

CASE STUDY ON

## NBFC - EMI COLLECTION MANAGEMENT SOLUTION



email: [sales@visiontek.co.in](mailto:sales@visiontek.co.in)  
[www.visiontek.co.in](http://www.visiontek.co.in)

---

**Overview :**

NBFCs are a broad category of financial institutions other than commercial banks. One of our esteemed customers needed a solution by which collections by agents are instantly reflected in the central database. Also, they needed a solution for sending alerts to customers confirming that their payments had been received from the central server. We offered two types of solutions, an offline and an online solution.

**Business Challenge :**

NBFCs operate largely in vehicle financing, hire purchase, lease, personal loans, working capital loans, consumer loans, housing loans, loans against shares, investments, distribution of financial products, etc. As of March 2011, the total number of NBFCs registered with the RBI is 12,409.

Transparent collection of EMI was the main challenge for these organizations.

Some other problems faced by these companies are:

Rolling out branches faster without brick-or-mortar infrastructure cost.

Reducing the time wasted while gathering data in the last mile between the consumer and the employee in spite of core business applications interfacing with the systems deployed at remote branches.

As there is no connectivity between the office and field executives, the management was unable to monitor crucial information related to business transactions happening outside their offices. The information captured in that last mile was either getting delayed or lost in translation.

Collection teams travelled for days to meet multiple consumers and got back to the branch with updates on EMI collection, which increases the Operational expenses. Monthly books were taking about 40 days to close. Such manual MIS management lost value in terms of both time and money. Last minute updates not only pressurized the branch staff during monthly financial closing, but also overloaded the networking infrastructure between the branches and the data centre. These updates, whether cash collection, verbal negotiations, future payment commitments, consumer queries or any other communication, were then noted and entered into the organization's systems.

**Customer Details :**

Tata Motor Finance Ltd, Magma, India Bulls, Bajaj Finance, Sundaram finance, TVS Shiram Finance.

**Proposed Solution :**

**ONLINE :**

The POS terminal will be carried to the field by the operations staff. The operations staff types the unique "agreement number" in the POS and the data is sent to the central server through the GSM/GPRS network. Customer details like the name, address, details of loan taken and the instalment due will be downloaded into the device and displayed on the LCD. The collection executive gets the details of the consumers beforehand, enabling him to plan his next visit and route appropriately.

cont...

Information trails, address business queries, record customer commitments and note relevant information for further follow-ups, undertaken with the customer are created at his doorstep. The data is fetched from the central server and is updated when the payment is received and an SMS regarding the details of payment is sent to the customer mobile.

Daily and monthly reports can be generated easily and can be assured that the information in it is accurate as every day transactions get updated online in the server.

**OFFLINE :**

The POS terminal will be carried to the field by the operations staff. The operations staff types the unique “agreement number” in the POS. Customer details like the name, address, details of loan taken and the instalment due will be displayed on the LCD through the information fetched from the device memory. The collection executive gets the details of the consumers beforehand, enabling him to plan his next visit and route appropriately. The collection executive issues two receipts one for the beneficiary and another for himself after collecting the EMI payment.

Information trails, address business queries, record customer commitments and note relevant information for further follow-ups, undertaken with the customer are created at his doorstep.

At the end of the day, total information in the device is updated by connecting it to the PC at the branch office through the RS 232 port. After updation of the report, an SMS regarding the details of the payment is sent to the customer’s mobile. Later the information from the branch office is updated at the head office.

**VISIONTEK Products Used :**

- VISIONTEK 92 POS
- 93 POS

**Benefits :**

- There is reduced cost and increased productivity as the solution was on open source.
- Since the process is both online and offline, it prevents any cash mismanagement in the field.
- There is improvement in customer confidence as the payments made by them is updated online and an acknowledgment is sent via an SMS.
- There is elimination of duplication in data capturing (from manual documents), that leads to a reduction in back-office manpower by half. There can be over 96% reduction in connectivity, power and other recurring costs.
- MIS reports were generated using this data for the senior management to address various business scenarios with lower turnaround time.
- An executive's incentive is also automatically calculated using his collection data. Branches can be run faster without any overheads.
- OPEX can be reduced and that income can be spent on their core activities.
- Monthly closing of financial books happens on time. Value-added services like recharge vouchers, utility bill collections, etc. can also be done.

cont...

**Remarks :**

The organization now has some 5000 plus devices on the field and management points to them as their versions of mobile ATM machines. Visiontek's Solution automated the collection process and resulted in increase cash flow for these Customers. Customer confidence and their satisfaction levels improved drastically. It was effective by way of minimizing the loss of cash payments and had positive impact on their bottom line.

For more details on POS products visit : [www.transaction-terminals.com](http://www.transaction-terminals.com)



**LINKWELL TELESYSYEMS PVT. LTD.** 1-11-252/1B, Behind Shoppers Stop, Begumpet, Hyderabad 500 016.

Tel: +91 40 66388000, Fax: +91 40 66388006, email: [sales@visiontek.co.in](mailto:sales@visiontek.co.in) | [www.visiontek.co.in](http://www.visiontek.co.in)

**Regional Offices :** Ahmedabad ▪ Bangalore ▪ Chennai ▪ Kolkata ▪ Mumbai ▪ Noida ▪ Pune

**Disclaimer:** VISIONTEK® is a registered trademark owned by Linkwell Telesystems Pvt. Ltd. Other brands and names mentioned herein may be the trademarks of their respective owners. Neither the whole nor any part of the information contained in, or the product described in, this document may be adapted or reproduced in any form without the prior written permission of the copyright holder. The product described in this document is subject to continuous developments and improvements. Linkwell Telesystems Pvt. Ltd. gives all particulars of the product and its use contained in this document in good faith. However, all warranties implied or expressed, including but not limited to implied warranties of merchantability, or fitness for purpose, are excluded. This document is intended only to assist the reader in the use of the product. Linkwell Telesystems Pvt. Ltd. shall not be liable for any loss or damage arising from the use of any information in this document, or any error or omission in such information, or the use or inability to use the product.