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VEEFIN GROUP

In the next 5 years, how do you see Supply Chain Finance (SCF) evolving in India?

In the next 5 years, Supply Chain Finance (SCF) in India is poised for expansion, driven by continued advancements in technology, data analytics, and regulatory support. Digitization has helped SCF in India transform, narrowing the credit gap.

Over the next 5 years, tech innovations will continue to increase onboarding speed, reduce per-transaction friction, and drive greater inclusivity, especially as alternative data becomes available for credit scoring. Another key growth area will be securitization, where assets are pooled to create securities that can be traded by investors.

This will improve liquidity, bringing funds from sources other than traditional lenders. Additionally, enhanced digital platforms will streamline operations, enabling efficient SCF solutions. Veefin aims to drive this process in India with our factoring NBFC, Veefin Capital.

How do you envision the role of emerging technology in reshaping SCF over the next 5 years, especially in terms of customer trust and operational resilience?

Technology has been key in the broad-basing and growth of Supply Chain Finance. Some key trends that will add to the growth velocity of the sector:

Embedded Finance: SCF embedded directly into ERP systems, procurement platforms, and even invoicing software, will help greatly reduce friction, while providing seamless flows that improve trust, operational efficiency, and resilience.

Alternate Data Models: As technology and interoperability help with more granular data, alternate models of credit scoring are emerging. This can help SMEs and even micro-businesses access better working capital opportunities, fostering financial inclusion.

Blockchain-based Supply-Chain: Distributed, shared ledgers can improve transparency at each phase of SCF transactions, enhancing trust, control, and reducing risk. This will strengthen long-term operational resilience and customer confidence.

Predictive Analytics: Advanced tools that model supply chain disruptions before they occur, allowing companies to identify working capital gaps early and plan better.

How do you see the convergence of FinTech and traditional BFSI services in driving the future of financial inclusion and accessibility?

Digitization has transformed everything from BFSI services to consumer preferences. Fintechs are central to this evolution, and the BFSI landscape has matured into a collaborative ecosystem between Fintechs and traditional players.

In fact, 65% of Fintech CEOs prioritise partnerships, so the synergies between the alertness of Fintechs, and the scale and stability of banks, are helping power an unprecedented level of inclusion and accessibility.

We are especially excited at the emergent opportunities: along with the 12 public sector banks of the PSB Alliance, Veefin is building the world's biggest ecosystem for Supply Chain Finance, that will bring lenders, Fintechs and businesses together to drive SCF transactions with the ease of a consumer dating app, at the scale of the mammoth footprint that these traditional banks represent.

As collaborative models evolve, India is genuinely leading the world in driving inclusive financial innovations.