

THE NeSL CHRONICLE

The Quarterly E-Newsletter of NeSL | January - March 2024 | Vol.10

GOLD LOAN A GROWING SEGMENT POWERED BY **NeSL's DDE**

Takes **6 minutes** to
execute a contract



Gold Loans

**Financial Inclusion
Schemes**



6 MILLION
DDE Transactions

TABLE OF CONTENT

From MD & CEO's Desk	03
Edition Special - Gold Loans & Financial Inclusion Schemes	04
Statistical Information - Default & Distribution Analysis	05
Data Trends	07
DDE at a Glance	09
e-BG Statistics	13
Testimonials	14
Events	15
Board of Directors	18
Articles	20
Recent Communiques	21
Employee Corner	22
Quiz - Crossword	23
Videos	24
Contact us	25

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FROM MD & CEO'S DESK

Debajyoti Ray Chaudhuri

Managing Director & CEO



Gold is an integral part of our customs and beliefs. Buying gold, usually in the form of jewellery, is an important part of events like marriage and on occasions like Akshaya Tritiya. This has been there for generations and now it is estimated that India has one of the largest private holdings of gold anywhere in the world. Buying gold jewellery is not just consumption expenditure, it also serves the purpose of being an hedge against inflation, and store of wealth across generations. Moreover, in times of need, it can be monetised to meet requirements of funds.

India imports most of its requirements of gold and the demand for gold puts pressure on our balance of payments. At the same time, most of the gold being in private hands, without being used, does not contribute to the GDP of the country. Today there are some alternatives to buying gold in non-physical form like the Sovereign gold Bonds or Gold ETFs or even digital gold. This meets the requirements of those who buy gold for investment purposes.

There is another way in which the enormous gold held in private hands can be monetised, which is availing a loan against gold. There are many NBFCs who have specialised in lending against gold, some of them are large, listed companies. Many public sector banks are also active in disbursing of gold loans

There are many advantages of lending against gold. For the lender it is a secured facility with very less delinquency. The gold prices have been appreciating of late which leads to a favourable LTV (Loan to Value) ratio. On the medium term to long term, gold prices are, in any case, likely to increase, keeping in view, the gradual depreciation of the Indian Rupee relative to global currencies. The banks have secure facilities like fire proof safes, so keeping gold of customers in a secure and safe manner comes at very less additional cost.

The benefits to the customer is that gold loans are easily available with minimum paper work. Moreover, the gold ornaments, which are often of emotional value, but less used, are kept safely with the bank and can be retrieved on repayment of the loan. It is estimated that in India, gold holdings are not only with the rich but across middle income and less privileged families in lesser quantities. So, this type of loan can be easily accessed by all.

Gold loans cannot be fully digital because customer has to come to the branch to deposit the gold. Even then, the other advantages of NeSL's DDE can be harnessed. NeSL's DDE is paperless, dispenses with the requirement of multiple signatures, like in a physical document and can be stored in a digital form. In fact, the bank's strong room and safe can be freed to keep more of customer's gold than gold loan documents, as documents executed on NeSL's DDE is digital and paperless and can be accessed seamlessly on NeSL's platform. Moreover, with biometric Aadhaar authentication, walk in customers can be easily attended to.

NeSL is happy to support the increasing demand for gold loans, which has the potential of harnessing India's large gold deposits held in private hands.

This edition of NeSL Chronicle has a section on the recent traction in gold loans on the NeSL DDE platform. In his article, our CISO writes about our transition to ISO/IEC 27001:2022 standard, well before the timelines required by ISO. In the previous edition, which also marked the 2nd Anniversary of the NeSL Chronicle, we had introduced a new section "Employee Corner" to show case the achievements of our team outside the workplace. This is being continued and we introduce three of our team members with exceptional talents. Besides this, there are the usual features like Statistical Information, updates on DDE/e-BG and of course the Cross Word.

Comments and suggestions are welcome at suggestions@nesl.co.in

Gold Loans

Powered by NeSL's DDE

Chart 1

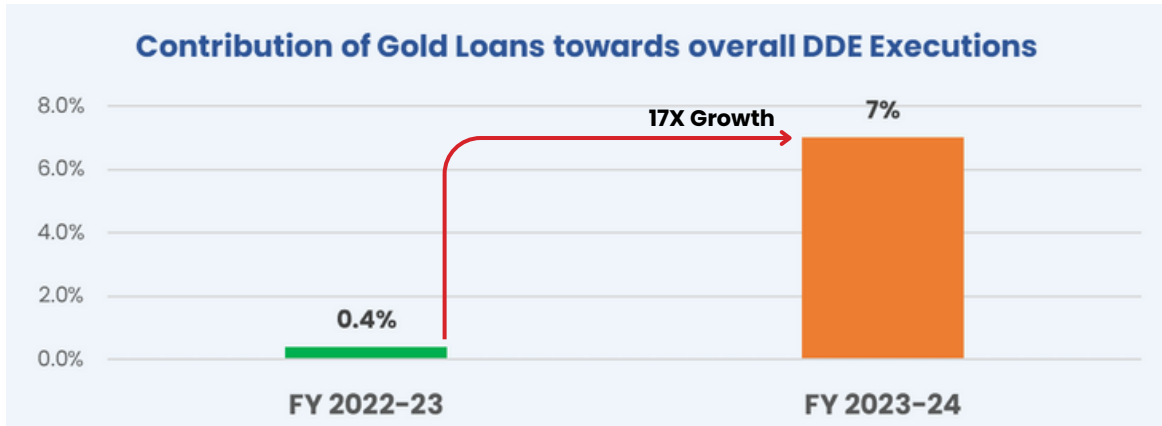
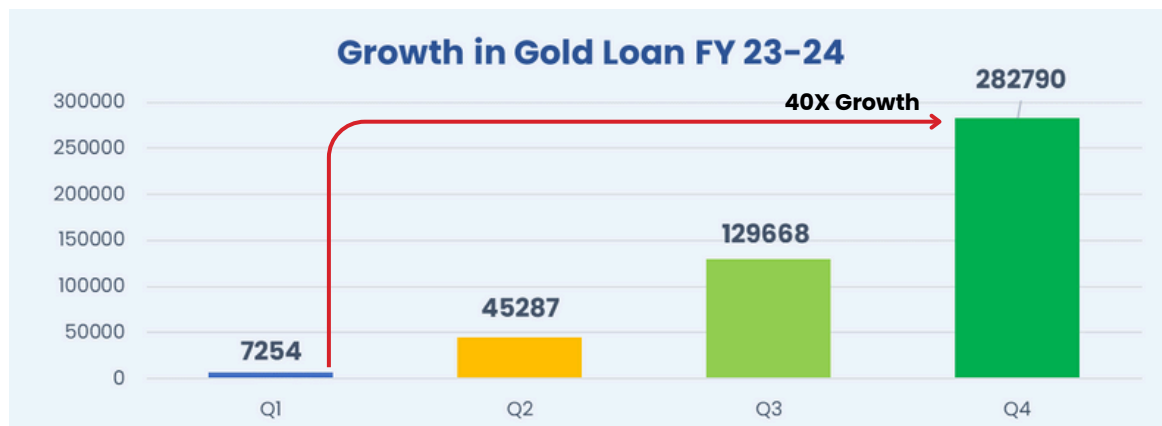


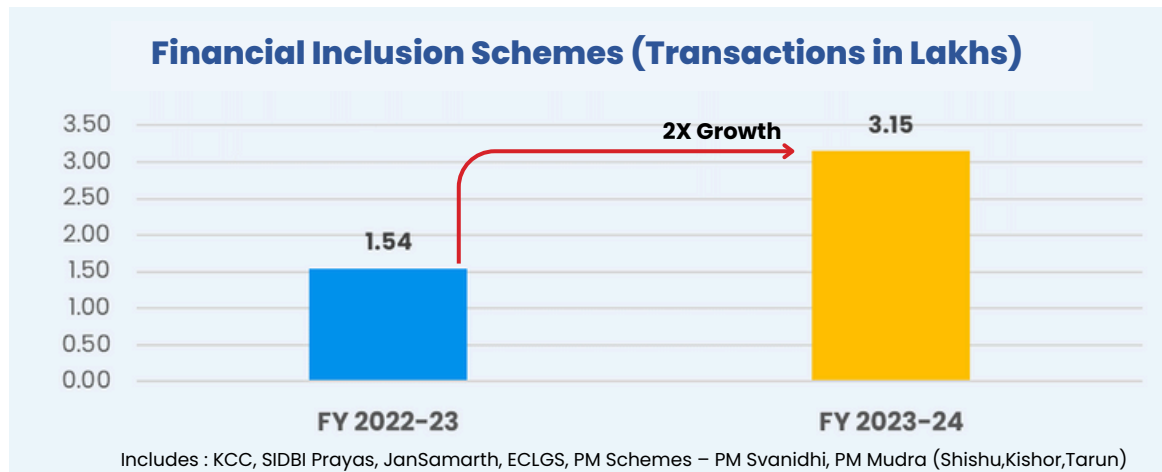
Chart 2



Gold loan execution in DDE has seen a 17x rise YoY 2023-24 over 2022 – 23 and a 40x increase in the last 9 months (Q on Q)

Financial Inclusion Schemes

Chart 3



NeSL's DDE has seen 2x growth over FY 2022-23 and FY 2023-24 across 7 active financial inclusion schemes

STATISTICAL INFORMATION

DEFAULTS & DISTRIBUTION ANALYSIS

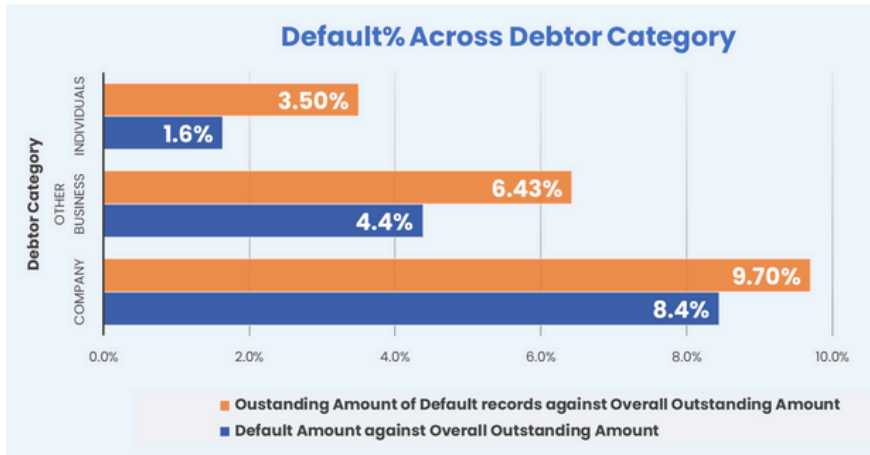


Chart 4

Broad Conclusions

Company segment has the highest default%, the individual segment being the lowest

Please see Notes in Page No 06

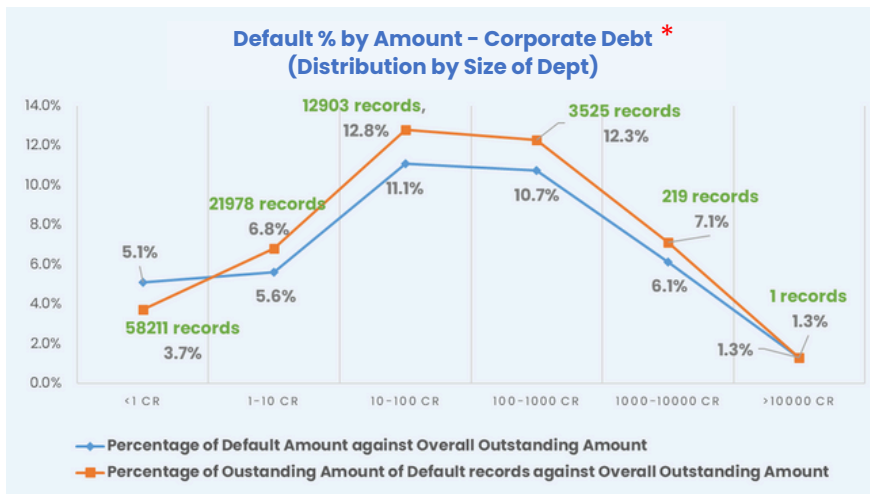


Chart 5

Broad Conclusions

Default% by default amount as well as Outstanding amount is highest in the debt size between 10-100Cr.

Please see Notes in Page No 06

* It is observed in some default records, value in Outstanding Amount is reported as less than value of Default Amount. NeSL has taken up with submitter for clarification on same.

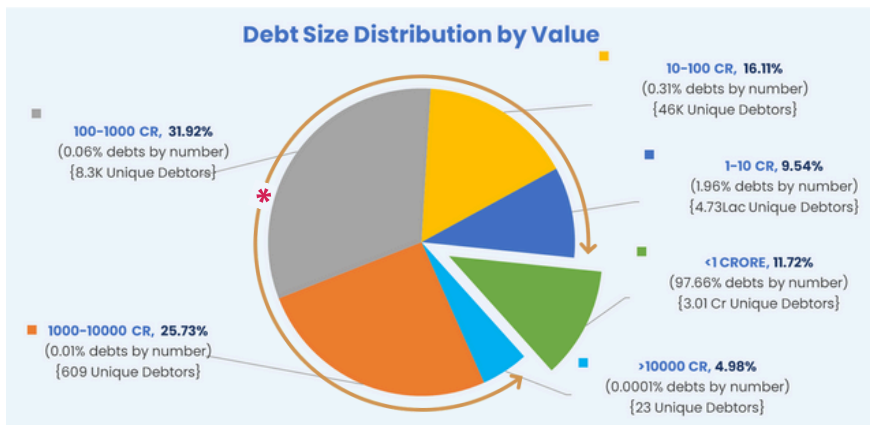


Chart 6

Broad Conclusions

*Top 2.4% debts by number account for 88.3% by value

97.6% loans are <=1Cr, accounting for only 11.7% by value

Please see Notes in Page No 06

STATISTICAL INFORMATION

DEFAULTS & DISTRIBUTION ANALYSIS

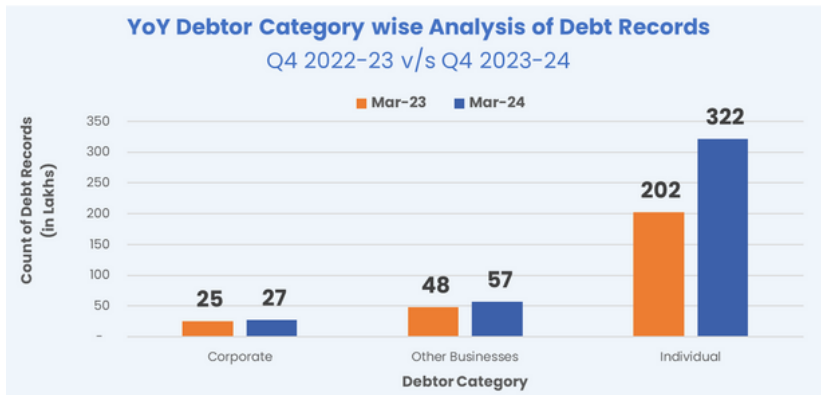


Chart 7

Broad Conclusions

Growth in number of debt records across all debtor categories

Please see Notes below

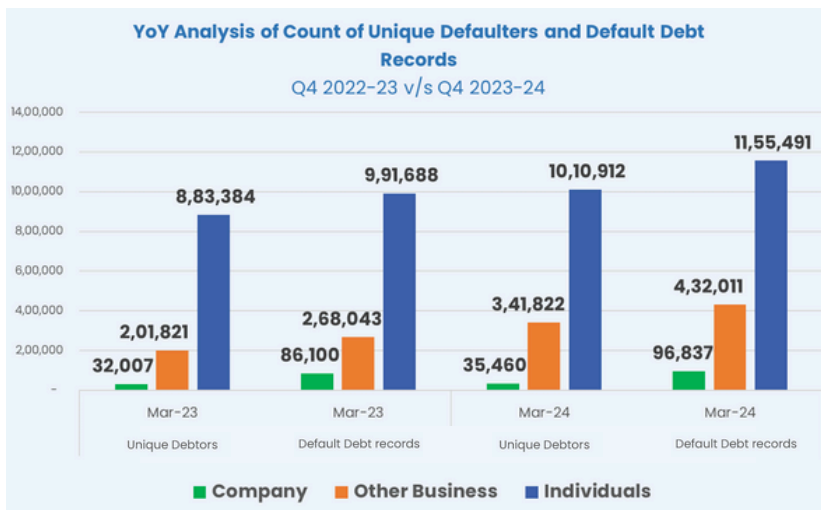


Chart 8

Broad Conclusions

Compared to Q4 FY 2022-23, There is growth in count of Unique debtors in default across all debtor categories and also growth in the defaulted debt records.

Please see Notes below

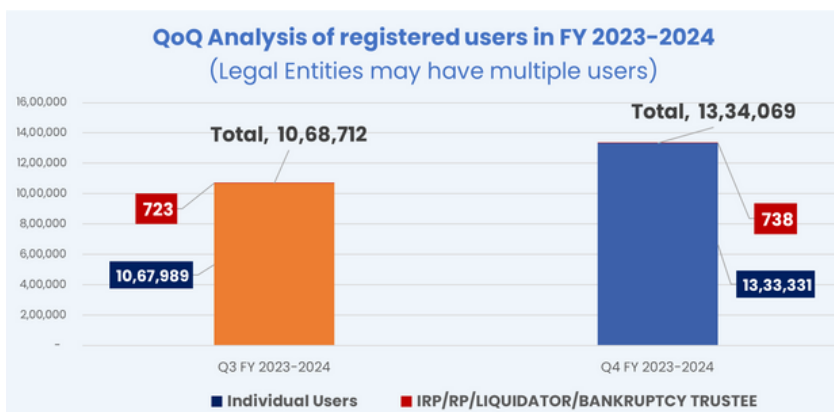


Chart 9

Broad Conclusions

Compared to Q3 of FY 2023-24, in Q4 of FY 2023-24 there is 25% growth in number of users on NeSL portal.

15 additional IRP /RP / liquidators registered in the quarter.

Notes:

- Based on data received by IU. Data of various segments, especially individual and other businesses are not complete
- Please read along with statistical information published on NeSL website. [Click here](#)

DATA TRENDS

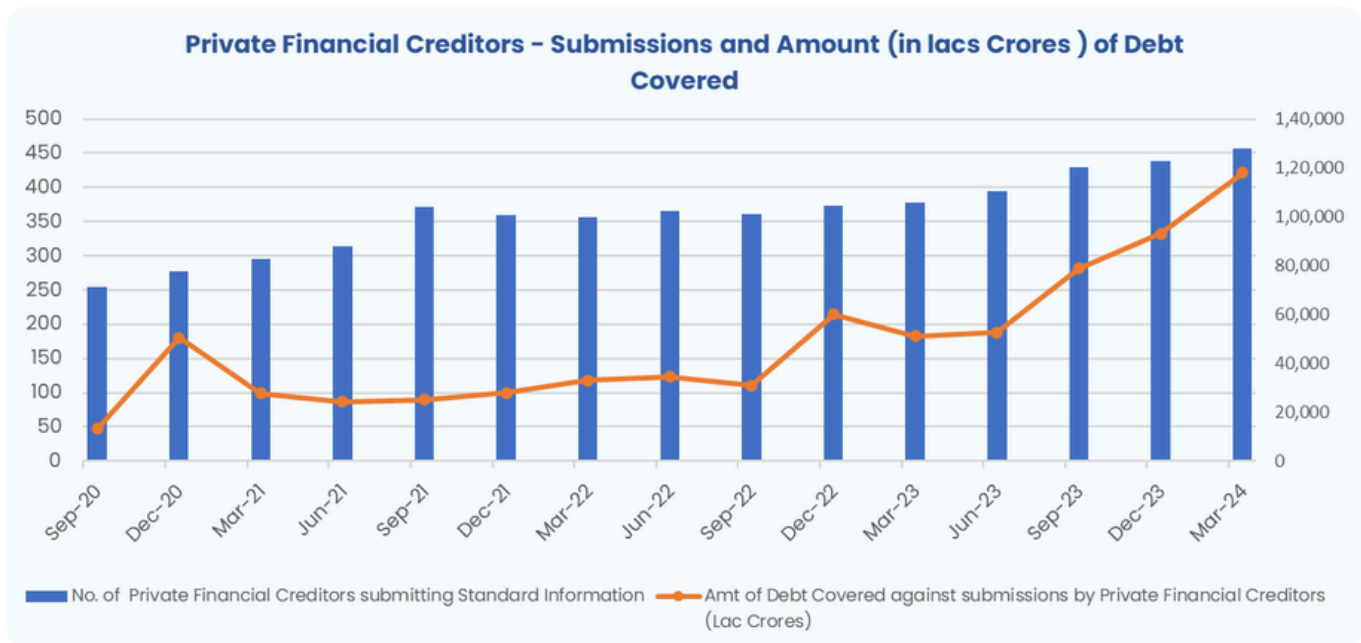


Chart 10

Private Financial Creditors - Submissions & Amount (in lacs Crores) of Debt Covered

A consistent growth in the submission of financial information by the private financial creditors indicates an increasing awareness among creditors of this segment about the importance of submitting financial information with the Information Utility.

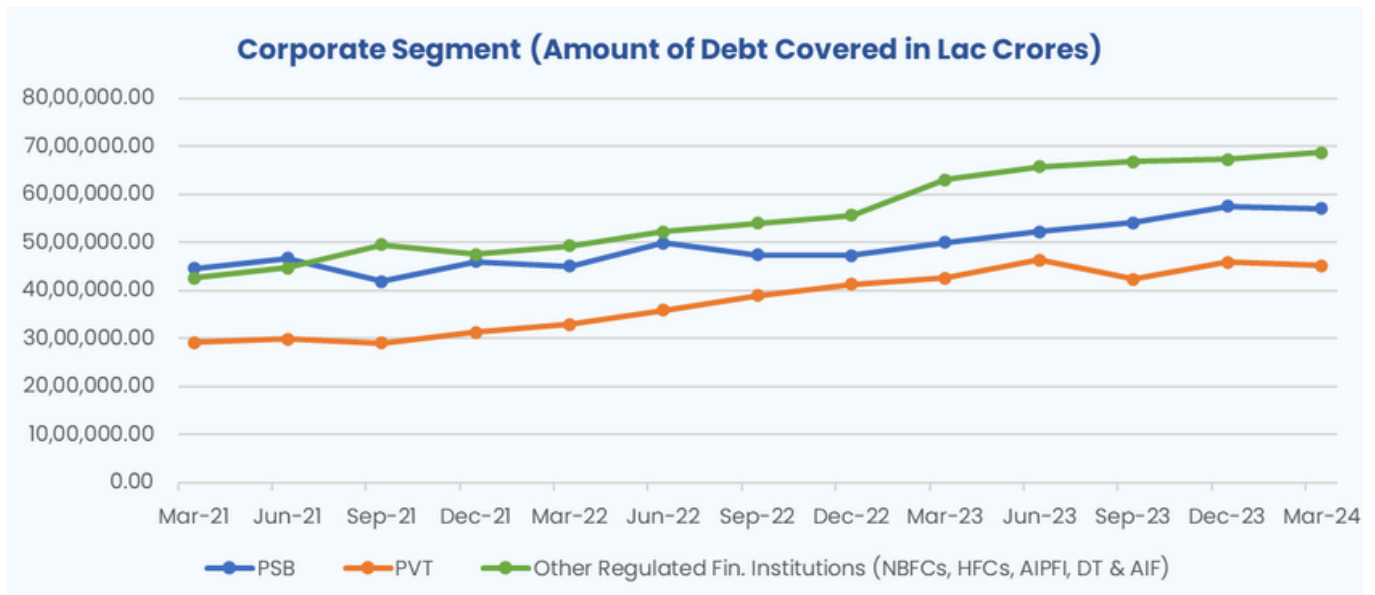


Chart 11

Corporate Segment (Amount of Debt Covered in Lac Crores)

Other Regulated Financial Institutions, comprising of NBFCs, HFCs, AIPFI, DT & AIF, have shown a consistent growth in the amount of debt covered since December, 2021. Public Sector and Private Sector Banks have shown a slight reduction in the amount of debt covered in few quarters.

DATA TRENDS

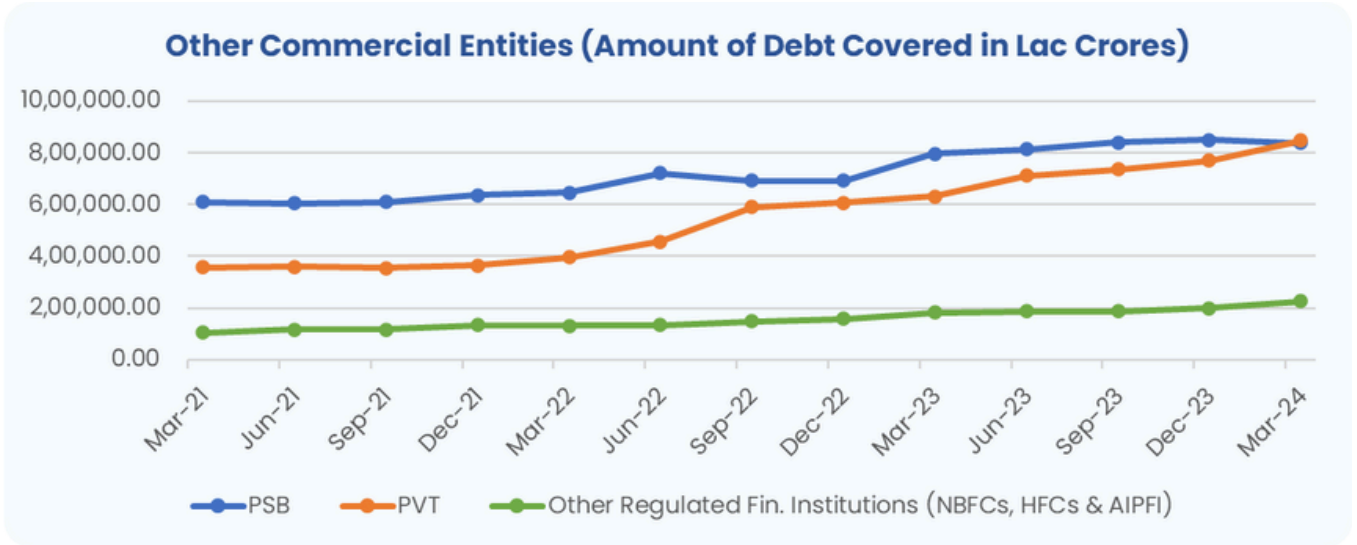


Chart 12

Other Commercial Entities (Amount of Debt Covered in Lac Crores)

In the Other Commercial Entities category, Private Banks and Other Regulated Financial Institutions (including NBFCs, HFCs, AIPFI, DT & AIF) have shown growth over the last few quarters. Public sector banks have shown a marginal decline during some of the quarters.

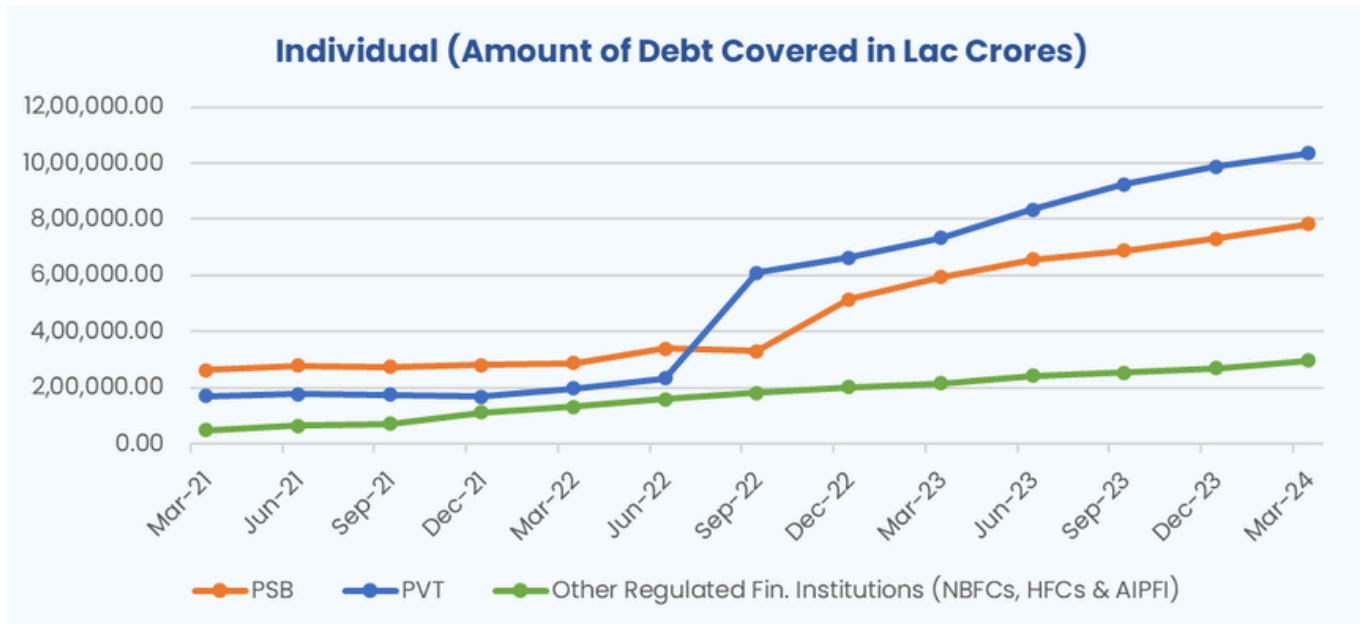


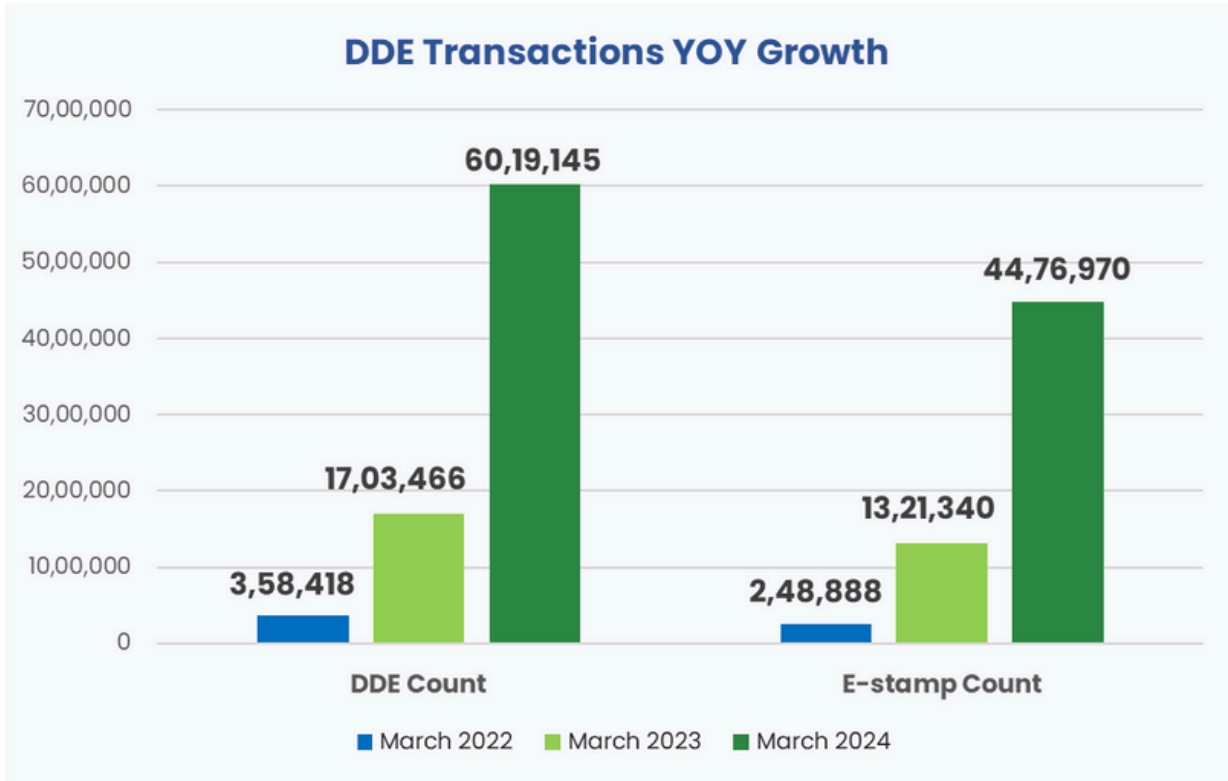
Chart 13

Individual (Amount of Debt Covered in Lac Crores)

The Individual category has shown consistent growth over the last few years. Public Sector Banks (PSBs) have shown fair growth over the last few years. Other regulated financial institutions also showed an increase in growth over the last few years.

DDE AT A GLANCE

Chart 14



Data Range - March 2022 to March 2024

Chart 15

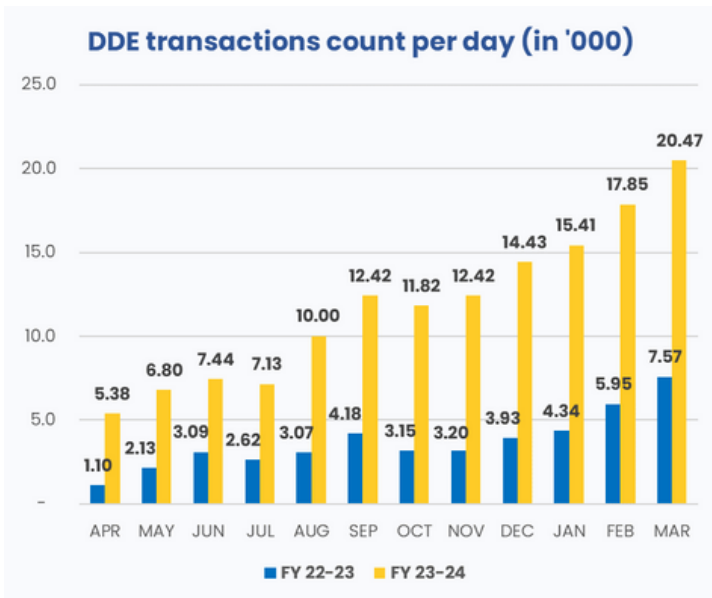
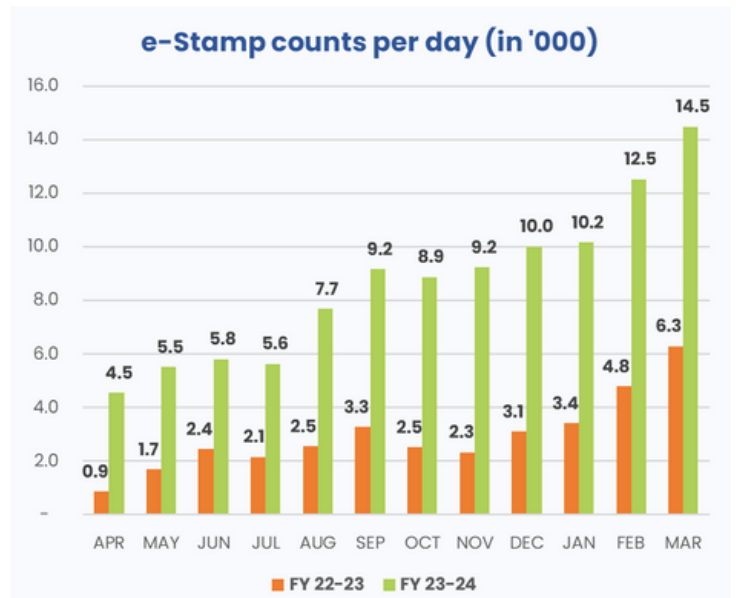


Chart 16



Data Range - April 2022 to March 2024

Paperless DDE transactions across various Customer Segment

Chart 17

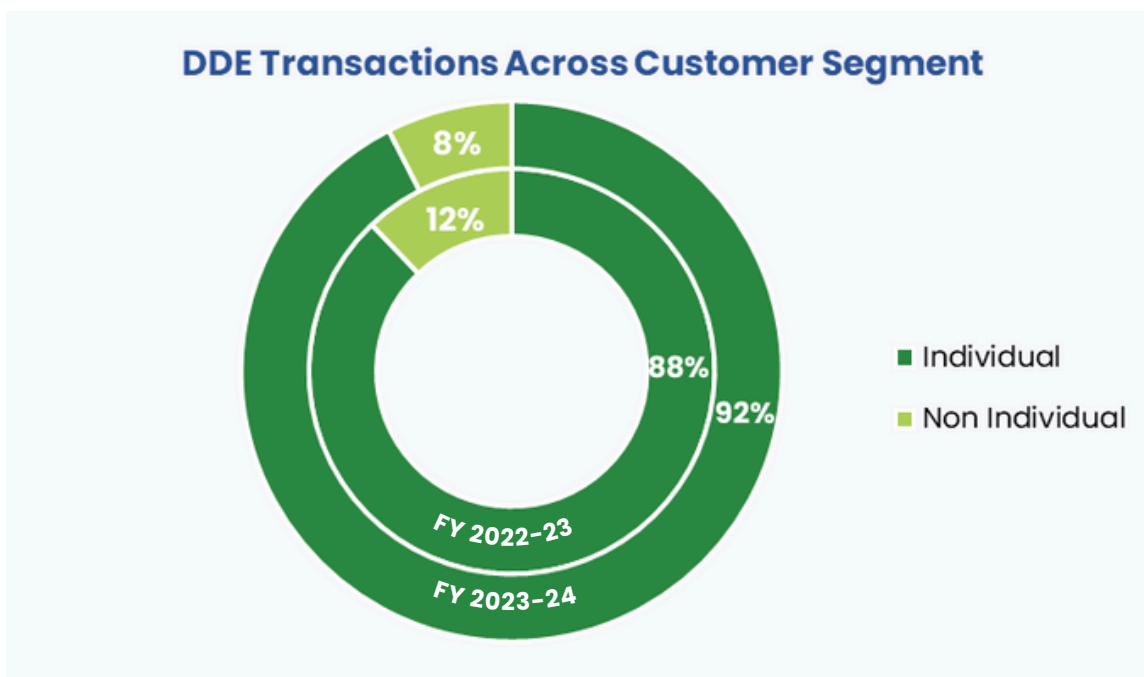
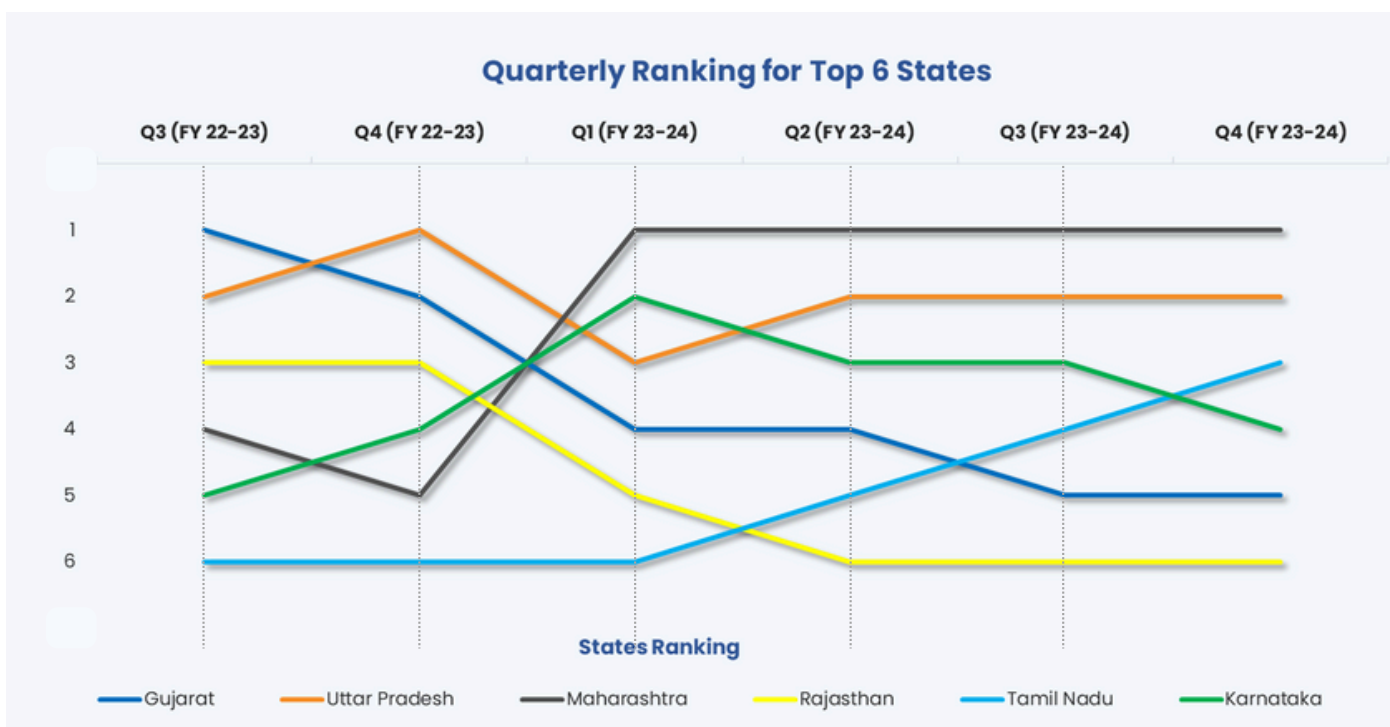


Chart 18

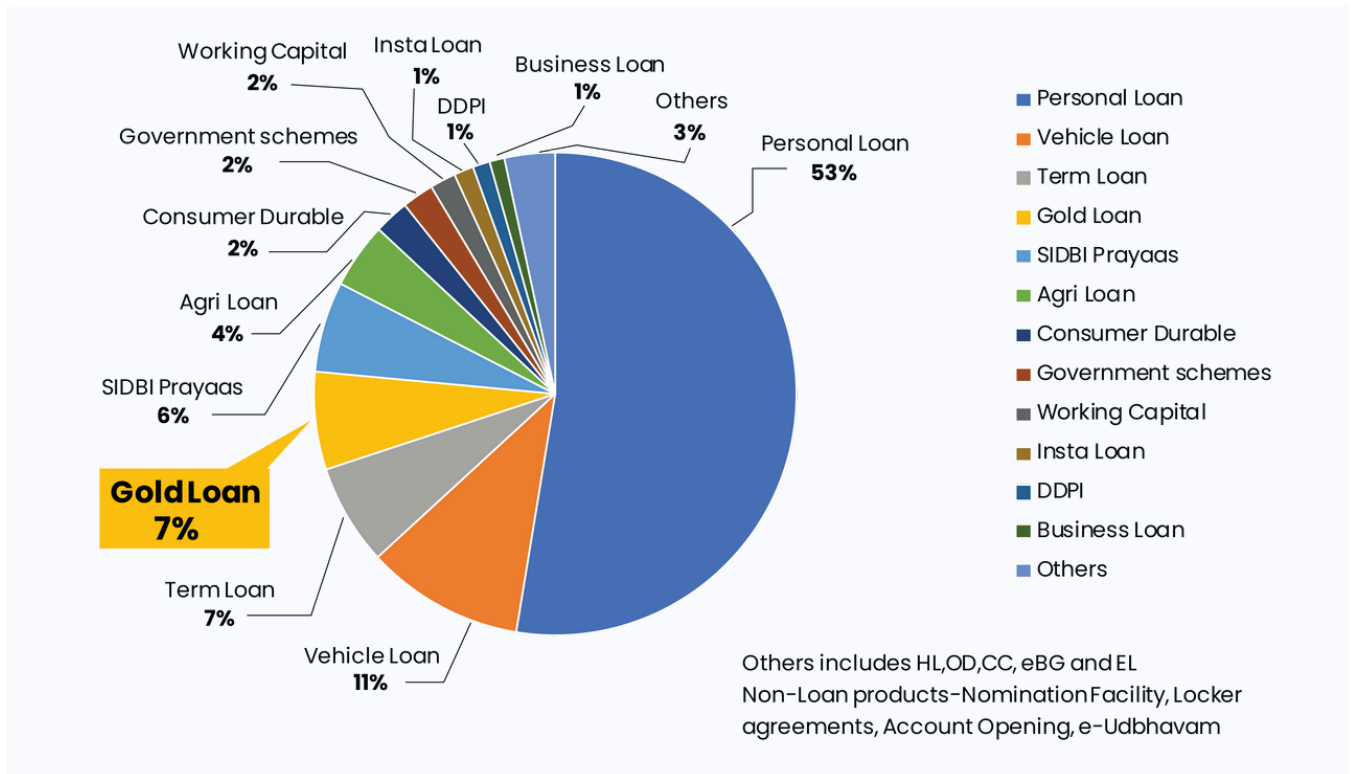
DDE Volumes by State - A Race to Digitisation



Data Range - December 2022 to March 2024

Loan Portfolio based on DDE initiated transactions count

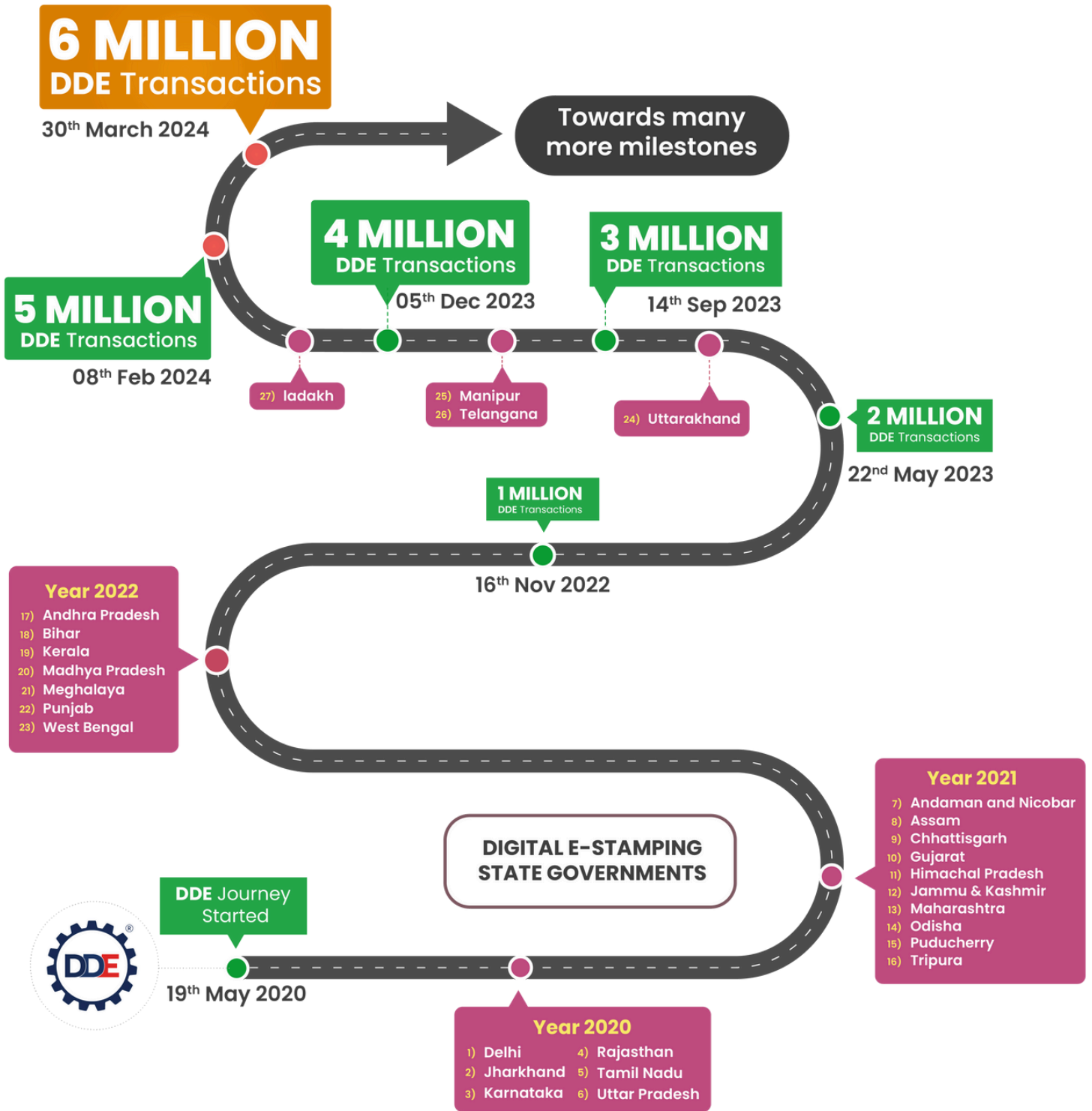
Chart 19



Increase in share of gold loans

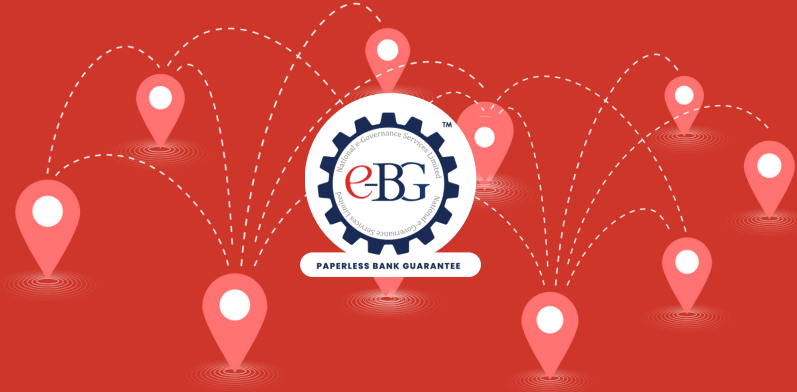
Data Range - April 2023 to March 2024

DIGITAL DOCUMENT EXECUTION



e-BG Statistics

Data Range - Inception till March 2024



e-BGs issued in favour of **1329** unique beneficiaries across **22 states**



Highest value BG issued on NeSL e-BG platform:
500 Crores



22 Banks issuing e-BG using NeSL e-BG Platform

TESTIMONIALS

“



भारतीय स्टेट बैंक
STATE BANK OF INDIA

TO WHOM IT MAY CONCERN

Our Bank is using NeSL Digital Document Execution (DDE) services for onboarding of Xpress Credit, Personal Loans and Auto Loan products with our customers.

Bank has introduced digital journey in RLMS, through NeSL DDE. Digital stamping is being done and customers are affixing digital signature using Aadhar OTP and delighted with the seamless experience.

NeSL team especially Shri N.K. Arora is helpful and assisting the bank for any query or challenges.

Kudos to NeSL Team and entire management for such a wonderful product.

Shri N.K. Arora
01.05.24

DEPUTY GENERAL MANAGER (PBBU)

[Click here to read more](#)

“



भारतीय स्टेट बैंक
STATE BANK OF INDIA

Sh Narendra Kumar Arora
National E-Governance Services Ltd.

Date : 25.04.2024

Dear Sir,

We would like to appreciate you for taking out your valuable time and extending your support and guidance to the operating functionaries of Lucknow Circle in Digital Document Execution. Your meaningful and practical insights on processing of personal loans through Digital Document Execution in the professional development workshops was well received by the attendees.

Since inception of Digital Document Execution in State Bank of India, Lucknow Circle is using NeSL platform for 'P' Segment Loans. You have been incessantly coordinating with us and have tirelessly conducted more than 10 workshops in Digital Document Execution with the branches in Lucknow Circle over teams meeting. You have guided the branches as to how to process the Xpress Credit and Auto Loans through Digital Document Execution. You have resorted to the problems and queries of the officials and enabled them to increase the Digital Document Execution. The performance in processing of Xpress Credit Loans and Auto Loans through Digital Document Execution is improving gradually and we are confident to improve further.

We once again take this opportunity to express our sincere thanks for your support and guidance to our team.

Yours faithfully,

Ashish Kumar

Ashish Kumar,
Deputy General Manager (PBBU).

[Click here to read more](#)

EVENTS

Workshop on Communication Skill Enhancement January 13th 2024



NeSL organised a workshop on "Communication Skill Enhancement", a comprehensive training session dedicated to fostering effective communication skills among NeSL employees. This initiative underscores our commitment to nurturing a workplace where effective communication is not just a skill but a cornerstone of personal and professional growth.

The program was conducted by Mrs Indrani Ghosh Choudhary and MD & CEO, NeSL delivered the opening remarks and also the vote of thanks upon closure of the workshop.

19th Annual Banking Technology Conference, Expo and Citations February 09th 2024



Team NeSL participated in the 19th Annual Banking Technology Conference, Expo and Citations - 2023 of the Indian Banks' Association held in Mumbai.

NeSL's e-BG was formally launched during the Conference by the Chief Executive of IBA, Shri Sunil Mehta.

NeSL's stall at the Conference had a galaxy of eminent persons, including the Chief Guest of the event Shri K V Kamath. He showed keen interest in NeSL's products like eBG and DDE, Other eminent visitors at the stall included the DMD of SBI, Ms Vidya Krishnan, ED of Canara Bank, Mr Ashok Chandra and ED of Bank of Maharashtra, Mr Ashish Pandey.

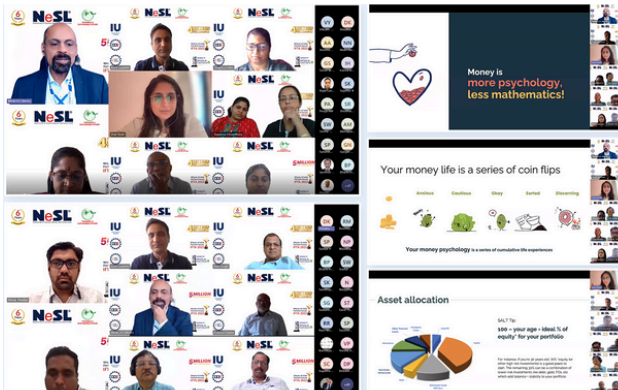
Webinar on "Improving interface with the CoC" Organized by IIIPI of ICAI February 16th 2024



MD & CEO of NeSL was invited as the guest speaker for the webinar with participants from various banks across the country. The session highlighted the clear and complete understanding on the roles and responsibilities of CoC and the IP also with the much-debated issue of Code of Conduct for the members of the CoC.

EVENTS

Financial Planning Workshop for Employees of NeSL February 17th 2024



NeSL has a young work force, a session was therefore conducted for our team members to create awareness and encourage financial planning. The session was conducted by an external expert.

The session highlighted the importance of investing early and diversification of investments to reduce risks imparting a brief idea on investment avenues like equity, mutual funds, PPF, VPF, SGBs etc.

Women’s Day Celebration March 08th 2024



On International Women’s Day NeSL celebrated the women behind NeSL’s success – the employees and mothers, sisters and wives of employees.

In the event that was organised on the occasion, ED of NeSL Smt E P Nivedita IA&AS, in her opening address, shared some real-life experiences of women who through their enterprise and hard work had made a difference to their families and themselves.

MD & CEO of NeSL, Shri Debajyoti Ray Chaudhuri spoke about how NeSL as a team has been celebrating International Women’s Day over the years and also introduced the Guest for the day, Ms Ranjana Bose.

This was followed by cultural performance by NeSL employees including songs in different languages and also a dance performance, The program concluded with distribution of certificates to employees for their outstanding performance in various areas. As appropriate for the occasion, the certificates were distributed by two senior lady officials.

Guest lecture on “Information Utilities – An Indian Innovation in Insolvency and Bankruptcy Code” March 16th 2024



Guest lecture on “Information Utilities – An Indian Innovation in Insolvency and Bankruptcy Code” For the graduate students of KSOL Centre for Studies in Business and Corporate Law (KCBCL) at Kalinga Institute of Industrial Technology.

EVENTS



NCLT Colloquium, Bhubaneshwar, Odisha - 2024

March 15th- 17th 2024

MD & CEO, NeSL addressed in Inaugural session of the NCLT Colloquium regarding the information submission and Record of Default (RoD) and the proposed changes in the RoD.

The presentation explained in detail about the contents of Form D (RoD) which are useful in establishing debt, default, dispute and to decide on the applicability of limitation were also explained.

The colloquium was attended by Hon'ble President NCLT, Hon'ble Members of NCLT, Secretary and Joint Secretary, MCA, Wholtime Member IBBI and Officials from IBBI, MCA, NeSL and NCLT.

INSOL India – Bengaluru Chapter - IP Forum Meeting

March 30th 2024

NeSL hosted the 5th IP Forum Meeting of INSOL India Bengaluru Chapter on the 30th of March, 2024 at our Bengaluru office. The meeting included technical sessions on 'Information Memorandum' by Shri. Ravi Shankar Devarakonda and 'Virtual Data Room' by MD & CEO of NeSL.



BOARD OF DIRECTORS

Changes in Governing Board



Shri Joydeep Dutta Roy, Nominee Director representing Bank of Baroda ceased to be Director of NeSL, w.e.f 30th January 2024. We sincerely appreciate the valuable contribution of Shri Joydeep Dutta Roy, during his tenure as Director of the NeSL.



Shri. Ajay Kumar Gupta, Nominee Director representing ICICI Bank ceased to be Director of NeSL, w.e.f 14th March 2024. We sincerely appreciate the valuable contribution of Shri Ajay Kumar Gupta, during his tenure as Director of the NeSL.



Shri R Gandhi, Independent Director & Chairman completed his second term as Independent Director on 16th April 2024. We place on record the immense contributions, valuable inputs for the growth of the Company and for the smooth conduct of the board meetings.

BOARD OF DIRECTORS

Expansion of our Board



Shri. N S Vishwanathan was elected as Chairman of the Board at the Board meeting held on 16th April 2024.

Shri. N S Vishwanathan, was appointed as an Independent Director of the Company on 28th March 2024.

Shri. N S Vishwanathan has varied experience as a central banker including handling administrative functions for RBI. As the Deputy Governor, he has handled the Banking, non-banking and cooperative banking regulation, governance, internal control, risk management functions and human resource management of RBI and enforcement.

During his illustrious career, he handled the role of Director - Supervision Bank of Mauritius (Central Bank of Mauritius) and acted as the Chief Vigilance Officer and Head of Internal Audit, Industrial Financial Corporation of India. He was also a member of the Board of Securities and Exchange Board of India (SEBI) between July 2016 till March 2020.

He has been invited to be a member of various international committees and organisations and has also been part of various domestic bodies / committees.

He holds a master's degree in economics and a bachelor's degree in Arts from Bangalore University and has completed advanced leadership programme from Judge Business School, Cambridge University, UK.

ARTICLE

TIMELY UPGRADE OF INFORMATION SECURITY MANAGEMENT SYSTEM (ISMS) – TESTIMONY OF ORGANISATION'S COMMITMENT ON INFORMATION SECURITY.



As an Information Utility, NeSL is one of the key pillars of insolvency and bankruptcy ecosystem of India. Through innovative interventions within the framework such as Digital Document Execution (DDE), Electronic Bank Guarantee etc., NeSL has also facilitated dematerialization of financial contracts. Since we hold critical information assets, predefined policies, processes and procedures plays a key role in this digital ecosystem. In view of the same, NeSL implemented Information Security Management System (ISMS). The ISMS implementation of NeSL is certified as per ISO/IEC 27001:2013 standards.

The International Organization Standardisation (ISO) conducts periodic review of the standards and releases updates as per the needs across the globe. Such release of update on ISO/IEC 27001 standards were released in October 2022. This was necessitated due to the drastic changes in the cyber security arena. Increased usage of mobile devices, wide acceptance of remote working, implementation BYOD (Bring Your Own Device) in organisations, momentum to the concept of Zero-trust Architecture (ZTA) during this period has also catalysed the release.

Even though ISO has provided three years period (till Oct 2025) for the transition, NeSL decided to adapt the clauses and controls as per the revised standard in it's ISMS and to apply for re-certification as per ISO/IEC 27001:2022 standard. The implementation is completed and is awaiting for the certification audits by accredited agency. ISO through it's standards, associated controls and guidelines for implementation provided a clear direction and requirements for the transition to the latest standard requirements.

[Read More](#)

by **Jyothish Jolisa**
VP (Information Security) & CISO

RECENT COMMUNIQUES

- | | | |
|--|------|--|
| <u>Integration with NeSL for e-BG Services – Procurement Portals</u> | #139 | <u>Article updation for State of Rajasthan</u> |
| <u>Article updation for the State of Odisha</u> | #135 | <u>Article Code for e-Bank Guarantee in Karnataka</u> |
| <u>Fraud and Wilful Defaulter Reporting in Form C</u> | #130 | <u>Article Code updation for Bank Guarantee in Madhya Pradesh State</u> |
| <u>Article Code for Bank Guarantee in Telangana State</u> | #128 | <u>Amendment to the Karnataka Stamp Act – Introduction of Stamp Duty Calculator</u> |
| <u>Amendment to the Karnataka Stamp Act – Introduction of Stamp Duty Calculator</u> | #124 | <u>Launch of Hybrid e-Bank Guarantee (HeBG)</u> |
| <u>Accessing Latest Status of e-BG for Reconciliation</u> | #120 | <u>Electronic Bank Guarantee (e-BG)</u> |
| <u>Maharashtra Government 10D Application Downtime</u> | #118 | <u>IU FEE Structure with effective from 1st April 2024</u> |
| <u>Purging of Information on NeSL Platform</u> | #115 | <u>Article activation for the State of Manipur digital e-stamping</u> |
| <u>Payment of Interchange fee in Telangana State for payment of Stamp Duty</u> | #112 | |

[CLICK HERE FOR ALL COMMUNIQUES](#)



DISCLAIMER: This Newsletter is meant for the sole purpose of generating awareness, and must not be used as a guide for taking or recommending any action or decision, commercial or otherwise. The reader must do his own research or seek professional advice if he or she intends to take any action or decision in any matter covered in this Newsletter. For any suggestions please email to suggestions@nesl.co.in

EMPLOYEE CORNER



Amruta Ashwin Walawalkar

Sr Executive HR

Amruta is a woman of many interests, most prominent among them being Singing and Photography. She started singing at the age of 6 years, with support and inspiration from her father. She enjoys singing semi classical and ghazals and enjoys the vocals of Celine Dion, Asha Bhosle and Jagjeet Singh. Apart from singing, photography is something she has started exploring very recently. Nature, wildlife and architecture are her focus areas and goes well with her interests in travel. Her most memorable capture is ruins of Kalyan Mantap in Lepakshi, Kedarnath & Mansarovar are her next destinations for photography.



Nayana Shekar C

AVP - DevOps

Nayana enjoys reading Kannada novels, fiction & autobiography. Her inspiration to read as a child, came from her mother. Her interest in reading Kannada literary works started in 2006 inspired by her Kannada lecturer Mr. Jaya Keerthi. For Nayana reading is a way to be lost in a world where she can paint a picture of the characters from the novel. She enjoys reading and relishes the opportunity to discuss books and characters with people of similar interest in books and reading. Her favorite authors (Kannada language) are Shri S.L.Byrappa. Shri Kota Shivarama Karantha. Her favorite book is Vamsha Vriksha written by Shri S.L.Byrappa.

Her favourite Quote: ಬದುಕಿನ ಬೇರುಗಳನ್ನು ಶೋಧಿಸುವ ವಂಶವೃಕ್ಷವನ್ನು ಓದುವುದೇ ಒಂದು ವಿಶಿಷ್ಟ ಅನುಭವ. From Vamshavruksha by Shri S.L. Byrappa.

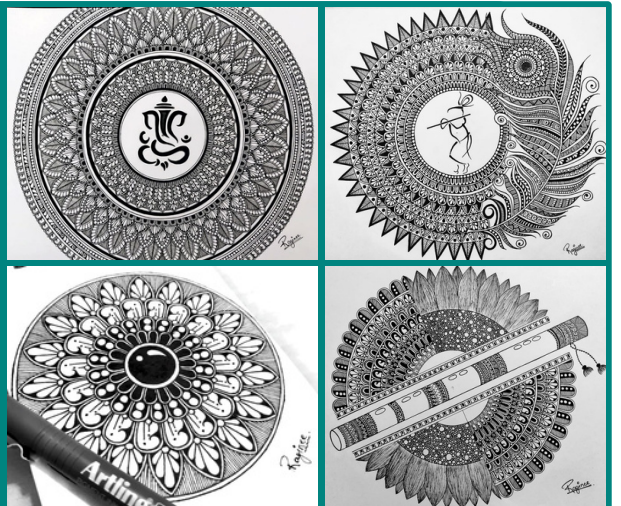
English Translation: *The roots of our values and integrity is in a constant battle against our beliefs, traditions and lineage. Understanding and reading about it is an insightful experience.*



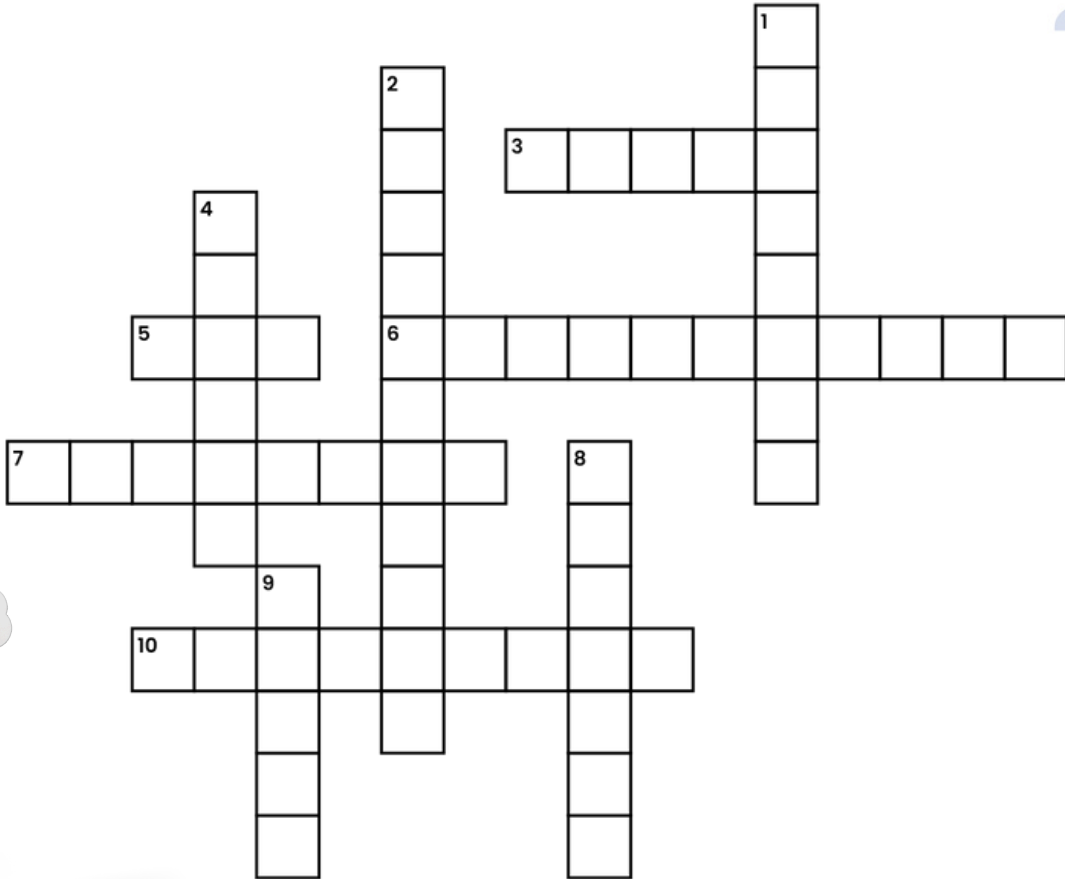
Raginee B

Intern - Operations

Raginee has always been interested in creative work, she started taking interest by making decorative artifacts with waste materials. During COVID her interest towards Mandala painting grew. For her, it was a form of meditation that also helped her improve patience and focus. Making a simple Mandala takes 10 days. A mandala is a Buddhist art form that is spiritual in nature and young Buddhist monks are tasked with making mandalas during their tutelage. Apart from social media, her art professor has been her inspiration, she has also worked with him to make mural paintings of Mandala and Warli. Currently she manages to take out half an hour in a day and plans to paint more in the future.



CROSSWORD



Down:

1. DDE is a fully automated _____ execution platform
2. NeSL's ICMS is an end-to-end case management system for CIRP/ _____ assignments
4. E-Suvidha is a digital platform to enable paperless execution of agreements/contracts in the state of _____
8. Record of Default (RoD) by NeSL is prima facie evidence of _____
9. Easy, efficient, and secure signing of electronic documents by authenticating signer using e-KYC services is called an _____

Across:

3. The information of default shall be updated within _____ days of occurrence of default
5. Time taken to complete a loan documentation process including paperless e-stamping and e-sign in under _____ minutes
6. NeSL is India's first _____ Utility regulated by IBBI
7. An Electronic Bank Guarantee (e-BG) eliminates _____ documentation usually associated with issuance of BG
10. The primary role of an information utility is that of a _____ as it holds financial information

VIDEOS



Digital Document Execution (DDE)

NeSL's DDE is a digital contracting platform with a paperless e-stamp & electronic signature. This marks a paradigm shift in the way contracting is done with substantial reduction in cost and time, besides being user friendly for all parties.



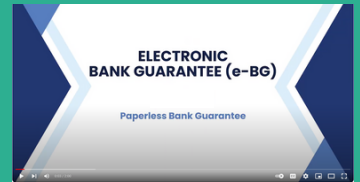
Electronic Bank Guarantee (e-BG)

The e-BG eliminates the physical documentation usually associated with issuance of BG. It reduces the turn-around time of the BG issuance and delivery to the beneficiary from an industry average of 3-4 working days to a few minutes. The beneficiary can view the e-BG on the NeSL portal immediately on issuance.

[e-BG Applicant](#)

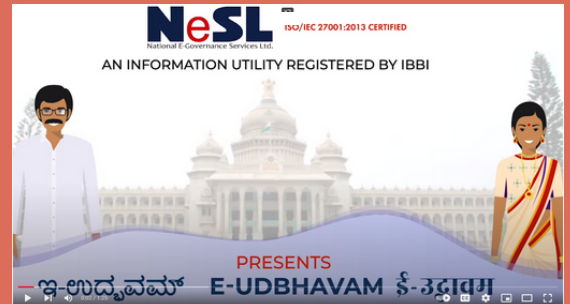


[e-BG Beneficiary](#)



e-Udbhavam

An online portal that enables execution of agreements/documents between citizens and businesses. It allows the entire document execution journey to be completed in paper-less mode. This includes the upload of the document/agreement to be executed, payment of stamp duty and affixing of digital e-stamp certificate on the document, e-sign using Aadhaar or dongle-based e-sign, as well as digital storage of and access to the executed document. It can be executed in the following 3 states under:



[Odisha e-Suvidha](#)



[Karnataka e-Udbhavam](#)



[Tamil Nadu e-Kaiyoppam](#)



Platform for Distressed Assets (PDA)

Corporate insolvency Resolution Process and liquidation requires multiple activities to be completed within time frames laid down in law. PDA is a technology solution to facilitate this.



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Monday - Saturday
10:00 AM - 6:00 PM

Closed on:
2nd & 4th Saturday, All Sundays &
Government Holidays



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