will come in the form of data analytics. With the amount of data available with NBFCs – be it traditional sources (credit bureaus, bank

“The Central Government is taking a lot of initiatives for digitising the banking sector and Digital India initiative is playing a pivotal role in this regard.”

statements, MCA data, etc.) or non-traditional data (social media profiles, aggregator data such as Flipkart and Ola, online review websites, etc) – managing and monetising this data is a gold mine. Today, using analytics and predictive modelling, it is possible to distinguish low risk clients from high risk clients.

What are your future plans?

NBFCs are approaching the market with a rather aggressive outlook. Insta Capital

started business about 24 months ago and has garnered quite an impressive track record as far as delinquency rates are concerned. We are currently serving businesses (Small and Medium Enterprises and Corporates) based in Mumbai region only. However, being the financial capital of the country, demand in Mumbai is quite robust.

We plan to continue growing with a focus on the unsecured business lending segment by leveraging our digital marketing strategy and accelerating growth through strategic tie-ups with corporates and SME aggregators. We aim to be extremely versatile and agile moving forward by continuing to embrace latest technologies that are relevant for our business, be it in the area of improved customer experience, greater operational efficiency or better risk management. While bank funding is easily available to us to fund our growth, we are also being approached by several investors who believe in our vision of being becoming one of the leading NBFCs. ●

the Banking ^{elets} TV & Finance **Post**



VIDEOS

600+



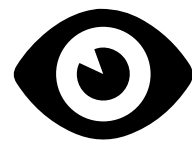
DATA HOURS

300+



VIEWS

47000+



WATCH TIME

1200000+

Minutes

ASIA'S LARGEST BFSI VIDEO PLATFORM

Chief Executive Officer | Chief Information Security Officer | Chief Technology Officer | Chief Information Officer
Chief Risk Officer | Heads - IT | Chief Digital Officer | Chief Security Officer | General Manager | Risk Manager
Chief Operating Officer | Managing Director | Government Dignitaries



bfsi.eletsonline.com/videos

M POWER MF

ENSURING LIVELIHOOD OPTIONS FOR SUSTAINABLE LIVING



M Power Micro Finance Pvt Ltd is a non-deposit taking Non-Banking Financial Company (NBFC) registered under the Reserve Bank of India. Based in Maharashtra, the firm is offering diversified financial service since 2009, says **K M Vishwanathan**, Managing Director and Chief Executive Officer, M Power Micro Finance Pvt Ltd, in conversation with **Rakesh Roy** of **Elets News Network (ENN)**.

Please apprise us on the journey of M Power Micro Finance Pvt Ltd so far.

M Power is an NBFC-MF. It is spread across three branches and operates through 37 branches. As a matter of fact, it has contributed a lot towards empowerment of women in terms of banking. We deal with 85,000 women customers, for our outreach programme. M Power has provided livelihood to more than 1,50,000 families in operational journey of seven years.

NBFCs have played a pivotal role in banking the unbanked, what's your perception in this regard?

NBFCs are the last mile connectivity in the overall financial intermediation chain. Banks do not have adequate branches and their ability to reach out is restricted. Hence, NBFCs are very important in the financial chain.

How have NBFCs evolved in terms of digitisation?

NBFCs have developed their own software which are cost effective as far as managing collection, customer sourcing and portfolio management is concerned. Now, many NBFCs have developed cost effective solutions with vendors, feet on street monitoring, movement of staff monitoring, tracking etc.

Which technology trends are going to drive the NBFCs in future?

We foresee that NBFCs are mapping their customers through software.

It is believed that in future the staff movement is tracked for better efficiency.

What are your company's future business growth plans?

We plan to grow to 60 branches in the next 12 months and move to Rs 300 crores of Assets Under Management (AUM) by September 2018. ●



MUNICIPAL BONDS AS AN INSTRUMENT OF FINANCING URBAN INFRASTRUCTURE IN INDIA



According to Census 2011, about 377 million Indians comprising 31 per cent of the country's population live in urban areas.

Urban areas are the "engines of economic growth" contributing more than 60 per cent of India's Gross Domestic Product (GDP). Studies have found that higher urbanisation levels are associated with higher levels of per capita income.

This is also evident in regional patterns of urbanisation in India as seen in higher urbanisation levels in some relatively higher income States such as Tamil Nadu, Maharashtra, Gujarat, etc.

Urban population is projected to grow to about 600 million by 2031 (New Climate Economy Report by The Global Commission on the Economy and Climate).

The rapid urbanisation poses several challenges which include improving quality of urban services such as water, sanitation and urban transport; reducing

urban poverty; planned development of land resources and curbing spread of slums.

The challenge of managing urbanisation will have to be addressed through a combination of increased investment, strengthening the framework for governance and finance and a comprehensive capacity building programme at all levels of government.

High Powered Expert Committee (2011) has estimated investment requirement of Rs 39.2 lakh crore at 2009-10 prices for urban infrastructure over the 20-year period (2012-31). Municipal Bonds are an important way of mobilising financial resources, particularly in the light of limited recourse to budgetary resources due to fiscal constraints.

Typically, Municipal Bonds are of two types - (a) General obligation bonds which carry full faith and credit of the issuing authority, and are appropriate for general services like, roads or street

lighting wherein it's difficult to levy user charges; and (b) Revenue Bonds, which are tied to specified sources of revenue from the facilities or services which they finance.

Municipal Bonds scenario in India:

Bangalore Municipal Corporation was the first municipal corporation to issue a municipal bond of Rs 1,250 million with a State guarantee in 1997. Data on issuance of Municipal Bonds in India is summarised in the table below.

| Municipal Bonds in India | | |
|--------------------------|------------------------|-------------------|
| Type of Bond | Number of Bonds Issued | Amount in Million |
| Taxable Bonds | 10 | Rs 4,650 |
| Tax-free Bonds | 12 | Rs 6,795 |
| Pooled Finance | 2 | Rs 1,371 |
| TOTAL | 24 | Rs 12,816 |

Pooled financing is an important mechanism as it can be undertaken by smaller Urban Local Bodies (ULBs) that are unable to get appropriate credit rating on a stand-alone basis. Under such a scheme, funds raised from bonds are loaned out by the issuers to more than one ULB. The Ministry of Urban Development approved the Pooled Finance Development Fund Scheme in 2006. This was done mainly to benefit the smaller and medium-sized ULBs, by providing credit enhancement to them, so that they can access market borrowings on the basis of their credit worthiness through the State-Level-Pooled Finance Mechanism.

Overall, the market for Municipal Bonds has been characterised by the lemons problem and the possibility of adverse selection, thereby resulting in thin markets. Weak financials of ULBs imply higher interest premiums demanded in the Municipal Bonds market. Low credit ratings, reluctant investors, lack of functional secondary markets and unclear regulation have contributed to the falling appeal of Municipal Bonds.

However, recently Pune Municipal Corporation has issued Municipal Bonds of Rs 200 crore, which got listed on Bombay Stock Exchange (BSE) in June, 2017. With this, there is a renewed push for mobilising financial resource by way of issuance of Municipal Bonds.

Mission Guidelines of Smart City

The mission mentions Municipal Bonds as an important way of supplementing other financial resources. In July 2015, the Securities and Exchanges Board of India (SEBI) notified a new regulatory framework-Issue and Listing of Debt Securities by Municipalities Regulations for issuing Municipal Bonds in India. The new regulations allowed for municipal bodies or a corporate municipal entity (a body corporate registered under the Companies Act and a subsidiary of the municipality formed for the purpose of raising funds) to issue Municipal Bonds through private placement or public

“High Powered Expert Committee (2011) has estimated investment requirement of Rs 39.2 lakh crore at 2009-10 prices for urban infrastructure over the 20-year period (2012-31).”

issue. Such provisions are aimed at deepening the municipal bond market.

Among the supply side constraints, absence of buoyant sources of revenues for ULBs increases their reluctance to borrow. The demand for these bonds is low as they are believed to be relatively illiquid instruments. This is mainly due to a missing secondary market for these instruments, which result in investors having to hold Municipal Bonds until maturity. Further, Pension Fund Regulatory and Development Authority (PFRDA) classify Municipal Bonds as Class C instruments instead of Class G that is limited only to government securities. Municipal Bonds, thus, have to compete with other Class C instruments, which may have higher yields than Municipal Bonds. This makes Municipal Bonds unattractive within this asset class.

In order to have an efficient bond market in place, there is need for capacity building of ULBs in planning capital investments and financial management, including sound accounting and budgeting systems.

Further, to strengthen the credit worthiness of ULBs, increased autonomy may be given to ULBs to charge realistic tax rates and user charges for their services. Municipal Bonds could be given

the status of ‘public securities’ so that they become admissible for statutory liquidity ratio (SLR) investment by commercial banks.

The urban infrastructure sector may also be included as a priority sector for the purpose of lending. This is expected to increase the demand for Municipal Bonds from institutional investors. There is need for further improving transparency and disclosure norms to increase investor confidence.

Offer document should disclose all the information regarding the management, administration, financials, operations, projects, revenue generation, risk factors etc to the public along with the future revenue generating capacity of the ULB. Bond banks may be established which collect all the borrowing needs of municipalities and issue a single class of bond backed by a diversified portfolio of borrowers.

This arrangement reduces investor risk and lowers the borrowing costs of the local governments. Bond banks have been used extensively in Canada and the United States since the 1970s. Developing a secondary market for Municipal Bonds will allow households or institutions to sell their long-term bonds before maturity.

Credit enhancement can help the issuers to market their debt to investors. Municipal development funds (MDFs) that are similar to pooled financing arrangements can be created. Such funds access national bond markets for capital and then lend it on to local governments. Though the municipal bond market is untapped in India, it has a huge potential for fulfilling the massive investment requirement in the urban infrastructure sector wherein the most pertinent challenge will be addressing the non-viability and weak fundamentals of ULBs. ●

(The writers are Ashwini Kumar | Additional Economic Adviser | Ministry of Housing & Urban Affairs | Government of India and Reema Jain | Assistant Director, Ministry of Housing & Urban Affairs, Government of India)

EVENT CALENDAR 2017-2018

| EVENT NAME | PLACE | MONTH |
|--|------------------|------------------|
| SMART CITY | | |
| Smart City Summit | Aligarh | 10 November |
| Smart City Summit | Warangal | November |
| Smart City Summit | Gurugram | 1 December |
| Smart City Summit | Nashik | 3 - 4 December |
| Smart City Summit | Jalandhar | December |
| Smart City Summit | Pimpri-Chinchwad | February 2018 |
| GOVERNANCE | | |
| National Tourism Conclave | Chandigarh | 12 October |
| National Transport Summit | Ahmedabad | 13 October |
| 8 th eGov Knowledge Exchange | Goa | 27 -28 October |
| National Energy Summit | Hyderabad | November |
| BFSI | | |
| 2 nd BFSI Cloud & Security Summit | Mumbai | December |
| 3 rd BFSI Leadership Summit 2018 | Mumbai | February 2018 |
| HEALTH | | |
| 3 rd Healthcare Summit Rajasthan | Jaipur | 10 November |
| Healthcare Summit Andhra Pradesh | Visakhapatnam | 1-2 December |
| Healthcare Summit Chhattisgarh | Raipur | December |
| Healthcare Summit Arunachal Pradesh | Itanagar | January 2018 |
| EDUCATION | | |
| Higher Education & HR Conclave | Jaipur | December |
| 11 th World Education Summit | Dubai | 26 - 27 November |
| School Leadership Summit 2018 | Bengaluru | 13 January 2018 |





2nd elets BFSI CTO SUMMIT

27th July 2017 | Vivanta By Taj- President, Mumbai

UNDERSTANDING TECHNOLOGICAL INNOVATIONS IN THE BANKING WORLD

The banking sector is undergoing a paradigm shift with the growing usage of technology in providing intensive solutions for increasing revenue, better customer experience, optimising cost structure and managing enterprise risk. India, in particular, has reported a lot of transformation in the banking domain in sync with the “Digital India” campaign. The year 2017 has brought in various technology-based innovations in the Indian banking sector. Unified Payments Interface (UPI) , Bharat Interface for Money (BHIM) app are among of such inventions.

In its effort to highlight the growing interface of technology in the banking sector, Elets Technomedia Pvt Ltd organised the '2nd BFSI CTO Summit' on July 27, 2017, in Mumbai.

The summit was an amalgamation of Chief Technology Officers, Chief Information Officers, Chief Information Security Officers and General Manager-Information Technology of the leading commercial banks across India, senior level executives, technology innovators and solution providers, who shared their expertise on the issues pertaining to the technological innovations adopted by the banks and financial institutions. The summit was inaugurated by Padma Jaiswal, Secretary, Department of Cooperation, NRI Affairs, Official Language, Labour and Employment, and Public Grievance, Government of Goa, Kaustubh Dhavse, Joint Secretary, Chief Minister Office and Officer on Special Duty to Chief Minister, Maharashtra and Shiv Kumar Bhasin, Chief Technology Officer, State Bank



INAUGURAL SESSION

IT AND ITS RISING SIGNIFICANCE IN MANAGING CASHLESS ECONOMY AND EMBRACING THE DIGITAL REVOLUTION

PADMA JAISWAL

Secretary
Department of Cooperation, NRI
Affairs, Official Language, Labour and
Employment, and Public Grievance,
Government of Goa

"The banking sector in India is changing rapidly due to technological advancements and global competitiveness. The digital wave is growing at a much faster pace than we expected it to be. We have now reached the third wave of the digital economy. The first wave was all about introduction to the Internet, the second wave comprised social media interaction and the third wave essentially deals with technologies like Artificial Intelligence, cloud computing and several others."



KAUSTUBH DHAVSE

Joint Secretary
Chief Minister Office and Officer
on Special Duty to Chief Minister,
Government of Maharashtra

"Inclusive, efficient and accountable technologies are the three pillars of governance. These assist the government to achieve success in attaining the infrastructural goals. On 20 November, 2014, the government had taken a crucial step of framing a comprehensive development technology strategy of the State. We laid a very robust plan for impacting technology prevailing in the State, to ensure a better synergy with citizens. The first major step initiated was Aaple Sarkar (your government) for delivering services."





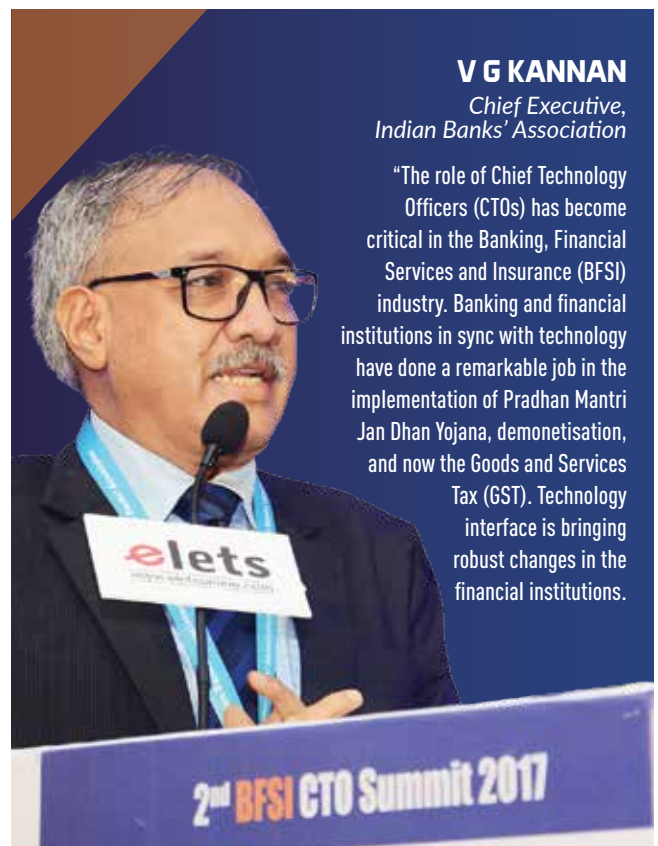
SHIV KUMAR BHASIN
 Chief Technology Officer
 State Bank of India

“The banking industry in India is rapidly upgrading in sync with technology. Banks are no longer limited to physical transactions and have now transformed completely into software based financial institutions. The banks have now become progressive and all the technology heads from various banks now look for platforms to exchange ideas and challenges.”



K RAMACHANDRAN
 Senior Advisor-Banking Technology,
 Indian Banks' Association

“Demonetisation gave the thrust for expansion to the banking and financial sector. Banks have been having a healthy competition in adopting the latest technology in recent times. They are showing their eagerness to adopt technologies, namely, artificial intelligence, cloud computing, big data and analytics, Blockchain, etc. In terms of digital banking, especially in the last one year, several new implications such as transformation of mobile banking which is not just limited to transactions and remittance but also opening of fixed deposit and getting loans against them is also made possible.”



V G KANNAN
 Chief Executive,
 Indian Banks' Association

“The role of Chief Technology Officers (CTOs) has become critical in the Banking, Financial Services and Insurance (BFSI) industry. Banking and financial institutions in sync with technology have done a remarkable job in the implementation of Pradhan Mantri Jan Dhan Yojana, demonetisation, and now the Goods and Services Tax (GST). Technology interface is bringing robust changes in the financial institutions.

TECHNOLOGY PRESENTATION

Digital Lending Suite for Powering New Age Loan



ACHINTYA GUPTA

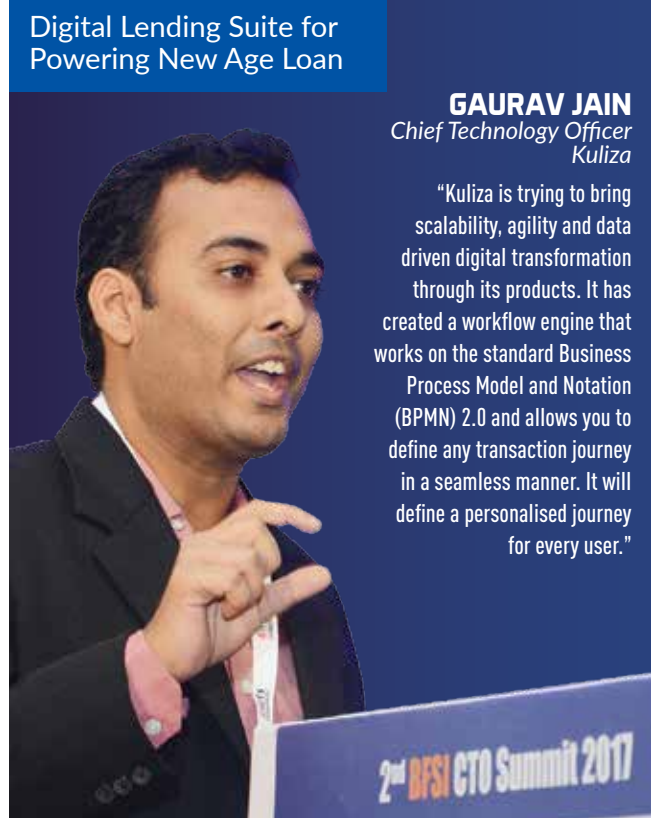
*Director- Sales & Marketing
Kuliza*

"Digital lending has become one of the important aspects of the BFSI industry lately. Majority of the institutions that are planning to register a 40-50 per cent growth in the revenue through digital channels have to roll out enroll in digital lending undoubtedly. It is necessary to sow the seeds of future in this regard to ensure fruitful results."

GAURAV JAIN

*Chief Technology Officer
Kuliza*

"Kuliza is trying to bring scalability, agility and data driven digital transformation through its products. It has created a workflow engine that works on the standard Business Process Model and Notation (BPMN) 2.0 and allows you to define any transaction journey in a seamless manner. It will define a personalised journey for every user."



TECHNOLOGY PRESENTATION

Know-how: Intelligent Robotics Reshape and Transform Financial Processes



RAJESH AGARWAL

*Senior Vice President (SVP) and Head –
Process Engineering Cell (RPA Expert),
Datamatics Global Services Ltd*

"The current scenario looks very bullish. Robotics Process Automation (RPA) has emerged as a strong contender and it is indeed a game changer for the BFSI industry. We have already witnessed a growth of 63 per cent in 2016. It is noteworthy that Indian banks and financial institutions are way ahead than their counterpart in terms of technology adaptation."

PANEL DISCUSSION

Significance of IT in Paving Paradigm Shift in BFSI Industry



SUBRATA GUPTA

*Chief General Manager-IT
NABARD*

"Technology is going to bring a massive change in the way banking is done in India. Biometrics, cloud computing, Blockchain, etc, are some of the technologies that are going to set a trend in the banking industry. Mobile banking and Internet banking are going to take over and become the key drivers of change."

BUTCHI BABU BURRA

IT Advisor, Bank of India

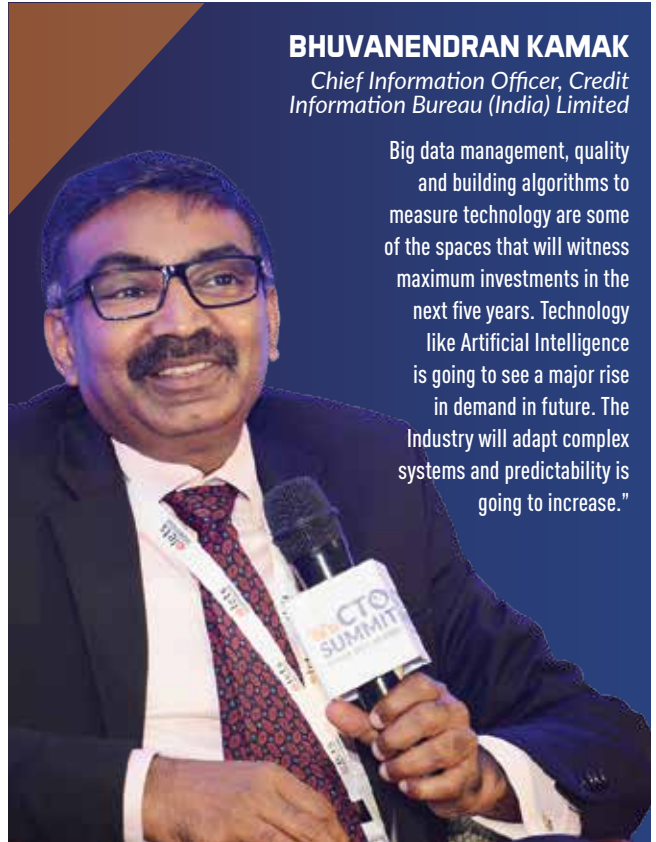
“Cloud computing is emerging as a game changer in the banking industry. Almost all key brands in the segment have adopted cloud. But there are few hesitations in terms of its implementations as far as hosting the cloud outside the country is concerned.”



BHUVANENDRAN KAMAK

Chief Information Officer, Credit Information Bureau (India) Limited

Big data management, quality and building algorithms to measure technology are some of the spaces that will witness maximum investments in the next five years. Technology like Artificial Intelligence is going to see a major rise in demand in future. The Industry will adapt complex systems and predictability is going to increase.”



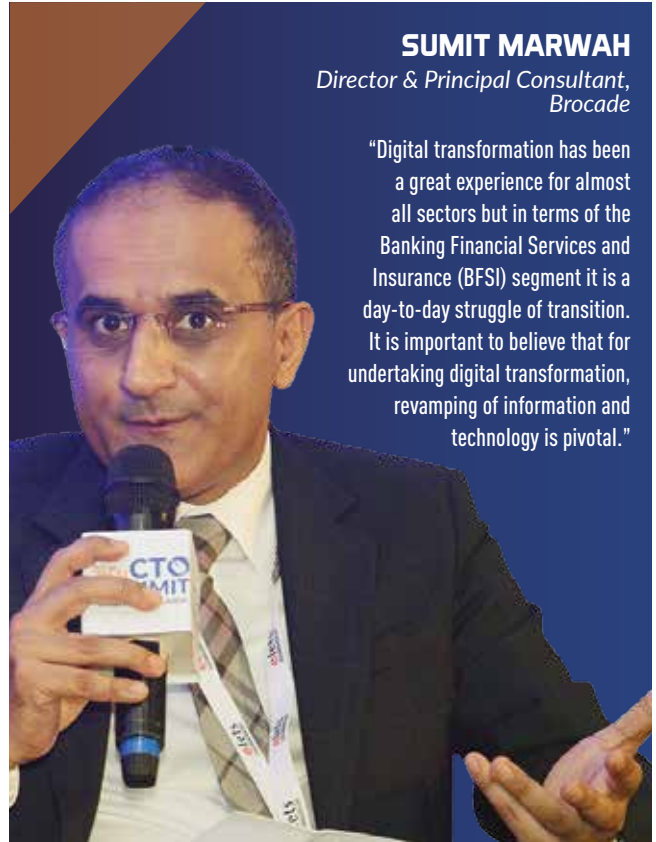
From Left To Right: Amit Vora, Direct-Risk Solutions-Crisil;Butchi Babu Burra,It Advisor, Bank Of India;Subrata Gupta,Chief General Manger-It-Nabard;Bhuvanendran Kamak,CIO, Credit Information Bureau (India) Ltd and Sumit Marwah,Director & Principal Consultant-Brocade during A Panel Discussion.



AMIT VORA

Director-Risk Solutions, CRISIL

“The fundamental challenge for every bank in India and abroad is how to leverage technology to reinforce the fundamental task of a bank. It is important to observe that by embracing new forms of technology the fundamentals of banking are not compromised.”



SUMIT MARWAH

Director & Principal Consultant, Brocade

“Digital transformation has been a great experience for almost all sectors but in terms of the Banking Financial Services and Insurance (BFSI) segment it is a day-to-day struggle of transition. It is important to believe that for undertaking digital transformation, revamping of information and technology is pivotal.”

TECHNOLOGY PRESENTATION

Business Transformation with Cloud



A BALAKRISHNAN

Head-Enterprise Business, AISPL

“Technology is rebooting financial segment holistically. Be it in terms of authentication, Blockchain or Artificial Intelligence, the touch of technology is revamping everything. Banking is undergoing a lot of change that is beyond infrastructure upgradation, cloud and computing.”

TECHNOLOGY PRESENTATION

Bringing technology close to the Customer



RAMESH NARASIMHAN

Sales Director-Enterprise Business, Juniper

“We don't appreciate the changes technology has brought in the banking segment unless we experience it in our personal life. a bank has become an uncommon phenomenon. Digital banking has emerged as the new convenient option accepted by the majority.”

PANEL DISCUSSION

Evolution of BlockChain Technology in New-Age Banking

KANTHIMATHINATHAN RK
MD & CEO
Encore Theme

“Blockchain has gained a lot of importance in the banking sector and it is not perceived as a new concept anymore. It is predicted that this technology will change the businesses to be done in the future.”



PRASANNA LOHAR
Head-Innovation and Architecture
DCB Bank

“Blockchain has evolved massively in the past one year. With periodic improvements and upgradations, the technology is gaining momentum gradually. The collaboration with other premium banks will soon bring Blockchain into the mainstream.”



From Left To Right: Naimesh Shah, Head Innovatio-Emirates NBD; Sudin Baraodkar, Head Innovation, State Bank of India (SBI); Prasanna Lohar, Head Innovation and Archietecture-DCB Bank; Kanthimathina Than RK, MD & CEO-Encore Theme during a pannel discussion.



SUDIN BAROKAR

*Head Innovation
State Bank of India (SBI)*

“In 2017, SBI formed a Blockchain named BankChain that received support from more than 20 banks. Most of these banks are Indian. The idea is to bring all the banks together and give them nodes on the cloud to test and validate the pilots and then build up the apps, systems and the platforms so that the usage of Blockchain can be taken ahead.”



NAIMISH SHAH

*Head Innovation
Emirates NBD*

“Blockchain has been a nascent technology and it has recently come through the maturity curve. The technology had now crossed that stage where the necessity to explain its significance is no more required. Now is the time when businesses see value in this. We did a cross-border remittance used case over Blockchain as the first example, where we eliminated the entire MT 103 and all transactions were simulated over the Blockchain.”

PANEL DISCUSSION

Leveraging Cloud for BFSI Sector



S R MEENA

*General Manager and CIO
Bank of India*

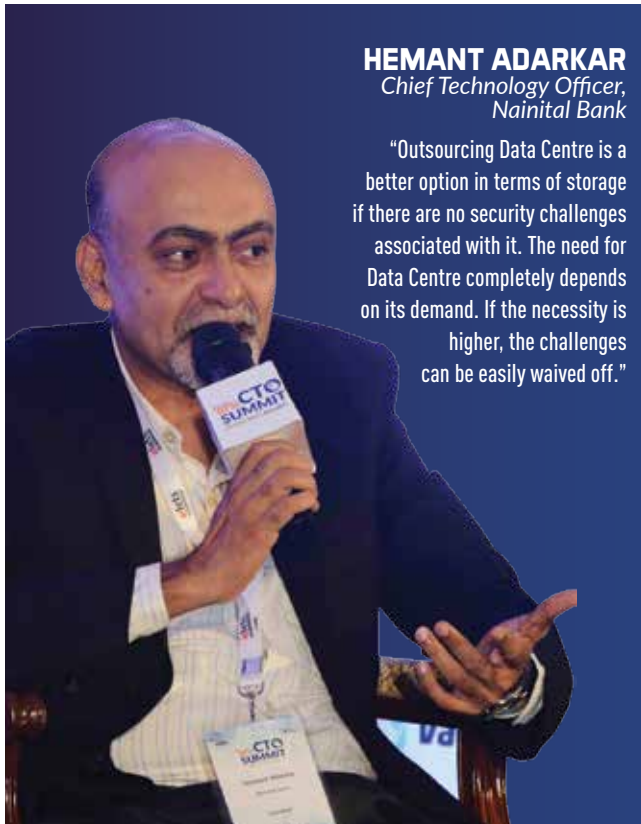
“The Centre is boosting the concept of digitisation and financial inclusion exponentially. In order to achieve these two aspects, it is important to attain financial literacy. In addition to this, security within the transactions is important.”



JOHNSON JOSE

*Chief Technology Officer
Federal Bank*

“Our bank started experimenting on cloud nearly two years ago. The major constraint we faced was locating the Data Centre close to our location. Outsourcing the technology is good but availability of Data Centre in the vicinity is desirable.”



HEMANT ADARKAR
 Chief Technology Officer,
 Nainital Bank

“Outsourcing Data Centre is a better option in terms of storage if there are no security challenges associated with it. The need for Data Centre completely depends on its demand. If the necessity is higher, the challenges can be easily waived off.”



ROHIT KILAM
 Head - Technology & Digital
 Aditya Birla Financial Services

“We are a financial service firm that has emerged out of cloud. The advantage for us was that we were able to ramp up fast. We are experimenting on a lot of things at a very minimal cost.”



From Left To Right: Zulkernain Kanjariwala, Head, IT-Doha Bank; Rohit Kilam, Head, Technology & Digital Aditya Birla Financial Services; SR Meena, General Manager and CIO- Bank of India; Johnson Jose, CTO- Federal Bank and Hemant Adarkar, CTO-Nainital Bank during a panel discussion.

TECHNOLOGY PRESENTATION

The First Line of Defense

ZULKERNAIN KANJARIWALA

Head - IT
Doha Bank

"Majority of the banks are putting their non critical information on cloud that is not associated with the customers. Our focus is different to this. We are putting our customer-based information on cloud to test the level of scalability and liability."



SANJIV DAS

Business Manager
Display Material & Solutions Division
3M

"97 per cent population in the United States owns a computer, smartphone, tablets etc. They evidently take their gadgets out and work on them connecting to various networks. This exposes their data to a higher security risk. Cloud has a greater role to play in this regard. It offers safe storage and makes customers' lives easy."



TECHNOLOGY PRESENTATION

Bridging the Divides:
Innovations for Masses

HITESH JOSHI

Product Manager
Maharashtra Knowledge Corporation Ltd

"Banks are well-known for their mass recruitment. This involves identifying centres, supervisors, logistics for question papers, logistics for answer sheet collection, results and merit lists. It is needless to say that a lot of resource goes into recruitment. We have re-engineered this wherein the first level of recruitment can be done just by clicking on link and then you get the final merit list."



PANEL DISCUSSION

Building Safe and Secure Banking in Digital Era with Excellent Customer

DEEPAK SHARMA

Chief Digital Officer
Kotak Mahindra Bank

"Safety is the fare basis of trust for the existence of banking industry. Offering new technologies is important but safety assurance is the priority of the sector. It is certainly a balancing act between upgradation and customer satisfaction."



SUBSCRIBE TODAY



SUBSCRIPTION ORDER CARD

| Duration (Year) | Issues | Subscription USD | Newsstand Price INR | Subscription Price INR | Savings |
|-----------------|--------|------------------|---------------------|------------------------|---------|
| 1 | 12 | \$300 | 900 | ₹900 | -- |
| 2 | 24 | \$500 | 1800 | ₹1500 | ₹300 |
| 3 | 36 | \$750 | 2700 | ₹2000 | ₹700 |

I would like to subscribe



Please fill this form in CAPITAL LETTERS

First Name Last Name

Designation/Profession Organisation

Mailing address

City Postal code

State Country

Telephone Fax

Email Website

I/We would like to subscribe for 1 2 3 Years

I am enclosing a cheque/DD No.* Drawn on (Specify Bank)

Dated in favour of Elets Technomedia Pvt. Ltd., payable at New Delhi.

For ₹/US \$ only

*Please make cheque/dd in favour of **Elets Technomedia Pvt. Ltd.**, payable at New Delhi

Subscription Terms & Conditions: Payments for mailed subscriptions are only accepted via cheque or demand draft • Cash payments may be made in person
• Please add ₹50 for outstation cheque • Allow four weeks for processing of your subscription • International subscription is inclusive of postal charges.

YOU CAN SUBSCRIBE ONLINE

eletsonline.com/subscriptions

Contact: Elets Technomedia Pvt Ltd – Stellar IT Park, Office No: 7A/7B, 5th Floor, Annexe Building, C-25, Sector 62, Noida, Uttar Pradesh 201301,
Phone: +91-120-4812600 Fax: +91-120-4812660, Email: subscription@elets.in



MANNAN GODIL

*Chief Information Security Officer
Edelweiss Financial Services Limited*

“Customer satisfaction in terms of secured transactions is something that has to be seal- proofed. The expectation in this regard is higher therefore the results should also be meeting the demands. The breach can happen in a fraction of seconds but the damage of reputation sustains for a longer time.”



RAJNISH KHARE

*Head – Digital Transformation
Social Business and New Media
and Mobility Banking, HDFC Bank*

“All transactions performed in the banking sector cannot be secured. The risk of safety breach may be minimal but it has its existence in the banking domain. Technology is getting upgraded to meet up such challenges and minimise customers' exposure to malware infestation.”



SV SUNDER KRISHNAN

*Chief Risk Officer
Reliance Nippon Life Insurance
Company Limited*

“The challenges and opportunities across BFSI sector are similar. We all deal with issues pertaining to data duplicacy, realtime customer experience, clear gratification of customers' demands, and several others. The need of the customers in the recent times is very challenging to meet.”

PANEL DISCUSSION

Financial Technology with Robust Payment System: Need of Hour for Banks, Financial Services and Insurance Providers



SUJATHA MOHAN

*Head-Digital & New
Initiative, RBL Bank*

“The banking sector in India has witnessed a lot of changes lately and majority of these changes are accredited to the dynamically modifying payments system. Demonetisation drive has played an important role in boosting the growth of digital payments.”



BHASKAR JUTTI
*Chief Information Officer,
 SBI Life Insurance (SBI)*

“SBI Life Insurance does not accept cash payments. It has tied up with the payments banks for completing cashless transactions. We have a wide range of payment options for convenience of our customers.”



SURESH A SHAN
*Head-Innovation & Future
 Technology, Mahindra & Mahindra
 Financial Services Ltd*

“Digitisation has emerged as a mandate for all the players in the banking industry. But before ensuring the same there is a need to provide better infrastructural facilities. Power disruption hinders the growth of digital transactions the most.”



LALIT POPLI
*Head-IT
 ICICI Prudential Asset
 Management Company*

“Demonetisation gave rise to a lot of asset management options in the country. The drive had a lot of positive effect on the banking sector but every innovation comes with a price. So, we all took the challenges in a positive way and paved the way for the innovation for a brighter future.”



SHASHANK SHEKHAR
*Head - IT Management,
 DCB Bank*

“Unified Payments Interface (UPI) is one of the major game changers in the payments and it will continue to offer greater innovations in the future. It was primarily introduced to counter the e-wallets. While e-wallets made money transfers easy, UPI made it convenient for the customers to transfer money from one bank to another at a single platform.”

GLIMPSSES OF AWARDS



GLIMPSES OF EXPO








THANK YOU PARTNERS

FOR MAKING

2nd elets BFSI CTO SUMMIT

27 July 2017, Mumbai

A GRAND SUCCESS

| | | | |
|---|---|---|---|
| <p>Robotics Partner</p>  | <p>Cloud Partner</p>  | <p>Banking Technology Services Partner</p>  | <p>Digital Transformation Partner</p>  |
| <p>ICT Partner</p>  | <p>Associate Partners</p>      | | |

Exhibitors



THE NETWORK.

INTUITIVE.

Constantly learning.
Constantly adapting.
Constantly protecting.
Only from Cisco.





SKYHAWK FOR VIGILANT SURVEILLANCE



SKYHAWK
SURVEILLANCE

LEARN MORE AT SEAGATE.COM

- UP TO
10TB
STORAGE
- 180**
TB/YEAR
WORKLOAD
- NVR**
READY
- UP TO
64
CAMERAS
- ANTI**
TARNISH
- 256**
MB
CACHE
- RV**
SENSOR
- 24**
7

Seagate Representatives: **North & East:** Nitesh Patni – 9871124290. **West:** Rahul Seth – 9819020604. **South:** Kiran Bobby – 9880948355.
 Seagate Authorised Distributors: **Fortune Marketing Pvt. Ltd.** – 011-30890014 • **Supertron Electronics Ltd.** – 033-22131221
 Seagate Authorised Sub-Distributors: **Ahmedabad:** Earth Syscom – 079-26857024/25, Silverline Infocom – 9687000600. **Bangalore:** Jain Infoways – 9916584175, Jainex Technologies – 9845048800, Mega Compu World – 9980073374. **Chennai:** I Com Systems – 9840334725, UMS Infotech – 9841045025. **Coimbatore:** Bloom Electronics – 9894716050, Ozone Computer Services – 9842215245. **Jaipur:** Advance Computers – 9351410366. **Kochi:** Forerun Computers & Systems – 9544800281, Positive Systems – 9846121722. **Kolkata:** MBT Infosys – 9831151885, Suntronic Systems – 9831155830. **Mumbai:** Chip Com Traders – 9820237468, Om Shakti Computers – 9820747131, Solutions – 9322100773. **New Delhi:** AVS Informatics – 9810150943/9811794599. **Pune:** Baba Infotech – 9822051144, Data Care Corporation – 9372430045, Poonam Electronics – 9822055900. **Rajkot:** Intercare – 9725219615. **Secunderabad:** Compaga Computers – 9849006438, Shweta Computers & Peripherals – 9866776000, Vishal Peripherals – 9866157801

Seagate support: **000.800.440.1392**
 Call Toll Free: 9AM – 5PM (MON – FRI) INDIA TIME
 NO ISD SERVICE REQUIRED TO CALL

or log in all your cases at <http://support2.seagate.com>

Introducing **FREE DRIVE DROP BACK** facility.
 Call Toll Free to know more