

FIDC NEWS

FINANCE INDUSTRY DEVELOPMENT COUNCIL
A SELF REGULATORY ORGANIZATION FOR NBFCs IN INDIA

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FOR PRIVATE CIRCULATION

FIDC, NSE-IX join hands in support of NBFCs

FIDC and NSEIX conducted an exclusive **Orientation & Dialogue on Resource Mobilization** on 16 January 2026 at the NSE-IX, GIFT CITY Office, Gandhinagar, Gujarat. This full day event attracted 45+ delegates from 20+ NBFCs, along with senior officials from FIDC, NSE-IX and IFSCA.

The morning began with FIDC Chairman Mahesh Thakkar setting the context for enhanced resource mobilization opportunities for NBFCs. Next, V. Balasubramaniam, MD & CEO, NSE-IX, highlighted the strategic role of NSE-IX in supporting NBFCs to mobilize foreign investor funds through GIFT IFSC.

Umesh Revankar, President, FIDC & Executive Vice Chairman, Shriram Finance, shared an industry perspective and gave practical insights on operating from GIFT IFSC. Next, Pradeep Ramakrishnan, Executive Director - Capital Markets, IFSCA, spoke about



All Delegates at NSE-IX Office, GIFT City, Gandhinagar

the evolving fund-raising landscape. Following him, Dr. Dipesh Shah, Executive Director, IFSCA, spoke about regulatory insights and outlined the evolving business and regulatory landscape of GIFT IFSC.

The session also included a presentation by Hetal Kotak, Head of Listings, NSE-IX, who explained the process and the end-to-end

support that NSE-IX offers for listing of foreign fund raising at GIFT City. The highlight of the event was the signing of the MoU between FIDC and NSE-IX, commemorated with a ceremonial bell ringing and group photograph in the presence of all dignitaries.

Following the presentations, the delegates were given a guided tour of GIFT City, which



All Delegates at the GIFT City Central Command Centre

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FIDC & NSE-IX join hands in support of NBFCs



The dignitaries ring the ceremonial bell to mark the MoU

included a visit to the underground utility tunnel and the central command centre at GIFT City. They enjoyed networking lunch and meetings with leading IBUs and intermediaries. The event concluded with closing tea and informal networking, reinforcing collaboration and future engagement opportunities for NBFCs at GIFT City.

FIDC extends its deepest gratitude to V. Balasubramaniam, MD & CEO, NSEIX,

Hetal Kotak, Gaurav Shah, Shikar Dani, and the entire NSEIX team for their exceptional partnership and unwavering support in making this landmark event a resounding success. The meticulous planning, flawless execution, and gracious hospitality demonstrated NSEIX's commitment to strengthening the NBFC ecosystem. From the comprehensive presentations to the guided tours and networking opportunities, every element

reflected thoughtful attention to detail and genuine dedication to participant engagement. FIDC values this collaboration and looks forward to continued partnership in empowering NBFCs to leverage GIFT City's transformative potential. This successful collaboration sets a strong foundation for FIDC members to explore innovative fundraising avenues and strengthen their competitive positioning in the evolving financial services landscape. ■

Building Sustainable Capital Pathways for NBFCs

Highlights of the address by FIDC Chairman Mahesh Thakkar at the FIDC x NSE-IX orientation program:

Mahesh Thakkar stressed that the operating environment for NBFCs today is fundamentally different from the past, and that growth alone is no longer sufficient. "Scale without resilience is no longer admired, and funding without foresight is no longer acceptable," he avered. Regulatory expectations on capital planning, liquidity discipline, and risk management have become non-negotiable. How NBFCs fund their business is now critically important.

Past crises have highlighted the dangers of over-reliance on single funding sources, tenor mismatches, and the use of short-term funds to finance long-term assets. He emphasised the lessons: "NBFCs need diversified, long-term, and sustainable funding avenues – not episodic or last-minute solutions."

WHY GIFT CITY MATTERS

Thakkar clarified that GIFT City was never intended to compete with Mumbai, but to complement India's financial ecosystem by offering global access within a familiar regulatory environment. GIFT City offers choice of capital, currency, instruments, structures, and most importantly, long-term thinking. It allows Indian institutions to tap international capital without stepping outside India's regulatory comfort zone.

REGULATORY CLARITY, NOT ARBITRAGE

Addressing a common misconception,

Thakkar stressed: "GIFT City is not about regulatory arbitrage, but regulatory clarity. IFSCA has established a single-window, well-defined regulatory framework tailored to international finance while maintaining prudential discipline. NBFCs operating through GIFT IFSCA are not escaping regulation – they are operating under a different, transparent regime that understands global capital flows while respecting governance and risk standards. This balance is critical."

PRACTICAL BENEFITS FOR NBFCs

Through GIFT City, NBFCs can explore a range of funding options, including foreign currency borrowings with better tenor alignment, international bond issuances, structured debt instruments, access to global institutional investors, and equity or quasi-equity structures within the IFSC ecosystem.

For NBFCs with perpetual funding needs, this matters deeply. He remarked: "Capital is not just money – it is confidence, and confidence flows from predictable, diversified, and transparent funding sources."

FIDC-NSEIX PARTNERSHIP

FIDC's partnership with NSEIX marks a significant step in this journey, the latter being a globally recognized platform known for its governance standards, credibility, and institutional depth. He emphasized: "By collaborating with NSEIX, FIDC is creating

structured and transparent pathways for NBFCs to access international capital markets through an exchange-based framework, rather than relying solely on intermediaries. Importantly, this partnership creates another option for NBFCs seeking diversified funding avenues."

A WORD OF CAUTION & BALANCE

Thakkar also cautioned that international capital comes with expectations around disclosure, governance, and consistency. NBFCs must approach this opportunity with preparation, board-level alignment, and robust internal systems. "Those who do so will benefit significantly; those who rush in without readiness may struggle."

CONCLUSION

Thakkar reiterated that FIDC was created to strengthen the NBFC ecosystem across cycles, not just in favorable times. The partnership with NSEIX reflects this long-term commitment to building institutional pathways.

GIFT City, he said, represents India's confidence in its financial institutions, and NBFCs are a vital part of that story. Encouraging participants to engage actively, ask questions, and think beyond immediate borrowing needs, he concluded with a call to plan not just for the next transaction, but for the next decade. ■

FIDC & IBA Officials meet to foster Bank-NBFC collaboration

Following the Reserve Bank of India's recognition of the Finance Industry Development Council (FIDC) as India's Self-Regulatory Organisation (SRO) for NBFCs, FIDC convened a strategic meeting with the Indian Banks' Association (IBA) at SBI Bhawan, Mumbai, on 12th December 2025.

The meeting, chaired by Shri C.S. Setty, Chairman of both State Bank of India and the Indian Banks' Association, marked an important milestone in fostering collaboration between the Banking and NBFC sectors within India's evolving regulatory landscape.

STRATEGIC FOCUS AREAS

The high-level interaction centered on building a more resilient and inclusive financial ecosystem. Key areas of discussion included joint representations on regulatory matters of mutual interest, knowledge-sharing initiatives and best practices



Meeting with SBI Chairman



SBI Chairman Meeting - Saunak Chakrabarti, Priya Ranjit, Atul Kumar Goel, C.S. Setty, Mahesh Thakkar, & Madhav Nair



FIDC Team meeting with RBI Executive Director Shri Kesavan Ramachandran and the DoR Team

FIDC welcomes Raul Rebello to the Board

We are delighted to welcome **Mr. Raul Rebello, Managing Director and CEO, Mahindra & Mahindra Financial Services Ltd.**, to the Board of FIDC as a **Non-Executive Director**.

Mr. Raul Rebello is a distinguished leader with extensive experience in the financial services sector, bringing deep expertise in strategy, governance, and organizational leadership. His broad perspective, industry insights, and commitment to excellence will greatly enrich the deliberations of the



Board and support FIDC in advancing the interests of its members and the development of the sector.

His strong business acumen and commitment to social impact will greatly enrich FIDC's Board and its mission to advance the sector. His extensive expertise and insights are expected to contribute significantly to key policy discussions and strategic decisions at FIDC. We look forward to his valuable guidance and contribution as FIDC continues to play a pivotal role in the development of the sector.

Stop Chasing Compliance. Start Controlling It.

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Important Meetings

exchange, coordinated engagement with regulatory authorities, and strengthening the Bank-NBFC corridor for enhanced credit delivery across the economy.

KEY OUTCOMES

The participants acknowledged the critical role of robust Bank-NBFC partnerships in advancing last-mile financial inclusion and improving the efficiency of credit flow across the economy. The deliberations laid a strong foundation for continued dialogue, with both organisations committing to regular strategic exchanges to address emerging challenges and opportunities in the financial services sector.

PARTICIPANTS

The meeting on 12th December was attended in person by **Shri C.S. Setty**, Chairman, State Bank of India & Indian Banks' Association; **Shri Mahesh Thakkar**, Chairman, FIDC; **Shri Atul Kumar Goel**, CEO, Indian Banks' Association; **Shri Madhav Nair**, Independent Director, FIDC; **Ms. Priya Ranjit**, COO & Nodal Officer, FIDC; and **Shri Saunak Chakrabarti**, State Bank of India. Joining virtually were **Shri Umesh Revankar**, President, FIDC; and **Shri Raman Aggarwal**, CEO, FIDC.

The meeting on 3rd December was attended in person by **Shri Mahesh Thakkar**, Chairman, FIDC; **Shri Atul Kumar Goel**, CEO, IBA; **Shri Gopal Murli Bhagat**, Deputy CEO, IBA; **Shri Madhav Nair**, Independent Director, FIDC; **Ms. Priya Ranjit**, COO & Nodal Officer, FIDC; and **Shri Yogesh Jain**, Head Compliance, Godrej Finance. Joining virtually were **Shri Umesh Revankar**, President, FIDC; and **Shri Raman Aggarwal**, CEO, FIDC. ■

RBI Governor meets MDs & CEOs of select NBFCs, HFCs and Industry Representatives

As part of the RBI's ongoing engagement with regulated entities, Sanjay Malhotra, Governor, Reserve Bank of India, held a meeting in Mumbai on January 5th, with the MDs & CEOs of select NBFCs, including Government NBFCs, Housing Finance Companies (HFCs) and Microfinance Institutions. The Reserve Bank had last held a similar meeting with NBFCs on February 13, 2025.

The participating entities together account for about 53% of NBFC sector assets. Industry participation included the representatives of Self-Regulatory Organisations, Sa-Dhan, the Micro Finance Institutions Network and the Finance Industry Development Council.

The meeting was also attended by Deputy Governors Shri T. Rabi Sankar, Shri Swaminathan J., Dr. Poonam Gupta and Shri S. C. Murmu, and the MD & CEO of the National Housing Bank, apart from other senior officers of the Reserve Bank.

In his opening remarks, the Governor highlighted the important role of NBFCs and HFCs in facilitating credit flow. He underlined the need for sound underwriting standards and close monitoring of asset quality. He further emphasised the criticality of customer centricity, ethical conduct and responsible lending along with prompt grievance redressal for preserving confidence in the sector and supporting its orderly and sustainable development.

During the discussion, participants shared feedback on policy issues and operational matters relating to the NBFC sector. ■

FIDC Membership Invite 2026-27

Fee Structure: FY 2026-27

- 01 Networking Opportunities
- 02 Market Intelligence
- 03 Advocacy & Influence
- 04 Capacity Building
- 05 Professional Growth
- 06 Regulatory Assistance
- 07 Visibility & Recognition
- 08 Collaborative Initiatives

Sr. No.	Layer	One time Admission Fees	Annual Subscription Fees
1	Upper Layer	₹1,00,000	₹5,00,000
2	Middle Layer - ML1 (Total Assets above 10,000 cr)	₹50,000	₹2,00,000
3	Middle Layer - ML2 (Total Assets of ₹1,000 crores - ₹10,000 cr)	₹25,000	₹1,00,000
4	Base Layer - BL1 (Total Assets of ₹100 crores to ₹1,000 cr)	₹5,000	₹10,000
5	Base Layer - BL2 (Total Assets less than ₹100 cr)	₹1,000	₹2,000

+ 18% GST

NOTES:

FIDC GST Registration Number: 27AACCF3883H1ZG; PAN: AACCF3883H. SAC Code: 999599. The fees payable would stand revised, if GST Rates change. There is no TDS deductible on Membership Fees.

We request you to make payment through NEFT/RTGS. While remitting the membership subscription, kindly indicate your net worth. The Invoice, Receipt and Membership Certificate will be emailed on payment of full fees.

Documents Required

- ❖ Membership Application Form duly filled & signed.
- ❖ The last audited Annual Report
- ❖ RBI Registration Certificate
- ❖ PAN Card
- ❖ GST Registration Certificate

For details, please visit **Members Section** at www.fidcindia.org.in

Prevention of financial frauds perpetrated using voice calls & SMS

FIDC has written to RBI explaining its stance on RBI's circular that transactional / service calls can be undertaken only using '1600xx' numbering series. FIDC believes that the collection/recovery calls by NBFCs to delinquent/non-delinquent customers to recover the money lent, are not envisaged to be covered under the definition of services / transactional calls as they are neither service calls nor calls made in response to a transaction initiated by customers (which are primarily for providing routine services, information, periodic updates or transactional alerts, etc.)

FIDC highlighted that the regulatory mandate for 1600-series outbound calls to made for debt servicing and collection, would pose significant challenges for debt collection, potentially reducing recovery rates and efficiency. FIDC believes that the upfront recognition of the 1600-series number by the customer could lead to unintended/intended refusal to answer such calls, reducing the ability to engage with customers for mutually beneficial repayment solutions. This could lead to increase in the number of door-knocks resulting in higher discomfort for the customers, increased delinquencies and



higher NPAs. It would disrupt the recovery process and also worsen credit discipline.

FIDC MADE 3 REQUESTS FROM RBI:

1. A clarification from RBI that debt servicing / collection calls are distinct from transactional / service calls under TRAI definitions and hence fall outside the purview of the requirement to route such calls through 1600 series of numbers.
2. In case such a clarification is not possible, FIDC propose that: (i) REs would make

- 2 attempts to contact the customer (delinquent or non-delinquent) using the 1600-series number. In case of failure to connect both times, REs may be permitted to make debt servicing / collection calls from other numbers followed by a message communicating that the company has tried to reach out to the customer twice.
- 3 Where a customer, having been contacted using 1600-series, still does not repay the dues, the subsequent/follow up calls may be made using other numbers. ■

RBI Issues Final Amendment Directions on Lending to Related Parties

Following the draft directions issued on October 3, 2025, RBI has finalized and issued Amendment Directions on Lending to Related Parties after incorporating stakeholder feedback. Key highlights of the amendments:

CREDIT RISK MANAGEMENT DIRECTIONS:

- ❖ New comprehensive definitions introduced for 'Related Party', 'Related Person', 'Control', 'Key Managerial Personnel', 'Lending', 'Personal Loans', and other key terms.
- ❖ Materiality thresholds prescribed for loans to related parties:
 - ₹10 crore (UL/TL),
 - ₹5 crore

(ML), ₹1 crore (BL).

- ❖ Credit policy must contain specific provisions on lending to related parties with additional safeguards.
- ❖ Aggregate limits and sub-limits to be specified for loans to single related party and group of related parties.
- ❖ Loans above materiality threshold to be sanctioned by Board or Committee of Board (excluding Audit Committee).
- ❖ Mandatory recusal requirements for Directors, KMP, or Specified employees from deliberations on related party loans.
- ❖ Whistleblowing mechanism to be established for reporting irregular/unethical loans to related parties.
- ❖ Mechanism for maintaining and updating list of related persons and related parties.
- ❖ Periodic reviews by internal auditors mandated and deviations from policy to be reported to Audit

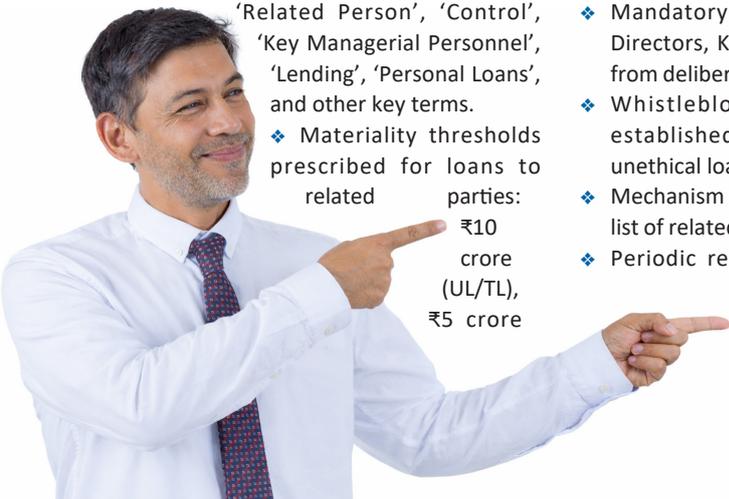
Committee or Board.

- ❖ Enforcement actions specified for non-compliance including monetary penalty, provisioning, forensic audits, restrictions.

FINANCIAL STATEMENTS DIRECTIONS:

- ❖ New disclosure requirements on 'Exposures to Related Parties' to be included in Notes to Accounts.
- ❖ Disclosures to cover: (i) Loans to Related Parties - aggregate value sanctioned, outstanding loans, proportion to total credit, SMA/NPA categorization, provisions held; and (ii) Contracts and Arrangements involving Related Parties - aggregate value awarded and outstanding

The deadline is April 1, 2026. Existing related party transactions not in conformity can run-off till maturity; however, cannot be renewed/reviewed or enhanced unless compliant with new directions. ■



Webinar: DPDP Compliance & RBI Governance Guidelines

Continuing its Knowledge sharing initiative, FIDC conducted its fourth webinar of FY 2025-26 on 18th December 2025, demonstrating its total commitment to professional development and capacity building - a core pillar of FIDC's objectives as India's SRO for NBFCs.

In today's regulatory environment, NBFCs require more than procedural adherence - they need practical implementation capabilities. Recognizing this, FIDC designed this webinar to deliver tangible, implementation-ready insights that organizations can apply immediately. The session addressed two critical regulatory priorities: (i) operationalizing the Digital Personal Data Protection Act and (ii) implementing RBI's Governance Guidelines, providing participants with a comprehensive toolkit for regulatory readiness and business sustainability.

The 90-minute session brought together a trio of distinguished industry specialists who transformed complex regulatory requirements into clear, actionable frameworks, addressing a fundamental challenge that financial institutions grapple with: bridging the gap between regulatory intent and operational execution.

SESSION I: DPDP IMPLEMENTATION MADE PRACTICAL



Led by **Pushkal Dubey, Head Consent Infrastructure, Leegality**, this session demystified the DPDP Act with a business-centric approach that acknowledges resource constraints while providing comprehensive, pragmatic solutions. Pushkal Dubey elaborated upon:

Data Discovery: Practical methods to automatically detect and map personal data across organizational systems, creating visibility into data flows and processing activities – essential for both compliance and operational efficiency.

Gap Assessments: Automated evaluation frameworks for internal processes and third-party risks, enabling organizations to identify vulnerabilities in data handling practices, vendor management, and legacy systems, and prioritize remediation effectively.

Compliant Consent Framework: Step-by-step guidance on building consent flows aligned with DPDP Rules, 2025 – covering

FIDC
Finance Industry Development Council
(A Self Regulatory Organisation for NBFCs in India)

Consentin
by Leegality

Thursday, 18 December 2025 | 2:30PM to 4:00PM
DPDP READINESS & GOVERNANCE INSIGHTS

OUR ★ SPEAKER'S

PUSHKAL DUBEY
Head - Consent Infrastructure
LEEALITY

ARTI SHEKHAR
Senior Executive Vice President & CCO
KOTAK MAHINDRA PRIME

YOGESH JAIN
Chief Compliance Officer
GODREJ FINANCE

clear notices, purpose limitation, purpose grouping, language requirements, and granular user controls that balance regulatory requirements with user experience.

Real-Time Data Principal Rights Enablement: Scalable mechanisms to enable consent withdrawal, preference management, and rights fulfilment (access, correction, erasure) through technology-enabled automation with appropriate human oversight.

Quick Implementation Guidance: A pragmatic roadmap enabling organizations to deploy DPDP-aligned consent and rights management within 1-2 days using existing website and app development teams – proving that rapid, quality implementation is achievable.

Data Breach Readiness: Comprehensive preparedness measures including breach detection protocols, incident response procedures, notification timelines, and documentation requirements under the DPDP framework.

SESSION II: RBI GOVERNANCE GUIDELINES

Delivered by **Yogesh Jain, CCO at Godrej Finance** and **Arti Shekhar, Senior Executive Vice President & CCO at Kotak Mahindra Prime**, this session emphasized governance as the backbone of regulatory compliance

and institutional resilience, focusing on effectiveness over formality. They elaborated on:

Governance Structures: RBI expects multi-layered frameworks with strong alignment between Board, committees, management, and assurance functions. The session provided practical guidance on designing structures calibrated to organizational size, complexity, and risk profile, with clear escalation pathways and appropriate checks and balances.

Board and Committee Composition: Effective governance requires the right skill mix, genuine independence enabling robust challenge, active engagement beyond passive review, and documented decision-making that creates clear accountability trails.

KMP/SMP Roles: Senior management accountability for governance, risk, and compliance outcomes, supported by compensation structures that reinforce prudent risk-taking through deferrals, clawback provisions, and risk adjustments aligned with long-term stability.

Learnings from RBI Inspections: Critical insights on how regulatory observations increasingly stem from governance weaknesses – ineffective committee functioning, unclear roles, insufficient challenge – rather than standalone operational issues. Governance deficiencies often manifest as compliance

failures, but the root cause lies in the governance layer itself.

The session's key message: strong governance is a strategic enabler, not a compliance checkbox. Organizations investing genuinely in governance demonstrate better regulatory outcomes, stronger operational performance, and enhanced resilience.

PARTICIPATION AND IMPACT

The webinar attracted **over 200 industry professionals from 120+ organizations**, spanning Upper, Middle, and Base layer NBFCs. Participants included Chief Compliance Officers, Chief Risk Officers, Chief Financial Officers, Company Secretaries, and senior operational leaders—reflecting strong industry

appetite for practical, implementation-focused guidance. The active engagement and positive feedback demonstrated that FIDC successfully addressed a genuine knowledge gap, with participants particularly appreciating the immediately implementable frameworks and roadmaps presented.

FIDC'S COMMITMENT TO SECTOR DEVELOPMENT

This webinar exemplifies FIDC's expanded SRO mandate – moving beyond advocacy to building sector-wide capability through knowledge sharing and professional development. The Knowledge Series showcases FIDC's commitment to driving effective self-regulation with informed,

capable member organizations. By convening subject matter experts and delivering complex regulatory content in accessible formats, FIDC is building knowledge infrastructure that benefits the entire NBFC ecosystem - particularly valuable for mid-sized and smaller NBFCs that may lack dedicated regulatory intelligence resources.

Additional Knowledge Series sessions are under development, covering emerging topics including KYC, cyber security, IT governance, sustainable finance, fair lending practices, and operational resilience. FIDC welcomes member feedback on priority topics, ensuring these capacity-building initiatives remain relevant and responsive to sector needs. ■

RBI's Report on Trend & Progress of Banking in India 2024-25 Presents a Robust Picture of the NBFC Sector

RBI has released its annual report on trend and progress of banking in India dated 29th December 2025. The data presented for NBFC Sector for FY 2024-25 and half year ended 30th Sept 2025 shows a robust performance of the NBFC sector across all key parameters.

KEY HIGHLIGHTS:

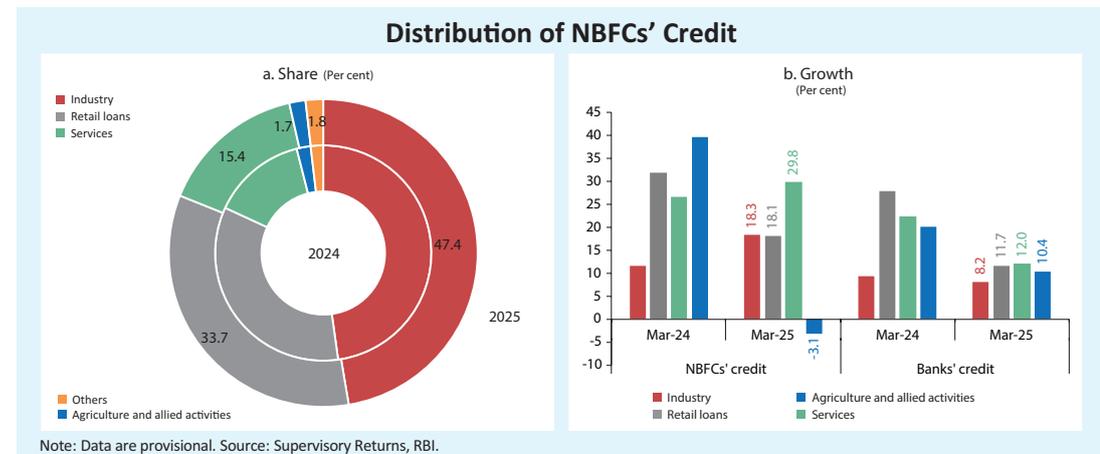
- ❖ Recognition of Self-Regulatory Organization of NBFCs (FIDC) in October 2025.
- ❖ NBFC's Credit to GDP ratio increased to 14.6% from 13.5% last year.
- ❖ NBFCs credit as a share of bank credit increased to 25.3% from 23.6% last year.
- ❖ Growing role of NBFCs is reflected in their credit growth which surpassed that of banks in all segments except agriculture.

- ❖ Balance sheet size of NBFCs increased to ₹65.5 lakh crore from ₹61.9 lakh crore last year, showing a growth of around 18%.
- ❖ Overall credit growth for NBFCs stood at 20.5% on a yoy basis.
- ❖ Credit to MSME grew by 30.6% as against 14.1% for banks.
- ❖ Dependence on bank borrowings moderated, while capital market borrowings showed an increase.
- ❖ Foreign borrowings grew 49% on yoy basis.
- ❖ Robust asset quality reflected in decline of GNPA ratio to 2.9% from 3.5% last year.
- ❖ NBFCs maintained a net positive liquidity position at the end of FY 2024-25.
- ❖ Capital Risk Adequacy Ratio (CRAR) stood at 25.9% as against the regulatory prescription of 15%.



KEY HIGHLIGHTS ABOUT HFCS:

- ❖ Total Assets increased by 16.1% driven by rising urbanization & demand for home ownership.
- ❖ RoA increased to 1.9 as from 1.7 last year.
- ❖ GNPA ratio declined to 1.8.



❖ The aggregate CRAR stood at 28% as against the regulatory prescription of 15%.

The report has ticked all the right boxes for NBFCs (including HFCS). This comes in the backdrop of a highly motivating and encouraging address by Hon'ble Finance Minister recently, on the Role & Roadmap for NBFC sector. ■

MUFG Bank makes strategic investment in Shriram Finance



Japan's MUFG Bank, a part of Mitsubishi UFJ Financial Group, is investing in Shriram Finance by subscribing to a preferential allotment of 20% equity shares in the company, for a sum of \$4.3 billion. Shriram Finance, the second largest retail NBFC in India by loan balance, is spread mainly across rural and semi-urban areas with a network of 3200 branches. MUFG Bank, with 6 branches in India, offers a range of banking services to corporate clients. This agreement was signed between MUFG Bank, Shriram Finance and its major shareholders, viz Shriram Ownership Trust and Shriram Capital. Once completed, Shriram Finance will become an equity method affiliate of Mitsubishi UFJ Financial Group as well as of MUFG Bank. The Japanese company will appoint 2 directors on Shrirams' board. The signatories envisage a strategic collaboration between the 2 companies. (various sources) ■

IHC buys controlling stake in Sammaan Capital

Avenir Investment RSC, a special entity of Abu Dhabi's International Holding Company (IHC) is acquiring Sammaan Capital. In October, it has agreed to buy 43.46% stake in the NBFC at a cost of ₹88.5 bn. Competition Commission of India has approved this investment proposal. The Indian NBFC proposes to issue preferential shares to Avenir, which will make IHC as the new promoter. The deal will lead to significant equity dilution for the existing shareholders of the company, from 98.25% to 57.74%. Sammaan Capital has a market capitalization of ₹119.8 bn. Sammaan Capital, earlier known as Indiabulls Housing Finance, was co-founded by 3 IIT Delhi graduates. It offers mortgage loans, housing loans, and MSME loans. (various sources) ■

Manappuram Finance hikes stake in Asirvad MF

Manappuram Finance board has approved an additional investment of ₹2.5 bn in its subsidiary Asirvad Micro Finance. Manappuram Finance had acquired Tamil Nadu-based Asirvad Micro Finance in 2015. Asirvad at that time had an AUM of about ₹3 bn. It has since grown to ₹81.89 bn. The investor expects to increase its stake in the subsidiary to 98.56% from 98.31%.

Asirvad offers microfinance loans to low-income women, fulfilling the credit aspirations of the unbanked and socially and economically disadvantaged population. It also provides MSME loans and gold loans, and has seen a significant surge this year. Manappuram Finance has also appointed Buvanesh Tharashankar as the Group CFO of the company.

Further, BC Asia Investments XIV and BC Asia Investments XXV are looking at investing in Manappuram Finance, as well as its subsidiaries Asirvad Micro Finance and Manappuram Home Finance. (various sources) ■

HDB Financial launches financial literacy program

HDB Financial Services has launched **Aarthik Aarogyam Kendra**, an initiative to impart financial literacy and business hygiene and empower nano and micro-entrepreneurs across multiple cities in India. The initiative is being implemented in partnership with Saath Charitable Trust in Ahmedabad, Surat and Jaipur, and with the Foundation for MSME Clusters (FMC) in Delhi.

The NBFC aims to strengthen financial knowledge, promote formalization and enhance long-term sustainability of self-employed individuals and small business owners operating in urban and semi-urban areas. (source: CSR Journal) ■

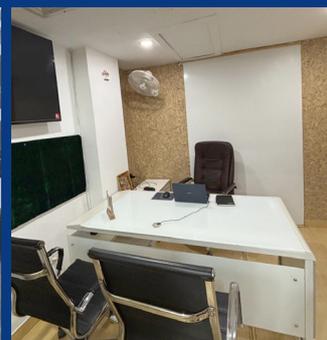
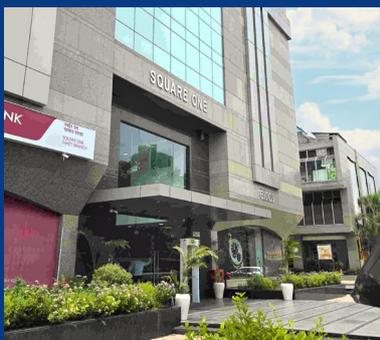


FIDC sets up Delhi Office

FIDC has set up an outpost in Delhi. It is a small office of 270 sq.ft carpet area, located in South Delhi just behind the Selectcity Walk Mall. The address is:

Finance Industry Development Council
Unit no. 325, 3rd Floor, Square One, C-2, District Centre, Saket, New Delhi - 110017

Raman Aggarwal is FIDC - CEO, the key person in the office.



Aditi Paliwal joins Fedfina as Head - Operations & Customer Service



Fedbank Financial Services has appointed Aditi Paliwal as its Head Operations & Customer Service. She was COO at Ummeed Housing Finance. Prior to that, she was Head - Operations at Poonawalla Fincorp. She has also worked for Aditya Birla Capital as Head-Governance & Change Management. Aditi has a PGDBM in Finance from the Institute of Management Technology, Ghaziabad, and B.

Tech in Computer Science from the Meerut Institute of Engineering and Technology.

Arvind Uppal promoted as CBO at Indostar Capital

Indostar Capital has promoted Arvind Uppal as its CBO. He was VP - Head Collections at the company. Earlier, he was with Aditya Birla Capital as Head Collections - Digital. He has also worked for Cholamandalam Investment & Finance. Arvind is an LLB from Devi Ahilya Vishwavidyalaya.



Namdev Finvest appoints Sahil Taneja as CBO

Namdev Finvest has appointed Sahil Taneja as CBO. He moves to Namdev Finvest from Finova Capital where he was Business Head. He has also been with ICICI Bank as Zonal Head. Sahil has a PGDBM in Sales, Distribution & Marketing Operations from FORE School of Management, New Delhi, and B.Tech

in Agriculture Engineering from Chaudhary Charan Singh Haryana Agricultural University.



Ajai Kumar Shukla is new MD & CEO at PNB Housing Finance

Ajai Kumar Shukla has been appointed as MD & CEO of PNB Housing Finance. A 30-year veteran in the housing and mortgage finance, he was CBO at Tata Capital Housing Finance, where he had spent nearly 16 years. He has also worked for ICICI Bank and LIC Housing Finance, where he started his career. Ajai is an MBA.



Sandeep Ranjan appointed CIO at Muthoot Housing Finance

Sandeep Ranjan is the new CIO at Muthoot Housing Finance. He was CIO at Truhome Finance. He has also worked for Shriram



Housing Finance as Chief Digital Officer and Fullerton India Credit as GM - Customer Service & Digitization. Sandeep has a PGDBM in Marketing & IT from FORE School of Management, New Delhi and B.E. in Industrial Production from Nitte Mahalinga Adhantaya Memorial Institute of Technology.

Sharad Agarwal appointed CEO at Profectus Capital



Sharad Agarwal has been appointed CEO at Profectus Capital. He was COO at U GRO Capital. Prior to that he has been functioning as an independent consultant in fintech platform advisory and execution and digital lending advisory. He has also been CEO at RapiMoney and Fintree Finance. Sharad has an MBA in Finance from Panjab University and a Master of Finance and Control degree from the Regional School of Management and Administration, Chandigarh.

Nikhil Jagota is National Credit Head at Grihum Housing Finance

Nikhil Jagota has been appointed as National Credit Head at Grihum Housing Finance. He was earlier VP at Fedbank Financial Services. Prior to that, he was working with India Infoline Housing Finance as Regional Credit Head. Nikhil is a CA affiliated to the Institute of Chartered Accountants of India, and M.Com from Mahatma Jyotiba Phule Rohilkhand University.



Ramaswamy Subramanian is new Dy. CEO at Dvara KGFS



Dvara KGFS has appointed Ramaswamy Subramanian as Dy. CEO. He was with Karnataka Bank, working as Chief Product Officer. Prior to that, he was with Dvara KGFS as Chief Product Officer. He has also worked for Suryoday Small Finance Bank as Head - Products & Regional Head - West, Branch Banking. Ramaswamy Subramanian has a MMS in Finance from the K J Somaiya Institute of Management.

Rangarajan Krishnan is new MD at Prayaan Capital

Rangarajan Krishnan has been appointed MD at Prayaan Capital. He was previously Jt.MD at Five Star Business Finance. He has also worked for Spark Capital as President. Rangarajan has a PGP, Analytical Finance, Strategy and Leadership from the Indian School of Business and MBA in Finance from Sri Sathya Sai Institute of Higher Learning.



Behavior Telemetry flags Anomalies

Madhur Joshi, CISO at HDB Financial Services, details fraud risks and the data sources that help control them:

FIDC: Given the massive shift among customers towards mobile apps, what kinds of cyber frauds have you seen rising the most?

The mobile channel has become a primary touchpoint for customers – ranging from applying for loans to managing payments and accessing statements. Not all fraud originates externally; sometimes, legitimate users with valid credentials attempt to exploit system loopholes. For instance, a customer may discover a flaw in the mobile app’s backend API and use it to initiate multiple loan top-ups beyond the permitted threshold, bypassing internal checks.

Another growing threat is SIM swap and OTP hijacking, where attackers impersonate customers and convince telecom providers to issue duplicate SIM cards. By gaining control of the mobile number, fraudsters intercept OTPs and reset credentials. Although the use of e-SIM technology can help reduce such cases, attackers have successfully hijacked mobile numbers to bypass two-factor authentication and carry out fraudulent activities, such as initiating fake pre-closure requests.

Fraudsters also leverage malicious overlays and fake apps that mimic an organization’s mobile servicing app or use invisible overlays to capture login credentials. In such scenarios, unsuspecting users download a fake version of an app and unknowingly enter their credentials into a phishing interface, thereby giving attackers full access to their loan dashboard.

Session hijacking is another risk, particularly when customers log in from unsecured public Wi-Fi networks. Attackers can exploit these environments to intercept session tokens and take over active sessions – for example, hijacking a customer’s EMI status check to make unauthorized changes mid-transaction.

Adding to the challenge, social engineering via messaging platforms such as WhatsApp, SMS, and voice calls remains rampant. Fraudsters impersonate organization representatives, warning users of potential account suspension and tricking them into verifying details through malicious links that lead to fake login pages designed to harvest credentials.



Madhur Joshi believes that the key to controlling cybercrime is combining technical signals with behavioral insights to build a real-time picture of risk

What kinds of data points have proven to be the most useful in detecting cyber frauds?

Detecting fraud isn’t just about catching what’s wrong, it’s about understanding what ‘normal’ looks like and spotting subtle shifts before they escalate into serious threats. The key lies in combining technical signals with behavioral insights to build a real-time picture of risk.

Detecting cyber fraud requires analyzing diverse data points that reveal abnormal behavior or unauthorized activity. For example, unusual loan application velocity, such as multiple applications submitted in rapid succession from the same device or IP, can be a sign of bot-driven fraud. User behavioral analytics also play a critical role, as deviations from normal login times, device usage, or navigation paths and even behavioral biometrics like typing speed and mouse movements can help flag anomalies.

Time-of-activity anomalies provide further insights, such as when account changes or

requests occur during non-business hours by users with no history of off-hour activity. Communication data is equally important, as suspicious emails, messages, or calls often point to phishing or social engineering attempts. Device and network intelligence can also highlight risks, especially when unknown devices, IP addresses from high-risk geographies, or unusual network traffic volumes are detected. Finally, access patterns such as repeated failed login attempts, privilege escalation, or unauthorized access to sensitive systems provide clear indicators of potential fraud. Together, these signals form a holistic framework to detect fraud proactively and protect both organizations and customers. ■

FIDC welcomes 23 New Members who joined during Dec 25-Jan 26

COMPANY NAME

- MPEE FINANCE
- MUTHOOT HOUSING FINANCE
- QUICK CASHFLOW CAPITAL
- VASUD FINANCE
- GREENVALLEY FINANCE & LEASING
- ICICI HOME FINANCE CO
- SAVE FINANCIAL SERVICES
- WHIZDM FINANCE
- MAHINDRA RURAL HOUSING FINANCE
- CAPITAL INDIA FINANCE
- RAMAYAN AUTO FINANCIERS
- GYANDHAN FINANCIAL SERVICES
- SUDARSHAN AUTO & GENERAL FINANCE
- BHAWANA CAPITAL
- ARADHNAM PORTFOLIO INVESTMENTS
- APARAMPAAR FINANCE
- NUWAMA WEALTH FINANCE
- VIRTUE FINANCIAL SERVICES
- MINDEX FINCAP
- SVERA CAPITAL SERVICES
- STATUS LEASING & FINANCE
- NABKISAN FINANCE
- DMI HOUSING FINANCE

Governance in NBFCs: Purpose, Principles & Practice

By Dr Aneish Kumar, Strategic Advisor, Axis Trustee Services, Former Banker

Over the years, India's NBFCs have stepped into spaces where traditional banking alone could not. They have widened access to credit, supported MSMEs, enabled consumption, and responded with agility to evolving market needs. This has made NBFCs one of the most consequential pillars of the financial system.

With that growth has come scale, complexity, and deeper systemic relevance. Naturally, governance has moved closer to the centre of regulatory and institutional conversations. Not because of isolated failures, but because governance is the bedrock on which credibility, resilience, and long-term trust are built.

GOVERNANCE IS NOT A CONSTRAINT

Governance is still often spoken about as a compliance layer. Something that sits on top of business, something that adds process and slows decisions.

In practice, the opposite is true.

Well-designed governance clarifies ownership, improves the quality of decisions and reduces friction with stakeholders. Most importantly, it strengthens institutions when conditions are uncertain or stressed.

Recent regulatory developments reflect this perspective. Supervisory focus today extends well beyond capital adequacy or asset quality. There is growing attention on conduct, grievance handling, transparency, and the ability of institutions to recognise and correct issues internally before they escalate.

This is a sign of confidence – that NBFCs are capable of operating with higher levels of internal discipline as the sector matures.

WHERE GOVERNANCE TENDS TO STRAIN

Most governance challenges in NBFCs arise not from intent, but from pace. Rapid growth can blur ownership of decisions. Responsibilities spread across functions, group entities, vendors, and technology platforms, and over time, it becomes harder to answer this simple question: "Who owns this outcome?"

This is true as analytics and automation increasingly shape credit decisions, collections strategies, and fraud controls. Technology brings efficiency and scale, but it also

demands stronger oversight. Governance asks that models must remain explainable, overrides must be disciplined, and automation should sharpen accountability, not dilute it.

Another lens for governance is Customer grievances. Complaints are often treated as operational irritants. In reality, they are early signals - they point to communication gaps, control weaknesses, or conduct risks that deserve attention well before they attract external scrutiny.

Institutions that treat grievances from the governance lens tend to correct course earlier and more effectively.

THE TONE AT THE TOP STILL MATTERS MOST

Understand this: Governance begins where authority sits.

Boards play a role far beyond approvals. The quality of governance is reflected in the questions boards ask, the information they demand, and the signals they send about what matters.

What helps boards to move from retrospective oversight to anticipatory governance? It is regular review of complaint trends, exception approvals, audit observations, vendor performance, and early warning indicators.

Senior management shapes governance just as decisively. Whether governance lives in policy documents or in everyday decisions is determined by incentive structures, escalation culture, and clarity of accountability.

NBFCs need to shift governance from being a parallel process to being part of how the institution thinks. To make this shift, they must (i) reward long-term outcomes and (ii) encourage rather than penalize escalation.

REGULATORS AND INDUSTRY AS PARTNERS

The regulatory approach to governance today is best understood as collaborative. Regulatory frameworks for grievance



Dr Aneish Kumar

redressal, disclosures, certifications, and board responsibility help strengthen institutional credibility and market confidence.

Industry bodies such as FIDC play an important role in this ecosystem. They translate regulatory intent into practical guidance, enabling peer learning, and facilitating dialogue, helping NBFCs adopt governance enhancements in a manner

that is proportionate and workable.

This partnership benefits all stakeholders: (i) Regulators gain confidence in institutional maturity, (ii) NBFCs gain clarity and consistency and (iii) Customers benefit from fairer and more transparent outcomes.

TECHNOLOGY NEEDS GOVERNANCE TOO

As digital lending, analytics, and automated decision systems become central to NBFC operations, governance frameworks must evolve alongside. Regulators are less concerned about limiting innovation and more about ensuring that safeguards keep pace.

In AI, model validation, data quality, explainability, override discipline, and human oversight are not technical niceties, they are governance essentials. When technology is well governed, it enhances efficiency without eroding trust in outcomes.

LOOKING AHEAD

The next phase of growth for India's NBFC sector will be shaped by governance quality plus balance-sheet expansion. Institutions that invest early in clear accountability, robust grievance handling, disciplined use of technology, and board oversight will be better placed to withstand cycles, attract capital, and retain confidence.

Strengthening governance is not about avoiding risk. It is about understanding risk, owning it, and managing it responsibly. That responsibility is shared by institutions, boards, regulators, and the wider financial ecosystem. It is through that shared responsibility that the NBFC sector will blossom with strength, credibility, and trust. ■

NBFCs: The Roadmap of Exemplars

Section 1: Marketing & Branding

NBFCs now building Trust at Scale

For NBFCs in India, marketing has quietly but decisively moved beyond visibility. The strongest brand initiatives today are no longer about being seen more – they are about being understood, trusted, and remembered. As lending expands deeper into semi-urban and informal markets, branding has become a strategic capability that directly influences customer quality, portfolio stability, and long-term relevance.

The current wave of marketing has shifted from product-led communication to human-led storytelling. Several NBFCs have consciously moved away from rate-and-offer advertising to narratives rooted in everyday customer realities. Video campaigns are being used to demystify finance, reflect customer aspirations, and position the lender as a partner in progress rather than a transactional institution. See this approach in brands that have chosen emotion, relatability, and social context as their primary hooks, instead of technical product superiority (exemplars are campaigns by Shriram Finance emphasizing speed and TVS Credit using humor).

Another clear differentiator is localization

at scale. Rather than relying on one-size-fits-all national messaging, mature NBFC marketers are investing in vernacular content, region-specific idioms, and culturally familiar storytelling formats to build trust in tier 2-4 markets. At times, this includes using humor and everyday situations simplify finance (exemplars are HDB Financial Services and PNB Housing Finance).

Leading NBFCs tightly integrate storytelling-led top-of-funnel engagement with digital journeys, assisted sales, and on-ground activation. They leverage MarTech platforms, CRM integration, and analytics to track how brand perception translates into enquiries, conversions, and long-term engagement (exemplar is Anand Rathi Global Finance).

Some NBFCs consciously use explainers, financial literacy content, and myth-busting formats as part of their brand voice – they help customers feel informed rather than persuaded (exemplar is InCred Financial Services).

IMPLICATIONS FOR CXOS

In a trust-sensitive sector, marketing is no longer about amplification. It is about reducing



friction, building confidence, and creating brand-led resilience.

BOTTOMLINE

- ❖ NBFCs today don't assume trust – they design it.
- ❖ The strongest brands don't sell finance – they explain it.
- ❖ Successful NBFC brands help customers decide faster and hesitate less. ■

Section 2: Risk & Compliance Controls

From Regulatory Hygiene to Strategic Resilience

For India's NBFC sector, risk and compliance are transforming from silent back-office functions to strategic capabilities that determine institutional credibility, regulator confidence, and long-term scalability. There is a clear shift – from reactive, checklist-driven compliance to technology-enabled, culture-anchored, and forward-looking risk governance. Mature NBFCs have redesigned compliance

as a living system – digitizing the entire compliance lifecycle, mapping regulatory obligations centrally, assigning ownership, automating alerts, and presenting real-time dashboards to leadership. This transition has materially improved audit readiness, reduced dependency on manual tracking, and strengthened accountability across functions (exemplar is Capri Global Capital).

As maturity deepens, NBFCs are

embedding compliance into organizational culture through structured training, mandatory acknowledgements, leadership communication, and robust whistleblower and grievance redressal mechanisms. Ethical conduct, POSH, data protection, and grievance handling are increasingly viewed as trust signals, not merely statutory requirements (exemplar is Arthan Finance).

Risk control itself is becoming more

contextual and data-driven. Advanced practices include independent verification units, anomaly detection in sourcing behavior, and analytics-led fraud monitoring that flags early warning signals across documentation, transaction patterns, and partner activity. They are continuously training field teams and channel partners to ensure that risk awareness scales alongside business growth (exemplar is HDB Financial Services).

Further, they are building transparent grievance mechanisms, multilingual communication, and proactive fraud awareness initiatives to reduce conduct risk while boosting customer trust.

IMPLICATIONS FOR CXOS

Compliance is no longer about staying within regulatory boundaries; it has moved on to building institutions that (i) regulators trust, (ii) employees believe in, and (iii) customers feel safe engaging with. In an environment of rising scrutiny and complexity, risk and compliance have become a durable competitive advantage.

BOTTOMLINE

- ❖ For today's NBFC, compliance is no longer about avoiding penalties - it is about earning trust at scale.
- ❖ The most progressive NBFCs don't react to regulation - they anticipate it.



- ❖ Forward looking NBFCs treat compliance not as a control mechanism but as an early-warning system for their organization. ■

Section 3: Digital Play

From Digitization to Intelligent, Resilient Modus Operandi

Digital transformation within India's NBFC sector has moved decisively beyond automation. What stands out across recent initiatives at leading NBFCs is not the adoption of technology per se, but the emergence of digitally orchestrated operating models, where credit, risk, customer experience, and governance are increasingly driven by data, intelligence, and resilience.

A foundational shift has been the modernization of LOS/LMS and core lending platforms. Several NBFCs have undertaken large-scale upgrades to unify sourcing, underwriting, disbursement, servicing, and collections on a single digital backbone. These upgrades enable straight-through processing, real-time monitoring, policy control, and portfolio-level visibility. Housing and retail lenders, in particular, have used these transformations to support scale while maintaining compliance and process discipline (exemplars are PNB Housing Finance, Veritas Finance, and LenDenClub).

Advanced NBFCs have deployed analytics across the credit lifecycle – customer segmentation, risk differentiation, fraud

detection, early warning, and collections prioritization. Importantly, these models are being embedded within governance frameworks, ensuring explainability, auditability, and regulatory comfort. In MSME and microfinance, analytics-led credit evaluation is enabling better risk-adjusted growth rather than blanket expansion (exemplars are Godrej Capital, CreditAccess Grameen, and REC).

Customer experience (CX) has evolved as a reflection of digital maturity. Several NBFCs are redesigning journeys around self-service, transparency, and continuity, rather than isolated touchpoints. CX is no longer a front-end veneer – it is tightly integrated with servicing, collections, and grievance management (exemplars are Shriram Finance and Belstar Microfinance).

A critical and increasingly prominent dimension is cybersecurity and digital resilience. For NBFCs that have digitized core processes and scaled digital sourcing, cyber risk has moved from an IT concern to a board agenda. Structured investments in data protection, access controls, continuous

monitoring, and incident response frameworks are becoming integral to digital strategy, particularly for institutions handling sensitive customer data at scale (exemplars are HDB Financial Services and Sammaan Capital).

Equally noteworthy is the rise of new application development tailored to specific business needs – partner portals, field-force apps, credit dashboards, and internal workflow systems. Rather than relying solely on off-the-shelf solutions, mature NBFCs are selectively building proprietary layers to improve agility, adoption, and control (exemplars are Capri Global Capital and NeoGrowth).

IMPLICATIONS FOR CXOS

In a sector defined by thin margins and high trust sensitivity, digital maturity is no longer measured by how fast loans are processed – but by how intelligently, securely, and consistently decisions are made at scale.

BOTTOMLINE

- ❖ Digital maturity is measured by resilience, not by speed. ■

Section 4: NPA Management & Asset Quality

From Reactive Recovery to Predictive Balance-sheet Discipline

NPA management has historically been treated as a downstream activity – activated once stress had already surfaced. NBFCs at early levels of maturity are focused

on stabilizing collections through bucket-wise segmentation and basic field controls. While this helped contain slippages, they relied heavily on manual intervention and post-

default action. More advanced NBFCs have redesigned NPA management around early warning, behavioral insights, and customer engagement, intervening well before

accounts transition into delinquency.

A defining shift is the move from enforcement-led recovery to repayment facilitation. Digital payment links, real-time reminders, instant acknowledgements, and simplified settlement workflows have made it easier for customers to regularize accounts, while simultaneously improving transparency and field productivity (exemplars are Arthan Finance and Sammaan Capital).

The most mature NBFCs go a step further by hard-wiring asset quality into balance-sheet strategy. Cost discipline, selective growth, conservative leverage, and portfolio-level monitoring reinforce recovery outcomes.

Rather than treating NPAs as episodic shocks, these institutions view asset quality as a continuous outcome of underwriting quality, customer selection, and operational discipline (exemplars are PNB Housing Finance and Veritas Finance.)

The next frontier in NPA management lies in deeper predictive analytics and behavioral modelling, where stress signals are identified even before payment delays occur.

IMPLICATIONS FOR CXOS

Sustainable growth is not achieved by recovering better – it is achieved by defaulting less, earlier, and more intelligently.



BOTTOMLINE

❖ The strongest recovery strategy begins before default. ■

Section 5: Financial Inclusion & CSR

From Outreach Initiatives to National Capacity Building

NBFCs are profoundly reframing financial inclusion and CSR. What began as compliance-driven outreach has matured into strategic capability building, where social impact and business sustainability

increasingly reinforce each other.

Advanced NBFCs are now adopting ecosystem-based inclusion models, integrating finance with livelihood support, health access, housing security, and skill development. This shift recognizes that credit alone does not create progress – stability does.

Many NBFCs have developed women-centric inclusion as a defining theme, and have designed dedicated programs that combine financial access with literacy, mentoring, enterprise support, and confidence building. These initiatives are no longer just for social good; they are increasingly portfolio-strengthening strategies, given the strong repayment behavior and community impact associated with women borrowers (exemplars are Satin Creditcare and Muthoot Microfin).

Partnership-led execution is another strong indicator of maturity. NBFCs are collaborating with NGOs, SHGs, farmer collectives, and community institutions to operate with cultural sensitivity and local trust, particularly in rural

and agrarian markets. This approach enables scale without dilution of impact (exemplars are Samunnati and Mahindra Finance.)

The value created extends beyond social metrics. Institutions report deeper engagement, stronger brand affinity, and improved portfolio behavior in regions where inclusion initiatives are sustained rather than episodic. The next maturity frontier lies in outcome measurement and integration, where CSR insights actively shape product design, risk models, and market expansion strategy.

IMPLICATIONS FOR CXOS

Inclusion is no longer peripheral. Done well, it becomes a foundation for trust-led, sustainable growth.

BOTTOMLINE

❖ True inclusion builds confidence before credit.
❖ CSR initiatives create not just beneficiaries – they create future customers. ■



Section 6: Leadership Development & Culture

From People Programs to Leadership as a Strategy

Early people practices focused on appraisal cycles and periodic training. More mature NBFCs have shifted toward effort-linked, transparent performance frameworks that recognize behaviors, learning adoption, and leadership capability

alongside outcomes. Digital tools now enable real-time feedback, peer benchmarking, and structured development conversations - moving performance management from evaluation to enablement.

Leadership development itself has become

more intentional and tiered. Role-specific learning journeys, mentoring models, exposure-based assignments, and succession pipelines are helping frontline managers evolve into enterprise leaders. Internal communication platforms - newsletters, recognition forums,



leadership dialogues - are being used not just to inform, but to shape culture and aspiration (exemplar is Shriram Finance.) A notable area of advancement is inclusive leadership development, particularly focused on women. Structured mentoring, confidence-building forums, and leadership exposure are creating sustainable pipelines rather than symbolic representation (exemplar is Tata Capital.)

IMPLICATIONS FOR CXOS

In a people-intensive business, leadership depth is not an HR outcome - it is a growth multiplier.

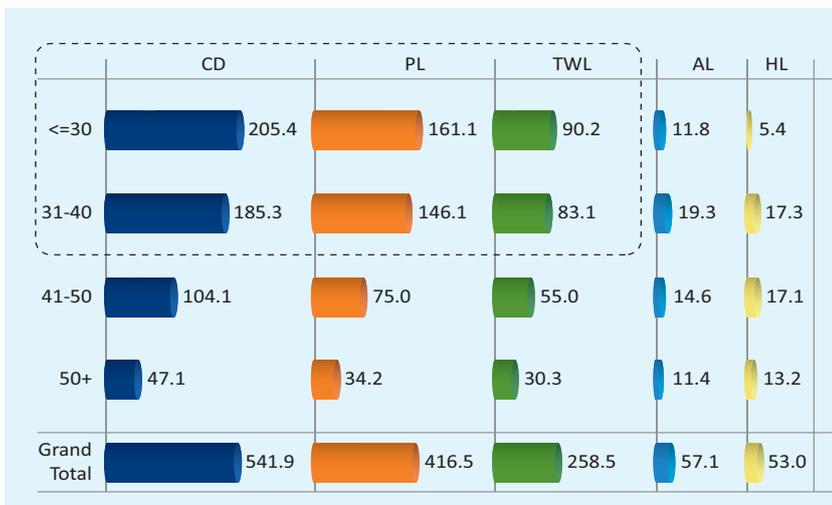
BOTTOMLINE

- ❖ Leadership is no longer trained - it is engineered.
- ❖ Build leaders not for today's targets but for tomorrow's complexity. ■



This article is an edited version of the cover story in Banking Frontiers Jan 2026 edition.

NBFCs primary focus: Strong focus on ≤30 years age group, followed by 31-40 years age group



- ❖ NBFCs focus primarily on borrowers aged ≤30, age group followed by the 31-40 segment.
- ❖ Growth is led by unsecured products - CD and PL followed by TW.
- ❖ Secured products (HL, AL) remain niche, with a more balanced age mix.
- ❖ Volumes of secured products are much lower vs. public sector banks.

Source: CRIF CREDIT INSIGHT REPORT - Demographic Trends in Credit

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