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'INFRAISOFT IS EYEING ACQUISITIONS IN EUPORE AND USA'

With the government trying to lay immense focus on financial inclusion for everyone, the regional rural banks (RRBs) and urban Cooperative Banks as well as Microfinance Institutions (MFI) have an opportunity to be a catalyst in

this initiative. However, there are certain technological challenges that these institutions have to address to make this work, says Hanuman Tripathi, Group Managing Director, Infrasoft Technologies. In an interview with Chitra Unnithan, Tripathi talks about the company's end-to-end software solutions for microfinance institutions and small banks with the end objective of building mass-scale-financial inclusion, globally.

What is the need of the hour for the microfinance institutions? What are the type of opportunities and challenges they face?

Use of technology to keep customers engaged and also to reduce cost of business expansion is mandatory. For very small banks, it may be worthwhile opting for an ASP/SaaS (hosted model of technology implementation), to avoid CAPEX needs and requirement to have trained IT manpower. I think a state level sponsorship for microfinance institutions to offer financial inclusion in the country is most critical. This will ensure that policies, procedures, grants, people support and more will come handy for these institutions and act as motivators to take financial inclusion programs forward. Of the 431

Q&A

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districts that RBI had identified, 204 districts in 21 states and 7 UTs have been reported at 100 per cent, as of July 2009 (RBI Reports). This still implies that about 1/3rd districts in India are in need of immediate financial inclusion support.

What are the technology needs of the small banks?

The technology solution needs to be cost-effective in terms of total cost of ownership (TCO) and running costs. Training requirements for onboarding business staff software applications should be minimal. A solution that ensures faster time to productivity of the staff. Mobile-banking models can reduce transaction costs even in difficult-to-reach areas, but covered by telecommunications network. Enabling PDA/smart-devices to interface with the core systems facilitates operations in even areas that are not covered by telecommunications and/or managed in branchless mode. From software technology delivery point of view, a

hosted or Software-As-A-Service (SaaS) model keeps the IT operations lean and operational expenditure low. Specifically, the SaaS model offers significant savings from capital expenditure required to set up own infrastructure.

What are Infrasoft's expansion plans?

InfrasoftTech is planning a three fold growth in the next three years. We are growing partner's network in newer countries where our understanding presently may not be strong. We are looking at acquisitions in both Europe and USA. Our sales team size is being doubled over next two years. Our business focus is to grow Software Services business in UK and Europe multi-fold, without sacrificing the high growth we are witnessing in banking software products that is presently contributing larger proportion of our overall consolidated revenue.

We are taking several measures in strengthening our position in the Core Banking Solutions market in India. We also intend to grow our Anti Money Laundering Solution in India. First sites of our Enterprise Microfinance Solution will be live soon in India. We wish to enhance our market share on financial inclusion / microfinance software products in global markets, especially Africa and Asia. Our Islamic Banking solution has been focussed to grow in Middle East and a few select markets.