



# RAPID STRIDES OF DIGITAL TRANSFORMATION

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An Economic Times Initiative

# INDIA'S ECONOMY IS OF GLOBAL IMPORTANCE

It has a large and young population which is standing at the threshold of contributing to the growth of the economy. It is already the third largest economy and contributor to global economic growth, yet there is considerable untapped potential. Given the challenges of policy making in such a large and diverse country, there has been structural shifts formed by technological & environmental disruption. One of the underlining structured initiative is Microfinancing, which helps individuals or small business owners, both in rural & urban



## OVERVIEW

areas, who do not have access to proper financial assistance. By the way of Microfinancing, government has helped individuals below poverty-line to be financially independent. Today, various banks, non-banking financial corporations, and microfinance institutions provide funds to needy people who aspires to become an entrepreneur.

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# EVOLUTION OF THE SECTOR

India is today one of the most vibrant global economies, on the back of robust financial sector. India's diversified financial sector has evolved multifold. The changing demands of the consumers have undergone a rapid change and meet those expectations NBFC's are expanding their horizons to reach out to the under-served. The Government and Reserve Bank of India (RBI)

have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for Micro and Small Enterprises, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). With a combined push by both government and private sector, India is undoubtedly one of the world's most vibrant capital markets.

In its next phase of growth and quest for excellence, debates are emerging whether technology shall replace most of the human interventions. Will AI & ML play a

pivotal role in creating an impact which would challenge the way microfinance institutions functioned and flourished over the years!

While it is good to think ahead of time and start preparing for a next-generation sustainable distribution model where technology is the key force, one should not forget the basic and established principles which are led by more

of 'high touch' and less of 'high tech' approach. While technology will surely improve the transactional processes, provide analytical tools for decision support systems for achieving desired scale and reducing the operating expenses, the concept of social collateral, customer engagement through frequent center meetings, assisted IT enablement and promoting financial literacy would continue to be the golden rule of financing for the foreseeable future.



A 1 Euro coin is balanced on a thick rope against a background of a stormy sea. The coin is positioned on the left side of the page, with the rope extending from the left edge towards the center. The sea is dark and turbulent, with white foam from the waves visible. The overall mood is one of precariousness and risk.

# THE SECTOR AT GLANCE

Despite tremendous growth in the sector, NBFCs have continued to be in limelight, recently, though, not for the right reasons. In spite of continued growth, together with improved asset quality and satisfactory capital adequacy, the stock markets have suddenly reacted negatively. With one of the important infrastructure financing NBFCs going down, the sentiment suddenly turned negative and as a result there has been a virtual blood bath at the stock markets, when it came to stocks of all the leading NBFCs. This recent development has once again highlighted the crying need to create a marked distinction between what is known as a 'typical NBFC model' focused on retail lending (primarily secured) with small ticket size and average tenure of two to four years. The NBFC facing the crisis today, is primarily engaged in long-term project financing and cannot be treated as a representative for the NBFC sector.

The government liberalized the financial services sector by permitting 100% foreign direct investment in the financial sector under the automatic route, subject to the relevant entity being regulated by the Reserve Bank of India ("RBI") or other financial sector regulators. Further, the benefit of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 was extended to 196 NBFCs allowing such NBFCs to enforce security interests on assets charged to them, without having to resort to either judicial or arbitral authorities. Now, the government is working towards harmonizing the regulations applicable to various categories of NBFCs to facilitate ease-of-doing business in this sector. The government is also taking actions towards a technological revolution in this sector by implementing an information technology framework and promoting FinTech activities.

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# WHY TO **ATTEND?**

The Economic Times presents the 2nd edition of NBFC Summit which brings together moguls from financial services industry and other stakeholders in banking operations, insurance and mutual funds industry. The summit will encourage strategic learning, cross fertilization of ideas and networking for value.

It will be a daylong summit which will endorse investment and economic growth in the financial services industry and enrich access to information, knowledge, experience and expertise of finance professionals.

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## SPEAKERS PROFILE

- ▶ CEO's of Microfinancing Companies & NBFC
  - ▶ Functional Heads – IT, Finance, Marketing from Financing Companies
  - ▶ Chairman/President of Financing Associations.
  - ▶ Dean/Chairman of Institutions
  - ▶ Entrepreneurs
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## PARTICIPANT'S PROFILE

- ▶ Government officials and Regulators
  - ▶ Reserve Bank of India Officials
  - ▶ Officials from reputed Non-Banking Finance
  - ▶ Micro Finance Institutions Companies
  - ▶ Banking and Financial organizations
  - ▶ Payment Gateway/ Cash Management/ Security
  - ▶ Executives from the MSME sector
  - ▶ Venture Capitalists & Angel Investors
  - ▶ Technology Service / IT Solution Provider
  - ▶ Mobile Banking/ Core Banking Solution Provider Solution Provider
  - ▶ Chartered Accountants and financial experts
  - ▶ Tax Officials and Law makers
  - ▶ Researchers/ Scholars
  - ▶ Brokerage Firms
  - ▶ Security Solution providers
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# KEY POINTS OF DISCUSSION

- ▶ Is there a need to re-strategize Regulatory Framework?
- ▶ Technology advancements and its Significance in NBFC Sector
- ▶ Diversifying Role to meet the Financial Inclusion
- ▶ Recent Threats and its Preventive Measures in NBFCs
- ▶ Growing Role of Security Leaders in NBFCs
- ▶ Cyber-attacks in NBFCs
- ▶ Changing dynamics of customer demand and dispute resolution
- ▶ Regulators role in safeguarding from online frauds and measures for strict customer identification
- ▶ Data analytics, data security and privacy



## WHO SHOULD ATTEND?

- ▶ Tech Companies
- ▶ Analytics and risk management firms
- ▶ Database management firms
- ▶ Antivirus providers
- ▶ Cloud Communication Company

# AGENDA

09:00hrs – 10:00hrs	Registration with Tea/Coffee
10:00hrs – 10:05hrs	Welcome Address by ET-Edge
10:05hrs – 10:25hrs	Keynote Address : NBFC - The Key to a Robust Economy Raman Aggarwal, Chairman, FIDC
10:25hrs – 11:25hrs	Inaugural Panel Discussion: Growth Map of NBFCs - From Inception to Now "In this session we will deliberate on the following: <ul style="list-style-type: none"><li>• Evolution of the Sector</li><li>• Policy &amp; Reforms</li><li>• Challenges in adopting KYC"</li></ul> M. R. Umarji, Former ED, RBI & Chief Adviser- Legal, IBA Raman Aggarwal, Chairman, FIDC Alexander George Muthoot, MD, Muthoot Finance
11:25hrs – 11:55hrs	Fireside Chat : Crisis of Confidence in NBFS Economic Advisor Ramesh Iyer, VC & MD, Mahindra Finance
11:55hrs – 12:10hrs	Networking Tea Break
12:10hrs - 13:10hrs	Panel 2 : Leveraging Technology advances for improved efficiency & enhanced experiences Through this session we will understand the importance of how to leverage technology-based tools to transform underwriting and decision making, that will help in driving competitive advantage and robust risk management. How NFBC's need data architecture and analytics to capture the right customer data? And much more. Sanjay Sharma, Founding Member, Chief Digital & Innovation Officer, APAC Finance Suresh A Shanmugam, National Head of Business Information Technology Solutions (BITS) & CIO CTO, Mahindra & Mahindra Financial Services Shashi Kumar Ravulapaty, SVP & CTO, Art Fintech
13:10hrs – 14:00hrs	Networking Lunch
14:00hrs – 14:15hrs	Special Session : Embracing a new attitude to win over customers Customer is king' has never been more true than it is today. With lenders incorporating technology advances to penetrate underserved markets and differentiate in mature markets, customer expectations have evolved. The proliferation of new entrants with differentiated business models to serve customers is also increasing pressure on existing, incumbent NBFCs to increase customer focus. Customers now demand seamless, personalised, 24X7 interaction across multiple touch-points, customised to their needs. This will require NBFCs to embrace techniques to derive customer insight,

such as customer personas and journey maps, enhance their understanding of customer behaviour and subsequently drive-up meaningful outcome. Winning the customer experience race will require much more than just technology; it also mandates a new attitude to winning the customer.

14:15hrs – 14:30hrs	Case Study : Fintech start-ups see a big space in lending business "A fair investment in making a perfect portfolio helps in taking better investment and financing decisions and hence making both sides of the balance sheet match. Therefore, we should have a perfect balance of Financial and Technology Inclusion while sailing through and making future growth strategies. <ul style="list-style-type: none"><li>• Leveraging or de-leveraging FIN-TECH</li><li>• Outlook on growth and delinquencies - Detailed assessment of competitive scenario with banks and market share of NBFCs in various segments</li><li>• P2P Lending</li><li>• More of 'High Tech' and Less of 'High Touch'</li><li>• Perspective on regulatory direction in each segment</li><li>• Level of digital medium usage in origination and appraisal process"</li></ul> Sponsor
14:30hrs – 15:30hrs	A Different Perspective : Fuelling NBFCs through funding avenues Through this session we will understand what the key drivers of enabling investment in India are. We will also deliberate on how macroeconomic factors and government initiatives have propelled the inflow of both foreign and domestic investments into the financial services sector. We will get an insight on the key imperatives for NBFC to become attractive for investment—tailoring operating models to keep up with the rapid pace of consumerism while focusing on specific high-growth sectors. Rakesh Singh, CEO, Aditya Birla Finance Manish Jaiswal, MD & CEO, Magma Housing Finance Mahesh Thakkar, Director General, FIDC
15:30hrs - 16:30hrs	Panel Discussion 3 : Way Forward - Collaborations, Mergers & Conversions <ul style="list-style-type: none"><li>• Increased collaboration between Banks &amp; NBFCs</li><li>• Co-lending</li><li>• Merger of Banks and NBFCs</li><li>• Conversion of NBFCs to Banks"</li></ul>
16:30hrs	Closing Address followed by Hi-Tea

FOR FURTHER DETAILS, CONTACT:



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