



6th elets **NBFC 100**
TECH SUMMIT

NEW DELHI
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CONFERENCE REPORT





Underlining Opportunities for NBFCs, Looking Beyond Challenging Times

India is different and so are the challenges faced by the NBFCs here. In the tough times, there is a need to speculate and think beyond, said Dr Amitabh Rajan, Chairman, Reserve Bank of India Services Board, at the inauguration of the 6th NBFC100 Tech Summit held recently in New Delhi.

The conclave was organised by Elets Technomedia, with The Banking & Finance Post, Asia and the Middle East's premier bi-monthly magazine, being the Knowledge Partner.

The first session titled, "Non Banking Financial Company: An Opportunity in a Storm" began with a deliberation by Dr Rajan, who highlighted the ongoing challenges faced by the Non-Banking Financial Companies (NBFCs) in India, role of media during the tough times and the way forward.

On this occasion, P Satish, Executive Director, Sa-Dhan, a microfinance institution and one of the host partners of the conclave, spoke about the transition of NBFCs and Microfinance Institutions (MFIs) over the years.

He also explained the role of regulatory bodies in ensuring the emerged of MFIs as lending institutions.

Raman Aggarwal, Chairman at the Finance Industry Development Council (Host Partner of the conclave) underlined the role of regulatory bodies in framing the developmental strategies of financial institutions, especially in India. He termed

the regulators are the most vital and evident contributors in development.

Emphasising on the rising significance of MFIs in the country and explaining their contribution towards the uplift of the underbanked segments of the society, Sudhir Sinha, Chief Executive Officer, Uttar Pradesh Microfinance Association said, "MFIs are not just serving the lending demands of the remotest segments of the society, they are also generating a lot of scope for employment across the country."

The conclave witnessed several insightful panel discussions on topics namely Modifying Credit & Liquidity Risk Framework of NBFCs & The Role of Regulatory Bodies, New Enterprise Technologies that NBFCs would Like to Embrace Next Year, Technology and its Importance in Curbing Fraudster Attacks in NBFCs, Rising Significance of Digital Lending: Challenges & Opportunities and Growing Role of CISOs in NBFC Sector.

While Experian India was Analytics Partner, FinBox was the Alternative Data & AI Partner of the summit. Singzy and Tata Tele Services were the exhibitors and NexMoney was the branding partner.

The summit concluded with a felicitation ceremony where leaders and emerging faces across the BFSI sector were recognised for their exemplary contribution.

Inaugural Session – Non Banking Financial Company: Key to New Dawn for Financial Inclusion Endeavour



India is different and so are the challenges faced by the NBFCs here. In the tough times, there is a need to speculate and think beyond. We have to find out our own way in India to deal with the challenges in the NBFC sector rather than getting panicked by the newspapers which generally highlight scams and draw conclusions based on the West.

DR AMITABH RAJAN

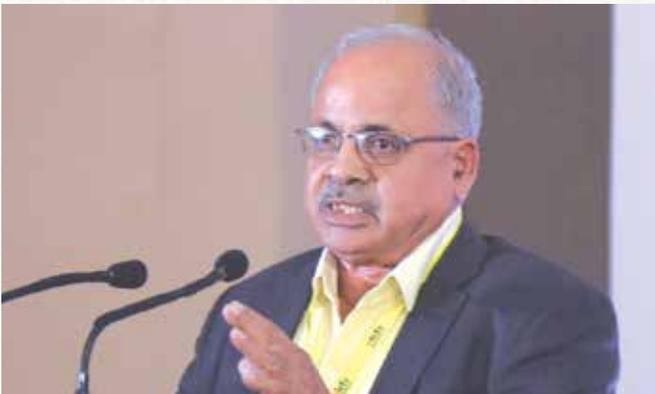
Chairman, Reserve Bank of India Services Board



NBFCs and Microfinance Institutions (MFIs) over the years have undergone a lot of hardships. This is how NBFCs-MFIs in India are now emerging as one of the leading lending institutions. This transition was possible due to adherence to the vital guidelines initiated by the Reserve Bank of India. Regulators and the recommendations issued by them have pushed the due growth of MFIs as lending institutions.

P SATISH

Executive Director, Sa-Dhan



MFIs are gaining a lot of popularity in India and contributing towards the upliftment of the underbanked segments of the society. MFIs are not just serving the lending demands of the remotest segments of the society, they are also generating a lot of scope for employment across the country.

SUDHIR SINHA

Chief Executive Officer, Uttar Pradesh Microfinance Association



When we are talking about NBFCs, it is important to talk about the role of regulatory bodies in framing the developmental strategies of financial institutions, especially in India. Regulators are the most vital and evident contributors to development. Regulation and development both go hand-in-hand and significant for the growth of any sector. It is a necessity in case of financial institutions.

RAMAN AGGARWAL

Chairman, Finance Industry Development Council

Technology Presentation - The Changing Face of Consumer Lending



Reshaping customer experience through data and innovation, Combining the power of alternate data for decisioning, quick thinking and agile implementation driving new ways of decisioning are some of the ways to ensure meaningful customer engagement.

DEVANG SHAH

General Manager, Credit Services & Analytics, Experian

CEOs Panel Discussion -- Modifying Credit & Liquidity Risk Framework of NBFCs, MFIs & Housing Finance Companies and the Role of Regulatory Bodies



Observing the current scenario in and around the NBFC and MFI sector it is evident that challenging times have approached the industry and a lot has to be discussed and planned pertaining to the modification of Credit and Liquidity Risk Framework. It is also significant for the regulatory bodies to design a framework in fixing the existing challenges in the sector.

RAKESH DUBEY

Chief Executive Officer, SV Creditline Ltd



Unlike NBFCs, Housing finance institutions have a social cause attached to its operations. We are helping people to own a house and fulfil their dreams. The Government also supports this cause and has promoted the idea of affordable housing through its flagship scheme "Housing for All by 2020".

AMIT SHARMA

Chief Executive Officer, Satin Housing Finance

I agree with the crunch that has happened due to IL&FS fiasco but I also believe that IL&FS does not represent the complete NBFC and the MFI sector. The problem that the company faced was due to its own practices and decisions. The firm was into roads, infrastructure and so on and their project decisions were made for three to five years which later extended and created a problem for them.

SUNIL GUPTA

Chief Executive Officer, ManiBhavnam Home Finance





The liquidity scenario for the entire NBFC sector has flipped completely post IL&FS incident. Prior to this discrepancy, we were in advance level talks with the banks and growth across the NBFC sector being extremely healthy. But now we suffer from a huge crunch of liquidity.

SANJEEV YADAV

Managing Director, Subh Lakshmi Finance Pvt Ltd



Few months ago when we started our operations as a start-up, ample amount of funds were available for us. Just after the IL&FS incident, entire liquidity scenario changed across the NBFC sector. The market became tough for all of us. The regulator played a significant role in this adverse scenario by injecting funds to NBFCs and helping them out.

V G SUCHINDRAN

Chief Financial Officer, Veritas Finance



In times where everyone is talking about the default made by IL&FS, I believe that the entire NBFC and MFI sector is in good shape and word liquidity risk is a bit overplayed. Chocking liquidity is the bigger factor for the sector than the credit released.

PARDHASARADHI RALLABANDI

Chief Risk Officer, Northern Arc Capital



Samunnati is a specialised Agri Value Chain enabler that provides innovative and customized financial and non-financial solutions. It leverages on the social capital and trade capital in buyer seller relationships via Samunnati Aggregators (SA), through non-traditional sourcing, risk assessment and mitigation, aided by cutting edge technology, thereby building quality business that is sustainable and results in inclusive growth.

HARI RAJAGOPAL

Vice President,
Capital Markets & Strategic Partnerships, Samunnati

Panel Discussion - New Enterprise Technologies that NBFCs, MFIs & HFCs would Like to Embrace Next Year



In the digital era, operations of NBFCs primarily rely on two aspects. Firstly, an NBFC would definitely want the investment it had made to return and secondly, customer acquisition, which plays a pivotal role in the operations. It is very significant for NBFCs to deploy a technology that supports them in Return-on-Investment (ROI) and customer acquisition.

NAFEES AHMED

Chief Information Officer, Indiabulls Group



Rural Electrification Corporation Ltd started its operations in 1969 and this year we are going to celebrate its 50th operational anniversary. Our staff is associated with us for a long time and don't primarily belong to the younger generations. Till 1990s, IT innovations across the government sector, was not very prevalent. Tech-innovations at REC started off very late around 2007.

P K MUKHOPADHYAY

GM-IT & Chief Technology Officer, Rural Electrification Corporation Ltd.



We, at Satin, started off a journey with RFP. The RFP is the evaluation of three products but we decided to evaluate six products. We planned to evaluate two products each for Tier-1, Tier-2 and Tier-3 respectively. For products, pertaining to Tier-3, we took eight weeks for the evaluation. This was done to find the fitment to all our business needs.

SANJAY MAHAJAN

Chief Information Officer, Satin Creditcare Network Ltd.



Offering loan in 59 minutes, an initiative started by the government, is not a challenge for us as we were already working on this aspect. In alignment with this, we have already launched our stag which is working efficiently. NBFC and MFI segment is full of opportunities and there is a lot of scope for expansion. There is opportunity to automate and make things efficient.

ASHISH GOPAL SAXENA

Chief Technology Officer, UGRO Capital





When we were GE Money, technology was handled operated at a very enterprise level. Specific detailing of country based customisation was not done. But the shift from GE Money to Clix Capital expanded our profile and we became a multi product company. It brought-in several new challenges. The first challenge was to set-up a platform that can cater to the needs of all the products.



NEETI WAHI

VP & Chief Information Officer, Clix Capital



We are not a very old institution in the block but we have been growing really fast on the back of technology. We have challenged some of the traditional thoughts pertaining to setting-up of branch offices. We have only one office per state and all our field officers are equipped with mobile devices. Our moto is to deploy tech-driven measures to boost the operations and streamline the services.



ANAND AGGARWAL

Head-IT, Kisan Rural Finance



We are a start-up and therefore we face a lot of challenges associated with investments, operation, team building and technology deployments. Out of all these, implementation of technology plays a pivotal role here, keeping the current banking scenario in mind. Every technology deployment is different and it has its own set of challenges in terms of its fitment with various modules.



PARAS MITTAL

Managing Director, Gurdevi Leasing & Finance



Panel Discussion – Technology and its Importance in Curbing Fraudster Attacks in Non-Banking Sector



In rural India, customers want the services to be simple with proper reach and speed. They want technology to reach the last-mile and solve the challenges faced. In my view, analytics and all new techniques and technologies should focus on serving the rural customers in getting a way out and reaching the relevant banking services.



SURESH A SHAN

Head-Innovation & Future Technology, Mahindra Finance



There are two types of frauds that we come across in NBFCs, some occur internally while others come from external sources. During the acquisition of the clients, we have observed that fake Know Your Customer (KYC) are used by the clients and ultimately leads to fraudulent activities. Similarly, in terms of internal cases, we have witnessed that employees with the help of clients or sometimes due to carelessness give rise to frauds.

BIPIN SHARMA

Chief Financial Officer, Subhlakshmi Finance Pvt Ltd



KYC has been a long journey, starting from the mechanism from where banks used to ask for a reference of a person who holds an account in the same bank/branch to an era where banking and financial institutions started verifying a customer's identity on the basis of a government issued identity cards. Aadhaar has played a major role in revolutionising this segment and bringing e-KYC into life.

VARUN GULIANI

Head-IT, India Shelter Housing Finance



There should be a proper coordination between Business Intelligence (BI) tools and advanced analytics. Lack of this coordination between these two can increase the cost and efficiency among the banking and finance institutions. Because both these techniques are completely different and we are putting them together to function in alignment.

venu kumar panjarla

CAVP-Technology, Margdarshak Financial Services Ltd



One of the biggest challenges that we face in the rural areas within the affordable housing segment is the verification of KYC. To verify the physically filled in details in our digital set-up we need an OTP that gets generated and received at the customer's registered mobile number but due to lack of proper digital awareness we fail to receive a response within 30 seconds and it expires by the time customer responds.

DOMINIC VIJAY KUMAR

DVP & Head-IT, ART Housing Finance Ltd





I have witnessed the transition of Indian banking system from traditional methods to tech-driven techniques. Blaming technology for the rise of frauds is incorrect because menace of fraudulent activities were a part of the banking sector during traditional era as well and it continues to maintain its momentum now as well. Frauds sustain but the modus operandi changes.

DURGESHWAR MISHRA

Head-Innovation & Future Technology, Mahindra Finance

CEOs Panel Discussion – Rising Significance of Digital Lending: Challenges & Opportunities



Fintech is a new word for the BFSI sector. The way infrastructure of the company has changed in the last one-and-a-half-year, both the words fin and tech are struggling to make a mark. The verdict on Aadhaar by the Supreme Court of India and the IL&FS issue has brought the entire sector of NBFCs and Micro finance into a fix. It is the right time and opportunity for all of us to learn.

VIVEK TIWARI

Managing Director, Satya MicroCapital Ltd



Microfinance Institutions being the traditional players play a very significant role in reaching out to the customers. When compared to the Fintech world, service delivery by MFIs is completely different. The biggest challenge faced by the lending industry is the recovery of loans. However, I believe MFIs have handled loan recovery really well as compared to its other counterparts.

AMIT JHANVAR

Vice President, Unitus Capital Pvt Ltd

We, at Prayatna Microfinance Ltd, paid attention to the role of technology way before we rolled out our operations. We understood that digitisation in terms of collections and disbursement does not play a very significant right now for a microfinance company. We have our software which is provided to each and every field officer. This helps us in digitising our services.

SOMYA SRIVASTAVA

Chief Executive Officer, Prayatna Microfinance Ltd





When we talk about financial inclusion, we don't really talk about transforming lives. There had been a lot of developments in this segment and a lot of people can now avail a lot of branchless services around the country. But despite this, we need to ensure economic inclusion. We need to start a Microfinance programme based on the economic inclusion.



SATYAVIR CHAKRAPANI
MD & CEO, Shikhar Microfinance Pvt Ltd



We are a peer-to-peer lending platform. i2iFunding is a platform where borrowers can apply and on the other side we have individual lenders who come and fund those loans once they are approved. When we started our journey, only the loan application process undertaken by the borrower was digital but the credit evaluation was done using the traditional methods.



VAIBHAV PANDEY
Co-Founder, i2iFunding



Digital platform in terms of lending is a commodity today. You can make it in-house or you can get it developed by a third party. The value here comes from the additional components that you put. The first component is being able to create loan syndication in micro markets. This scenario does not exist as of now.



PUNEET GUPTA
Managing Director, Simplified FinTech



Revfin is a digital consumer lending firm and our core objective is Financial Inclusion. We primarily lend for clean technologies. Within clean technologies, one of the segments that we have is electric rickshaw finance. For serving this particular segment, we face a lot of challenges. For instance, these customers do not belong to the formal market and not necessarily have documents pertaining to e-Know Your Customer (e-KYC).



SAMEER AGGARWAL
Founder & CEO, Revfin



PrestLoans is a digital lender based out of Delhi. We service very small businesses and the micro segment of MSMEs. More or less our entire process is digitalised, be it sourcing or application from the client, credit process. We give weightage to known financial parameters, which include the customer's personal information that we analyse to rank them accordingly. It also comprises social and business information.

ASHOK MITTAL

Chief Executive Officer, Prest Loans



The number of transactions being made in the microfinance sector by the very virtue of the fact that you are addressing the bottom of the pyramid which suggests that there are several opportunities to use Machine Learning to come down to a decision pertaining to the client's credit worthiness and whether the lender should go ahead with the underwriting or not.

YASHWARDHAN SAHAI

Chairman & Managing Director, Ajjivika Finance Ltd



Felicitation Ceremony



Expo





Thank You!

Elets Technomedia thanks

all the esteemed speakers, partners and delegates for participating at 6th NBFC100 Tech Summit, New Delhi and making it a grand success!



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