

# Simplifying the NACH Mandate Processing and Management



## The Client

The client is one of the top 3 banks, offering the entire spectrum of financial services to customer segments, covering assets and liability services.



## Their needs

NACH Mandate processing is one of the critical activities for BFSI customers as this is directly linked to collections and cash flow. There was a need to collect, process and present mandates for required registration.

## Our Solution

With a high network of branches PAN India, the process was more or less decentralised and hence not effective. With our PAN India presence, we offered a technology base, which ensured end-to-end process management and helped to centralise it too.



## Benefits Delivered

- Collection of mandates from 100+ branches across the country
- Digitising the mandates
- Application of workflow for tracking and monitoring
- Centralised processing and presentation
- Multi-locational delivery presence



Every day, millions of transactions related to payments are taking place in the banking space. These payments are mostly done by corporate houses, individuals, and government bodies; and clearing such transactions is a tall task. And to boost the convenience factor, the payment clearance is done electronically. Developed by the National Payment Corporation of India (NPCI), such an electronic clearing system is known as National Automated Clearing House (NACH). NACH is essentially a web-based platform that facilitates high volume, electronic transactions for financial institutions, banks, and corporates as well as government bodies. Basically, it functions as an electronic clearing service mostly for banks.

# CHALLENGES

Automation's role-play to spruce up the NACH processing



It's on intelligent automation to leverage the coming together of digital technologies and Robotic Process Automation (RPA) to maximise benefits for an organisation. RPA when combined with digital technologies, such as machine learning, dynamic workflow and natural language processing, there's more than simply the productivity gains. Automation grows to become an added lever when it comes to end-to-end process transformation.

The customer had outsourced this activity prior to approaching us and was experiencing hurdles along the way such as:

- Decentralised operations
- Lack of monitoring and control
- Multiple partners where coordination becomes a challenge
- Service partner achieving overall TAT compliance around 60%
- Rejection rate was turning out to be unreasonably high

## Client Expectations

The client had clear expectations when they outsourced their services to us. They were keen on a digital transformation to deliver certain concrete benefits. Their needs included:

- An aggressive TAT of T+1
- Delivery of a higher quality
- Automated workflow for end-to-end tracking
- BPR

## Process and Planning

We had to consider certain specifications while we were framing the process in this project. We adhered by the NACH objectives as we did the planning. After all, NACH would help facilitate end-to-end processing with the following key objectives in mind:

- Creating a national eco-system for processing of electronic payment instructions
- Providing a tech platform to the banks to route the debit/credit instructions
- Providing a robust mechanism for settlement and handling of rejects, returns, refunds, reversals, revocations etc.
- Maintaining an Aadhaar number to Institution Identification Number (IIN) for mapping governance mechanisms



## SOLUTION

Writer Information with its PAN India presence offered a technology base for end-to-end process management which included:



An automated approach as Writer Information evaluated the entire process



Digitisation of the mandates



RPA enabled solution with auto-capture using ICR/OCR



Proprietary Application of workflow for tracking and monitoring



Centralised 24x7 processing and presentation



Multi-locational delivery presence

## IMPACT

Post our technical inputs, our client realised that undertaking a digital transformation was the need of the hour. Writer Information with its strong technical know-how could bring about a remarkable difference and the quantifiable benefits were visible within the very first month. The benefits included:



Improved TAT from 60% to 90%



Quality improvement from 95% to 98%



Real-time processing with the help of inbuilt application using ICR/OCR



Acceptance level rose up to 98%



No pendency or delay in NACH Mandate processing



Reduced cost of operations by 15%



One partner for end-to-end processing