



Banking API Integration - Case Study

SUMMARY

A mid size listed NBFC company wanted to replace the existing manual banking process of disbursement and collection with automated processing via Banking API integration to make it quicker and efficient.

THE CLIENT'S CHALLENGE

The client provides easy and quick access to finance to micro enterprises in tier 2 and tier 3 cities of India. Their banking processes were carried out manually by financial and collection teams. It included transactions like banking file generation comprising of customer/bank details, Loan amount to be disbursed, mandate creation, verification, registration, presentation and reconciliation with the bank. Many times transactions used to fail due to manual errors esp. wrong name, IFSC code, Account No etc. and delayed the processing. Disbursement failures resulted in customer dissatisfaction as well as poor customer experience, while collection failures were directly impacting revenues. The client wanted to integrate their Loan management business application with banking API to make the processes automated, quicker and more secure. They needed a consulting delivery partner who will help them conceptualise, architect, design, implement, operationalize and manage this in the best possible way.

ACTION PLAN

Striatum was selected by the NBFC as the IT partner of choice. Striatum consultants have successfully implemented the above over a period of 6 months and continue to manage the ongoing operations for the client. Striatum provided the required strategic and technology leadership for the stated business objectives with tremendous value addition. Client could achieve following milestones :

- Integration of business application with Banking API over H2H and XML interfaces
- Connectivity with Banking system from DC-DR setup over secure and redundant paths
- Online verification of customer bank account details during pre-disbursement stage
- Automated process of banking file generation, submit for disbursement and Loan account settlement basis bank response
- Pre filled mandate generation and real time verification with banking records to improve accuracy
- Verified mandate registration and status check with NPCI/destination bank



- Automated process of mandate file generation for presentment, submit for presentment and Loan account adjustment basis response
- Maker & checker functionality for important transactions
- Quick and easy reconciliation with bank records
- Reports – disbursement, mandate management and collection
- SLA based Operations management for manage process on ongoing basis

RESULT

Client was able to rollout banking API integration at very cost effective price over a period of 6 months and moved towards secure and efficient payment processing –digital mode.

Both disbursement and collection process time was reduced with improved accuracy; resulting into optimal cash management and revenue enhancement.

