



## 3<sup>rd</sup> NBFC 100 Tech Summit: Highlighting NBFCs and the Tech-Driven Approach

Holding a big potential and spark to innovate and remove several roadblocks currently existing in the banking sector, the Non-Banking Financial Companies (NBFCs) should be perceived as future leaders of the BFSI sector, experts opined at the 3rd NBFC100 Tech Summit held recently in New Delhi.

Some of the experts stressed on exploring the reasons behind NBFCs' success at a time when a lot of banks are not succeeding. Some of them underlined the game-changing role of technology be it in terms of customer onboarding or loan approvals where technology has been the key enabler for NBFCs.

Prem Narayan, Deputy Director General, Unique Identification Authority of India (UIDAI), Government of India, earlier in the day inaugurated the summit organised by Elets Technomedia and powered by The Banking & Finance Post, Asia and the Middle East's premier bimonthly magazine.

Several other eminent dignitaries namely Raman Aggarwal, Chairman, Finance Industry Development Council, Alexis Bossuyt, Trade and Investment Commissioner, Flanders Investment and Trade, Embassy of Belgium and Deepak Kapoor, Co-founder, InfoAxon Technologies, were present on the occasion.

Be it the role of NBFCs in redefining the financial inclusion scenario in India, technology transforming NBFCs, modifying framework of NBFC or the role of regulatory bodies etc. were included in the list of issues on which various esteemed dignitaries, who were a part of this congregation, deliberated.

Here is a bird's eye view of the grand extravaganza held in the national capital in April.



Prem Narayan, Deputy Director General, Unique Identification Authority of India (UIDAI), Government of India and Raman Aggarwal, Chairman, Finance Industry Development Council inaugurating the 3rd NBFC100 Tech Summit, New Delhi, in the presence of Alexis Bossuyt, Trade and Investment Commissioner, Flanders Investment and Trade, Embassy of Belgium and Deepak Kapoor, and Co-founder, InfoAxon Technologies.

# INAUGURAL SESSION

## Non-Banking Financial Companies: Redefining the Financial Inclusion Scenario in India



### PREM NARAYAN

Deputy Director General, UIDAI, Government of India

Non-Banking Financial Companies (NBFCs) form an integral part of Indian financial system. It helps in reaching out to the unbanked sections of Indian society, especially the Micro Small and Medium Enterprises (MSMEs) segment. NBFCs are also embracing a lot of new technologies. Cloud Computing plays a significant role in this regard. The government does understand the value of this sector and therefore is committed to speed up its growth in every possible way. I believe due to government's initiative such as Aadhaar based technology, including eKYC (Know Your Customer), the turnaround time for customer engagement has now been reduced drastically. There are many more developments in the offing that would be rolled out soon.



### RAMAN AGGARWAL

Chairman, Finance Industry Development Council

NBFCs were not regulated before 1991. Prior to that, there were a lot of scams that forced the government to take step against these financial institutions. Today, this sector has become a focus point of the Indian economy. NBFC is a young and dynamic entrant in the broader BFSI sector and in my view, country's NBFC players, in many ways are trying to cover up what is lacking in the formal banking sector of the country. These offer unique solutions that are very much customised to the needs of today's tech-guided customers and that in my view is the main differentiator working for NBFCs.



**ALEXIS BOSSUYT**

Trade & Investment Commissioner, Flanders Investment & Trade, Embassy of Belgium

Technology is changing the way financial institutions are reaching to its customers and customers are using financial services. Technology is reshaping the future of banking. Fintech has a pivotal role to play in this segment. I see a huge growth of NBFCs in the years to come. Its assistance is definitely going to boost India's economy that is already escalating.



**DEEPAK KAPOOR**

Co-founder, InfoAxon Technologies

Unlike banks, the main strength of NBFC is that they cater to a different class of borrowers. At InfoAxon, to assess customers' creditworthiness, apart from making use of info provided by the borrower, we match the data with whatever is available in public domain - such as the Ministry of Corporate Affairs (MCA) and GST portal. We also verify this using the social media profiling of the borrower. This gives us a holistic picture of the customer in question.



Esteemed dignitaries launching the special issue of The Banking & Finance Post magazine at 3<sup>rd</sup> NBFC100 Tech Summit, New Delhi.

## PANEL DISCUSSION

# Embracing Technology for Secure and a Brighter Tomorrow of NBFCs



### PUNIT JAIN

Chief Executive Officer, Nelito Systems Ltd

Today it is worth probing that why NBFCs are succeeding, when a lot of banks are not? The differentiator as I see is: Agility. So many banks today are in trouble, with high default rate and not being to penetrate the rural markets. On all these counts, NBFCs are doing a better job. In my view, the technology plays a game-changing role here. So be it, customer onboarding or approving of loans-in all such processes, technology has been the key enabler for NBFCs.



### SARATH CHANDRA

Chief Technology Officer, Airtel Payments Bank

Technology is so integral to NBFCs sector today that the sector cannot operate without it, let alone succeed. Concerning Airtel payment Bank, unlike others, I cannot talk about our digital transformation journey, since right from the day one, we have been a 100 per cent digital bank. Presently, the aspects we are improving include leveraging the use of technology and being more agile to customers' needs.



### ASHISH OJHA

Chief Technology Officer, Aye Finance

Thanks to technology enablement, Aye Finance grew from a start up phase to a mid size one in a span of just two years. We grew from 150 Crore to 500 Crore in a matter of a year. Last year our entire process was paper based, turnaround time was 10-12 days. Thereafter, thanks to consistent usage of automation technology, we managed to reduce the loan disbursal time to in 3-4 days.



**VISHAL RATHORE**

Chief Information Officer, India Infrastructure Finance Company Limited

Digitalisation is not just about making your transactions complete in three- four clicks, but ultimately about cutting down your operational costs and risks, bringing about operational efficiency and end-to-end automation. Your back-end solutions should be agile enough to cater to the needs of the customer and your infrastructure should be capable enough to be increased in capacity, to accommodate any increment in resources.



**VAIBHAV PANDEY**

Co-Founder, i2iFunding

Since our inception as a P2P lender, technology has been an enabler for us. Right from customer acquisition to the credit evolution process, to the disbursal of loans, and to the servicing of loan in terms of collection and repayment, technology has been a lifeline. Dealing in loans with a ticket size of Rs 50,00 to one lakh, through our mobile app and getting customers' insights on social media platforms, we triangulate this information to effectively judge the credit worthiness of our customers.

**TECHNOLOGY PRESENTATION:**  
DELL EMC VxRail:  
Begin your Software Defined Data Center Journey



**RAJESH RAMNANI**

Director - Converged Infrastructure, Dell EMC

If as a business, IT is important to you, then setting it up might be difficult for you. Processes like storage, servers, virtualisation is a complex job. Today when you invest in an infrastructure, you need to first identify the software to run on it, then you also have to buy the discrete layers of the sub-software. Then, you have to buy a piece of network for it, followed by specialised software to manage the same network. Subsequently, you need to hire people to manage the overall infrastructure. So you see the whole process calls for a multi layered approach.

## TECHNOLOGY PRESENTATION:

Making Digital Real & Rewarding Using a Platform Approach: Discover How Niyogin Fintech Launched India's First End-to-End Digital Lending Platform



### SHUBHAM NAGAR

Director-Digital Solutions, InfoAxon Technologies Ltd

When it comes to digital, our learning is that it's not the one thing that you do, but a host of things. It's about thinking customers journey and partner's journey and then having a platform approach that interweave these experiences for a seamless customer experience, and all along, creating value chains for our partners.

## CEO ROUNDTABLE - Modifying Framework of NBFCs and the Role of Regulatory Bodies



### DEVESH SACHDEV

Chief Executive Officer and Director, Fusion Microfinance

One of the reasons why in recent times the NBFC sector has grown to the stage where it is today is because of the role of regulator because they brought regulation to make sure that sector grows in a responsible and robust manner. However, given the thin line between under regulation and over regulation, there is always room for improvement.



### ASHOK MITTAL

Chief Executive Officer, PrestLoans

As we see lot of digitalisation taking centre stage, the changes that should ideally accompany them and must be brought at regulatory level are a bit slow. Many reforms, regulations and sector-related decisions that have already been okayed, are yet to see their implementation. Going by the rulebook, we hear that a particular regulation should come in force in six-months time, but that does not happen.



### SOMYA SRIVASTAVA

Chief Executive Officer, Prayatna Microfinance Ltd

Operating in microfinance domain, I notice that this sector is moving from semi-organised sector to an organised sector. Along with this, different platforms, sub-segments are not only emerging but are also gaining recognition. e.g. P2P lending platform has now started gaining immense recognition. However, along with such opportunities, there are risks too.



### RAKESH DUBEY

Chief Executive Officer, SV Creditline Limited

Since a bank in India is synonymous with trust, hence, principally speaking, being a NBFC equals to being non-trust holder. Hence, to gain back the trust of the level of bank, the sector needs to be regularised. With NBFC players doubling in numbers recent times, the RBI thus needs to revisit all the earlier regulations brought out before the advent of new age technologies.



### PARAS MITTAL

Managing Director, Gurdevi Leasing and Finance

Most of the NBFCs have to still improvise on the corporate social responsibility front. There are lots of incidents when customers have to shell out a lot in terms of charges such as balance maintenance or related transaction charges. These need to be curbed to promote ethical banking. With many corporate frauds surfacing in recent times, ethical issues on corporate governance need to be addressed on a priority basis.



### VIVEK TIWARI

Managing Director, Satya MicroCapital Ltd

As I see, any kind of regulation imposed on a sector can also be seen as a kind of recognition being facilitated to that sector. This is the case with country's NBFCs too. However, there are few entities that have used the grey areas of the regulations for siphoning off the money and indulging in unethical practices. So, the dilemma before a regulator is to make sure that the entire sector behaves more ethically.



**VAIBHAV PANDEY**

Co-Founder, i2iFunding

P2P lending space in India has seen intervention from RBI in its very early days. Compared to international regulators too, I think RBI was among the very early movers. We have seen a situation in china where until 10,000 players no regulating was there which also led to many scams in that country too. In India, thus I believe, RBI did a great job in regulating the sector.



**SHACHINDRA NATH**

Founder, Poshika Financial Ecosystem Pvt Ltd

I think NBFC regulations have evolved to a large extent. If you look at prior to 2013, NBFCs were regulated in one single brush. Size, type-nothing use to matter, but now you have a comprehensive segregation of NBFCs by size. Still They don do it by activity, whether you are a retail NBFC or consumer or wholesale or real state, for regulators you are just a NBFC license holder.



**DEEPAK SRINIVAS**

Director, UC Inclusive Credit Pvt. Ltd.

One area RBI needs to look at is to be able to discern between high risk and low risk NBFC. There is a disconnect between RBI and the players it's connected to, and to those it's not. The RBI should not treat all players in one size fits all approach. There are small NBFCs which need not be subjected to many technological criteria but currently they are.



**HEMANT B SONGADKAR**

Managing Director & Chief Executive Officer, Nabsamruddhi Finance Ltd.

While I believe in recent times, the last mile connectivity by NBFCs has been much better than even banks. They are now even reaching the unreachable. There are many NBFC that are not able to avail financing from players like because their current ratio was less than one.



# TECHNOLOGY PRESENTATION



**IMRAN IRAQI**

Principal-Technology Advisory, CtrlS

Everything connected to the internet could be subject to compromise. The idea of security on web is all porous. One of the lagging factor that I found in the CSOs of the NBFCs is that they are not effectively been able to propagate effectively to the board that these are the cyber security vulnerabilities we are living in. this leads to absence of required strategies that should be in place otherwise.

## PANEL DISCUSSION - Implementation of Innovative Technologies for NexGen Banking



**NIKHIL BANDI**

Senior Vice President & Chief Information Officer, Vistaar Financial Services P Ltd

I find the topic today to be so apt and relevant. In NBFC segment, be it microfinance o MSME lending, Innovative technologies of the day like blockchain, natural language processing, IoT, virtual reality, we need to see how many of them are really implementable in our domain and what are contextual requirements of it.



**DEEPAK MUDALGIKAR**

Chief Technology Officer, SBFC India Pvt Ltd

Looking at the legacy applications that we inherited from karvy financial services, we explored how to transform them into the digital platform. We looked at making things easier for our employees and being true to our tagline i.e 'loans made easy'. We aimed to make our processes easier both for our employees and stakeholders – in this, tools ranging from analytics machine learning and AI play a key role.



**SRIVATHS VARADHARAJAN**

Chief Information Officer, Niyogin Fintech Ltd

Initially, aimed at addressing the customers' problems, aspects that we tried to address included the speed, the quality of decision and how it will take care of the health of the portfolio. Today, through API integration, we have parameterisation coming from bureau perspective, parameterisation from banking perspective from credit rule perspective along with such modeling we have also added social score.



**VARUN GULIANI**

Head - IT, India Shelter Finance

I would like to touch upon the topic of privacy. Today, the moment we give our consent to a service provider to read our SMS, we are prone to security breach too. This is where business ethics come into the play. Now vision analytics has come, to vision. Google .com and you will not believe the amount of humongous data and insights a single picture can give us.



**SARATH CHANDRA**

Chief Technology Officer, Airtel Payments Bank

Taking the next-generation banking solution across to far-flung areas of the country has now only been enabled through technology. Today, we are moving towards a near-real-time technology, event-driven systems. So we have real time AML solutions, making use of, we can scrutinise a transaction which in less than a minute.



**RAJESH SINGHAL**

Head - IT & CISO, Indian Clearing Corporation Ltd

We guarantee the trade done by the end customer, security part and the settlement part of it. Today we have multiple applications, with each asking for different password. That used to be a security threat. It was difficult to remember all the passwords for all the applications. Now using Single-Sign-On (SSO), we now have a single user name and a single password that subsequently is authenticated by dual authenticator such as Google.

## PANEL DISCUSSION - Relevance of Cloud Computing in NBFC Sector



### DEEPAK MUDALGIKAR

Chief Technology Officer, SBFC India Pvt Ltd

If you really see, cloud as a platform for service delivery has improved a lot, and has given a lot of benefit to many organisations. Be it private cloud which is very mature and developed now and has been helping many organisations cut costs. From that point to public cloud, I believe software as a service has been a great enabler and disrupter in the field of NBFC. Certainly, for achieving operational efficacy, cloud is playing a key role.



### ANAND SHARMA

Chief Technology Officer, Asirvad Microfinance Ltd

Right from the lending solutions to the in-house communication platform to analytics, we are 100 per cent on the cloud. If we were to look at cloud model and on-premises model, then there are five parameters we observe: security, scalability, CAPEX Vs APEX and privacy. These are four guiding principles for us while opting for a cloud service. From the financial side, its CAPEX Vs APEX from information security side, its security, and privacy of data. Such an analysis helps in our decision-making.



### NIRMAL GUPTA

Head - IT, SV Creditline Limited

We now have end- to-end cloud services but before opting for any cloud service, we analyse six aspects, these include: the cost, services, scalability, productivity, reliability and last but the least functionality. Now since we are 100 per cent on cloud, employing it end to end, we have reduced several of our expenditures.



### GOUTHAM KS

Head-IT, Auxilo Finserve Pvt. Ltd

The point I like to add to the whole discussion is the idea of integration. How best we integrate various stakeholders on the cloud? Now there are various services being availed via cloud. The software is a service, infra is a service too, and as such, we can't expect every service to be provided by a single vendor, since each vendor has its own USP.





# BFSI LEADERSHIP AWARDS











We are overwhelmed with your esteemed presence and active participation in making 3<sup>rd</sup> NBFC100 Tech summit, New Delhi, a grand success. We extend our heartiest gratitude for your kind cooperation and constant support.



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