



CASE STUDY

# The Infrastructure Revolution: Discover How Development Finance Institution in India Empowered Its Vision with a Next-Gen Core

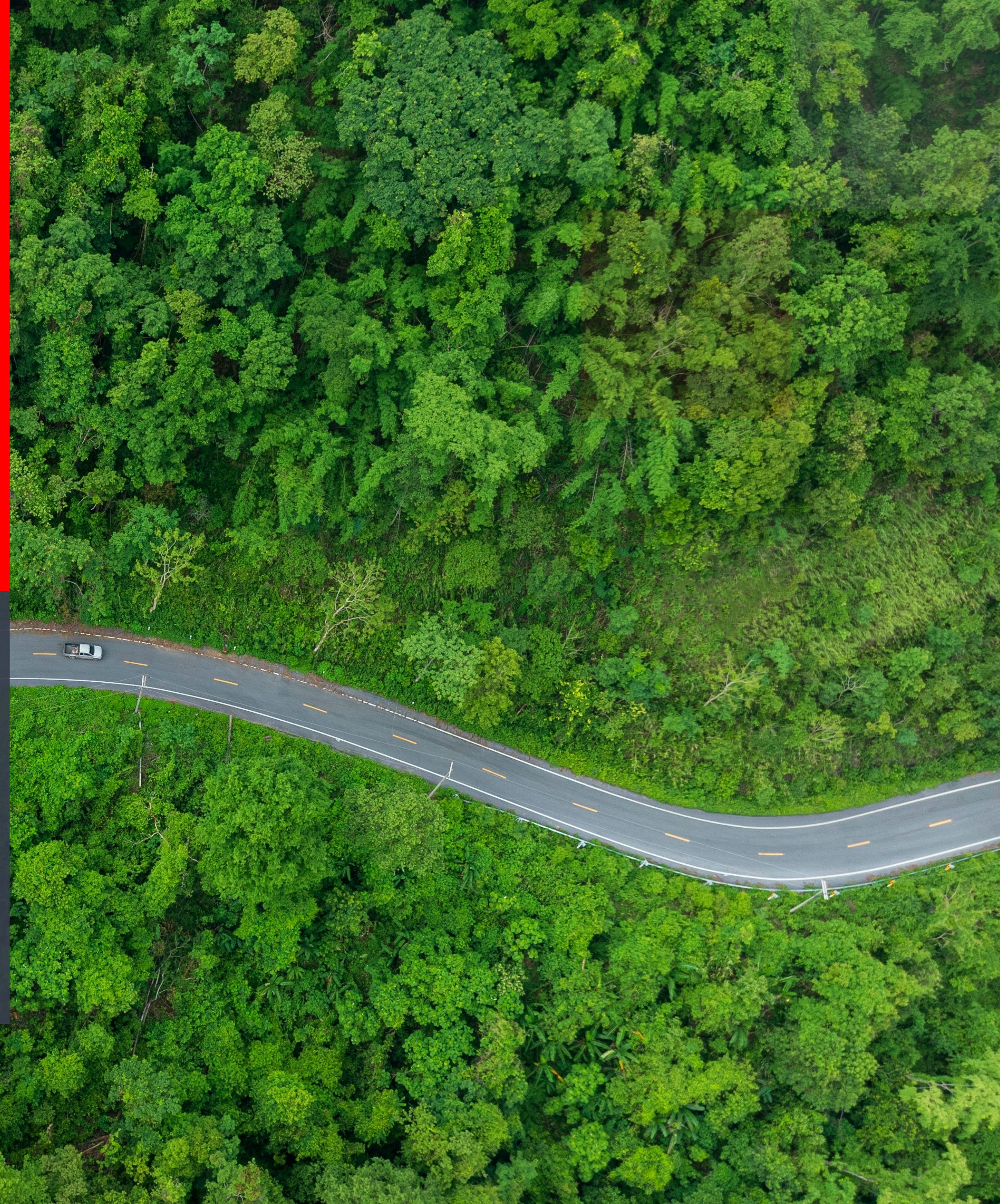
# About **the Organization**

India is undergoing a massive infrastructure overhaul. By 2036, it is estimated that 600 million people will migrate to Indian cities, increasing urban infrastructure investments to \$55 billion per year. Currently, the country spends \$16 billion on its urban infrastructure. However, a significant gap in infrastructure development led to the formation of the organization.

The organization is a specialized development finance institution in India, established in 2021 through an Act of Parliament. It is the fifth Development Finance Institution in India.

The organization's primary objective is to bridge the gap in long-term, non-recourse financing for the country's infrastructure sector. The organization's aim includes improving the overall investment climate and fostering sustainable growth in India. Its mission is to enhance infrastructure financing, with a strong emphasis on innovation, environmental sustainability, and robust risk management practices.

The organization is dedicated to play a pivotal role in developing innovative financing instruments and creating robust bonds and derivatives markets. In the process, the organization is strengthening infrastructure funding, promoting best practices in infrastructure financing and data-centric risk management strategies.



# Setting Up Core Banking Operations: A Strategic Imperative

India's infrastructure goals are very ambitious, and the organization has a big role to play in achieving those goals. It was very important therefore, that it future-proofed its strategy and integrated technology into all aspects of its operations. The organization required a digital core banking solution that would ensure it stays ahead in a rapidly evolving landscape. This solution needed to be cloud-enabled and integrated with treasury, loan management, and accounting systems to comply with RBI regulations. The bank's philosophy centers around having an asset-light and cloud-based system to enhance agility, adaptability, and scalability.

Building a robust and secure IT infrastructure is crucial for the organization. The institution needed a hosting environment that complied with regulatory standards and offered operational resilience and cybersecurity features. Additionally, the organization aimed to create a comprehensive data platform for the industry, enabling data aggregation and advanced analytics to drive better decision-making and right pricing of assets.

Most importantly, the organization's mission to increase lending capacity in the infrastructure sector, attract more funds, and develop a trusted ecosystem for various stakeholders required a robust technological foundation. The institution sought to innovate with new financing instruments, enhance the trust of participants, and integrate ESG commitments into its operations. To achieve these objectives, the organization needs a dynamic, cloud-native approach to improve agility, scalability, and resilience.

In this regard, the organization chose Infosys Finacle as its strategic partner for this transformation. The most important factor that worked for Finacle, was its market leading reputation and impeccable track record of driving digital transformation for banks across the country.

Finacle is also a proven expert in navigating complex digital banking scenarios, and this was an important requirement in the organization context. Finacle's robust set of solutions and a strong track record of successful implementations gave the organization team a lot of confidence that they were partnering with a reliable and innovative technology provider.

Finacle also has comprehensive Corporate Lending capabilities which align seamlessly with the institution's requirements. The solution itself is componentized, which has allowed the organization to simplify its transformation journey and get to benefit faster.

The last and most important consideration for choosing Finacle, is that the solution is built on industry-leading architecture and has really strong experience in offering cloud-native capabilities. This gives the organization team the benefits of automation, scalability, and security. The solution also integrates advanced data analytics capabilities, which allows the institute to get actionable insights and make better decisions throughout the lending process.

# The Finacle Corporate Lending Solution Suite built on modern technology enabled the organization in providing

- Cloud-native solution facilitating automation so the bank can run lending applications on any cloud environment. It is fully aligned with the cloud-native framework based on Cloud Native Computing Foundation (CNCF) standards and follows the Twelve-factor App Methodology. Finacle leverages Kubernetes for container orchestration in a cloud environment. It helps define, manage, and upgrade applications with ease. It prevents vendor lock-ins and allows applications to be ported easily.
- Data and analytics with pre-integrated data models that can ingest any type of data from any source to deliver actionable insights embedded in the lending business flow.
- Componentization for bundling smaller packages as right-grained services that enable faster assembly of lending components. Being a microservices-based componentized solution, it ensures that the components are agile, available, and scalable.
- Declarative and RESTful APIs that empower banks to co-innovate lending propositions with external ecosystems.
- Scalability, performance, and resilience to power organic and inorganic growth and the heightened responsiveness expected in a truly digital lending world.
- Robust security enablers across infrastructure, data, and application layers.
- Continuous deployment that offers a set of tools for automation enabling continuous integration during development and continuous delivery during deployment. This enables an agile response to ever-changing lending requirements.
- Configurability, localization and extensibility to meet local practices and compliance; freedom to extend the solution independently for a specific market requirement in which the bank or lending institution operates.

# How Cloud4C Pitched In:

The organization chose Cloud4C as their cloud service provider. Cloud4C's global footprint and strong support the organization were instrumental in providing the necessary infrastructure and support for the transformation, along with their key accelerators that include:

- 24/7 Support backed by 2000+ cloud certified experts
- 25 dedicated Centers of Excellence
- Serving 100+ Banks including 5 of Global Top 20 Banks
- Powering cloud for 30+ Core and Digital Banking workloads with ISVs
- 18 Global Compliances mapped to Cloud Security Solutions, In-country Hosting

**Private Cloud Infrastructure Hosting:** Cloud4C delivered a private cloud infrastructure for hosting Finacle's Core Banking Solution including applications such as Finacle ALM, Finacle Treasury and Finacle Alerts. Cloud4C helped in implementing Agile methodology with CI/CD automation, contributing to faster time-to-market and improving service quality.

**Strengthening Network Security:** Cloud4C deployed tools to enhance visibility into SaaS apps, providing weekly status reviews and progress reports. Installing a database activity monitoring tool reduced the bank's mean time to detection and recovery. RBAC controls and centralized user management protected critical data, while data encryption secured it during transit and at rest. Implementing a security logging and a separation of concerns system improved the overall security performance.

**Maintaining a Robust Security Posture:** Conducting Independent Security Testing VAPT and OWASP tests fortified the security infrastructure for the bank's web services, applications, and systems. Cloud4C implemented 24x7 SOC Monitoring, incident management, periodic audits/testing, and cyber drill services that improved the bank's ability to detect and respond to potential security breaches and threats.

**Ensuring Thorough Regulatory Compliance:** Cloud4C's services are aligned with in-country guidelines, RBI and global recommendations, compliances, and certifications such as ISO 27001 certification, Gopalakrishna Committee Report, RBI Guidelines on IT, Cybersecurity Framework, Cloud Security Framework of IDRBT and private cloud standards controls.

# The implementation significantly transforms the organization's operational efficiency

The organization was able to go live with the Finacle Lending Solution, Treasury, and Oracle GL within a span of six months. The implementation of Finacle's solutions marks a significant milestone in the organization's transformation journey. The cloud-native approach improves the agility, scalability, and resilience of the organization's operations. The architecture allows the bank to dynamically scale its operations in response to changing demands and enhances its resilience to disruptions. The organization benefits from using cloud-based platforms, containerization, and microservices architecture, which enables the institution to iterate applications quickly and achieve faster speed to market. This dynamic scaling capability ensures that the organization could stay ahead of evolving needs in the infrastructure financing sector, adapt to changing market dynamics, and continuously drive innovation.

The implementation of Finacle's solutions also aim at delivering superior customer experiences. The organization's cloud-native architecture allows for the seamless integration of various modules, providing a cohesive and efficient system. The bank's focus on operational resilience and cybersecurity features ensure that its infrastructure is robust and secure, optimizing costs and further enhancing its ability to scale.

The organization's transformation includes the development of a comprehensive data platform, crucial for the institution's vision of becoming a globally recognized strong provider of impact investment. The platform facilitates data aggregation and advances analytics, enabling the organization to make informed decisions and accurately price assets. This data-centric approach is essential for the bank to achieve its mission of creating more capacity for lending and attracting more funds into the infrastructure sector.

With the transformation, the organization has achieved numerous benefits, including 99.95% uptime, ensuring continuous availability and reliability. The organization now operates with zero risk business operations around the clock, supported by a secure and compliant-ready architecture. This transformation has also resulted in zero data loss, safeguarding all critical information. Additionally, the organization enjoys 100% transparency, enhancing trust and accountability across all operations.



# The Way Forward

The infrastructure is the lifeline of India's economic and social progress. With the rise of smart cities and 20 mega projects lined up in the coming years, capital investments will play a crucial role in funding these major infra projects. The organization's role remains as vital as ever. The secure digital transformation has empowered the bank to catalyze infrastructure funding with innovative technological capabilities, significantly boosting India's economic development and growth. As the organization continues to leverage its enhanced digital infrastructure, it will play a pivotal role in driving the nation's progress and meeting the demands of future infrastructure needs.



# Client Quote:

**Mr. RajKiran Rai G., Managing Director**, stated,

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*"The core banking implementation, executed in collaboration with leading technology partner EdgeVerve, represents a major leap forward in the organization's digital transformation journey. This strategic initiative is designed to enhance the Bank's agility, security, and scalability, enabling it to respond swiftly to market dynamics and evolving business needs.*

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**Ms. Monika Kaila, Deputy Managing Director & CFO** said that

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*As a new organisation, the institution accomplished this feat in a remarkably short time, driven by the dedication and hard work of its employees and robustly supported by EdgeVerve.*

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Source: <https://www.nabfid.org/uploads/files/Press-Release.pdf>



## Why we exist

To inspire better banking so that billions of people and businesses can save, pay, borrow, and invest better.

## How we do it

Our solutions and people help banks to engage, innovate, operate and transform better, so that they can improve their customers' financial lives, better.

## What we offer

A comprehensive suite of industry-leading digital banking solutions and SaaS services that help banks engage, innovate, operate and transform better.

Finacle is an industry leader in digital banking solutions. We are a unit of EdgeVerve Systems, a wholly-owned product subsidiary of Infosys (NYSE: INFY). We partner with emerging and established financial institutions to help inspire better banking. Our cloud-native solution suite and SaaS services help banks engage, innovate, operate, and transform better to scale digital transformation with confidence. Finacle solutions address the core banking, lending, digital engagement, payments, cash management, wealth management, treasury, analytics, AI, and blockchain requirements of financial institutions. Today, banks in over 100 countries rely on Finacle to help more than a billion people and millions of businesses to save, pay, borrow, and invest better.

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[www.finacle.com](http://www.finacle.com)

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