### THE ECONOMIC TIMES

# DRIVING THE CHANGE



## THE FUTURE IS HERE

#### GIVEN THEIR PACE OF CHANGE AND INNOVATION, FINTECHS ARE BLURRING THE LINES THAT DEFINE PLAYERS IN THE FINANCIAL SERVICES SECTOR

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N ew digital technologies are reshaping the value proposition of existing financial products and services. FinTech is a dynamic segment where technologyfocused start-ups innovate products and services provided by the traditional financial services industry. FinTech is gaining momentum and causing disruption to the traditional value chain.



FinTechs are offering niche products today. The real competition would be between large players and banks and FinTechs together

#### ABHISHEK RUNGTA founder and CEO INT. (Indus Net Technologies)

Against this backdrop INT. (Indus Net Technologies) in association with *The Economic Times* presented a webinar 'Redrawing the lines: How FinTech is driving the Financial Services?' on February 17 with panelists Deena Mehta, MD, Asit C. Mehta Investment Intermediates Ltd; Govind Saboo, co-founder, Srujan Alpha Capital Advisors LLP; Joydeep Dutta, IT Strategy, ex-CTO, ICICI Securities and CDSL India; Yagnesh Parikh, Group CTO, AK Capital and Abhishek Rungta, founder and CEO, INT. (Indus Net Technologies). The moderator of

the websystem functions

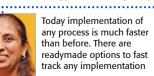
the webinar was Arun Gupta, IT advisor, Shalby Limited.

Gupta started off with how Covid-19 accelerated the move towards virtual financial industry which was facilitated by technology. Banks, NBFCs and start-ups are constantly challenging the status quo. "Most big tech players want to go into financial space in big way. Big three as in Apple, Google and Amazon already have significant investments in the financial sector," stated Gupta. He asked Deena, who has seen the industry evolve, to comment upon the current status of the industry. Having been associated with every financial development in India as far as any digitisation is concerned and also a part of BSE online trading system, BOLT as well as CDSL digitisation of depository services and NPCI for six initial years, she was also involved

in RuPay. "Today implementa-

tion of any process is much faster. Be it eKYC module, bill desk or the Aadhar system, it is easily available while we did everything from scratch," opined Deena.

Gupta asked Parikh what made ICICI what it is. Parikh remarked that when he joined in 1994, the focus was universal banking concept. "Idea was that customers must have 24/7 banking, ATM and internet banking. Yet banking in remote areas remained unpenetrated. FinTech companies started their journey 2000 onwards and reached out to them. FinTechs built technology to make things easy



DEENA MEHTA MD, Asit C. Mehta Investment Interrmediates Ltd

for customers," stated Parikh.

Gupta pointed out that an innovation that stands out in India is UPI which took electronic payment to the masses. According to Rungta, who believes the Indian banking digitisation is far ahead of the UK, "UPI ensured open endedness in Indian banking

which consists of three major players — traditional banks, FinTech companies and big tech players. There is



FinTechs built technology to make things easy for customers. They have innovative ideas. They just need some guidance

> YAGNESH PARIKH Group CTO AK Capital

environment of competition and cooperation." FinTechs are coming up rapidly. "FinTechs are also offering niche products. Banks may acquire FinTech companies. The real competition would be between large players and

between large players and banks and FinTechs together," added Rungta. Given India is the fastest in taking digitisation to the

taking digitisation to the masses, Gupta wondered what would happen to large monolithic sectors. Dutta stated that our BFSI is a regulated indusMost big tech players want to go into financial space in big way. Apple, Google and Amazon already have significant investments in the financial sector ARUN GUPTA IT advisor

try and for a new player like Apple, Amazon or Google to enter and compete was not possible. "Google, Amazon, Apple may have large customer base but the knowledge is not available to the big tech players. They may exist in peripheral activities as in payment space but core banking activities would hap-

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Shalby Limited

banking activities would happen in main eco system," clarified Dutta.

Whoever owns the customer, owns the world and with things becoming more customer centric, would banks lose out? Speaking in favour of FinTech companies, Saboo explained how FinTechs offer four broad services, "Intermediation, payment transaction, data repository enabling lot of activities and digital lending has started. As such FinTech companies can have all services under one gateway or platform."

With digital getting all pervasive,

Big tech players may have a large customer base but not the knowledge. Core banking activities would continue to happen in the main eco system JOYDEEP DUTTA IT Strategy, ex-CTO ICICI Securities and CDSL India one cannot ignore cyber risk. Gupta asked the panelists what should existing players and FinTech companies do to ensure customer interest is always addressed. While Parikh felt with their innovative ideas, FinTech companies need some guidance, Dutta was of the opinion that a committee should look into the risk perspective. "We need a very strong certification process in order that we onboard verified vendors," felt Deena.

Rungta was of the opinion that banks and FinTech companies work together to stop phishing attacks. "People may start losing trust in the system which is complicated. We

> FinTech companies can have all services under one gateway or platform. Green shoots are visible and it may take time but will happen eventually

GOVIND SABOO co-founder

Srujan Alpha Capital Advisors LLP

must resort to an advanced technology platform to identify risk patterns and try to solve it," Rungta opined. Parikh added you need to manage both risk and innovation.

With Bitcoins hitting \$50,000, Gupta raised Cryptocurrency next. Deena opined that it does not stand a chance in our financial system while Dutta feared that it makes money laundering easy. "RBI would lose control over monetary policy. There is lack of clarity about it," said Dutta. Saboo pointed that while no non-sovereign currency came up in last 300-400 years, given fair chance, there may be acceptance.