

BFSI CXO TECH COUNCIL REPORT

# Transforming the BFSI Sector

## The Role of Secure Networks in India's Digital Landscape



In association with:



## Introduction

The Banking, Financial Services, and Insurance (BFSI) sector in India has witnessed a remarkable transformation in recent years, driven by rapid technological advancements on the back of evolving consumer demands. According to a [report](#) published in June 2023, India has topped the list for digital payments worldwide and recorded a massive 89.5 million transactions in 2022.

As India embraces the digital era, mobile banking has emerged as a pivotal force in the financial sector. With the widespread availability of smartphones and mobile internet, customers now have the ability to perform a multitude of financial transactions at their fingertips. Mobile applications developed by banks have empowered customers to transfer funds, pay bills, and manage their accounts conveniently from their mobile devices. However, the success of modern banking hinges on the establishment of a secure network infrastructure that safeguards customer data prevents unauthorized access, and ensures the privacy and integrity of financial transactions. This report provides an overview of the changing digital landscape in the BFSI sector in India, highlighting the key developments and trends that have shaped the industry, with a particular focus on the role of secure networks in enabling digital advancements.



## Reshaping the BFSI sector with new-age technologies

Over the last few decades, internet banking has gained substantial traction, offering customers the flexibility to access their accounts and avail of banking services online. This shift towards internet-based banking has prompted banks to enhance security measures, ensuring the safety of online transactions and strengthening customer trust. A secure network infrastructure is paramount to protect sensitive financial information, prevent cyber threats, and establish a robust defense against potential data breaches. By implementing advanced encryption protocols, firewalls, and intrusion detection systems, financial institutions can fortify their network security and create a future-ready foundation for digital advancements in the sector.

Moreover, the advent of digital payment solutions, such as the Unified Payments Interface (UPI), has revolutionized the payment landscape in India. UPI enables individuals and businesses to conduct instant and seamless fund transfers between bank accounts, fostering a cashless economy. By leveraging secure socket layer (SSL) certificates, tokenization, and two-factor authentication, financial institutions can effectively instill customer confidence in digital payment systems and pave the way for confidential computing for a more digitally advanced BFSI sector.

While digital transformation brings numerous benefits, it also poses challenges in terms of data security and fraud prevention. Banks and financial institutions have responded by investing heavily in advanced security measures, incorporating multi-factor authentication, encryption, and artificial intelligence-powered fraud detection systems. These security measures are intricately linked to secure network infrastructure, forming the backbone of a digitally advanced BFSI sector.

As the digital landscape in the BFSI sector in India continues to evolve, it is crucial to address cybersecurity concerns and establish robust regulatory frameworks. This report aims to provide a comprehensive understanding of the changing digital landscape in the BFSI sector in India, shedding light on the trends, opportunities, and challenges that shape the industry's future, with a specific emphasis on the pivotal role of a secure network in enabling digital advancements and ensuring the security of financial transactions and customer data.



**Mr. Sanjay Gupta**

President & Business  
Head - IT, Kotak Mahindra  
Bank



**Mr. Viral Davda**

CTO, National Commodity  
& Derivatives Exchange  
(NCDEX)



**Mr. Ananth Subramaniam**

EVP & Head IT, Kotak  
Mahindra Asset  
Management Co. Ltd.



**Mr. Goutam Dutta**

CIDO, Bajaj Allianz Life  
Insurance Co. Ltd.



**Mr. Vivek Kudal**

COO & CFO, Baroda BNP  
Paribas Asset Management



**Mr. Dnyaneshwar Gaikwad**

EVP, CIO & CTO,  
Edelweiss Financial  
Services Ltd.

The Tech Council promoted peer-to-peer sharing of views, industry best practices, and cautions necessary in the BFSI sector and sought to highlight how digital technologies are molding the sector and the innovative ways in which network modernization and cybersecurity are vital. The Council members shared views on their individual journeys highlighting the importance of an agile, high-performance, and most importantly secure network infrastructure to provide customers with a protected environment.

“The fast paced Digital Transformation in the BFSI sector, calls for a robust security posture and a resilient intelligent network. Hence, Secure Networks and comprehensive insights into network performance and security are going to be crucial for Digital Transformation initiatives to succeed in the BFSI sector.

**Anurag Mathur,**

Associate Vice President-BFSI Head at  
Tata Communications



## Challenges facing the IT leaders from the BFSI sector

Changes over the last few years, including the Work From Anywhere culture, demand an advanced secure network infrastructure for enterprises to have the flexibility and resilience of secure smart workspaces.

When discussing the need for adopting a secure network, the Council members put a spotlight on the remarkable increase in the adoption of cloud services over the last few years. This increase in adoption has greatly contributed to designing secure network infrastructure for enterprises. Another motivation for organizations to securing their networks is regulatory compliance in India. The regulatory authority has taken a strict standpoint in terms of data security and governance and directed businesses from the BFSI sector to refrain from leaving any loose ends in their security policy.

The Council members explained that businesses are keen on extracting the full value of the cloud and protecting their ecosystems to keep innovating and integrating unique service offerings to beat the competition and make the customer experience as hassle-free and seamless as possible. However, they also pointed out that certain security measures require making significant architectural changes and adopting various modes of communication for different stakeholders, which can give rise to newer challenges. What makes matters worse is the unavailability of a defined solution to solve these issues, especially for organizations with a hybrid work structure.

The senior council members emphasized that networks must evolve to become more intelligent and resilient. While there are use cases for secure networks, efficient and seamless integration of these technologies will make all the difference for the sector. Furthermore, they flagged the need for a cost-effective pay-per-use model for businesses, which will enable them to gain control over the usage as per the demand. Another crucial point of discussion was the capability of organizations to leverage the 5G network to reach out to tier 3 and 4 cities in India and improve their banking experience and match it with the metro cities.



Having a single pane of glass dashboard that provides complete visibility of an organization's network infrastructure is a need of the hour for every financial institution in India.

**Goutam Dutta,**

CIDO, Bajaj Allianz Life Insurance Co. Ltd.



For the BFSI sector, branches will always be important. But there is also a significant segment of customers who will be more comfortable with digital mediums. We must build our ecosystems that are prepared to cater to both.

**Sanjay Gupta,**

President & Business Head - IT, Kotak Mahindra Bank



Organizations are facing unique challenges in adaption of emerging technologies whilst meeting the regulatory compliances. The need of the hour is to have solutions that are aligned to the changing regulatory landscape.

**Viral Davda,**

CTO, National Commodity & Derivatives Exchange (NCDEX)



As traditional networks prove to be inadequate to keep up with the pace of today's digital landscape, adopting a decentralized network structure – especially for smaller branches – can prove beneficial in monitoring network traffic and maintaining optimum security. The senior executives from Tata Communications explained how the company has executed PoC (Proof of Concept) agreements with local broadband providers present in the interior parts of the country to provide high-speed network services. This arrangement allows the banking institutions to gain visibility into the network service and deliver a consistent and secure customer experience. Additionally, the council members stressed the requirement for a unified and single-window platform where data can be compiled, accessed, and interpreted in a format suitable for both employees and senior management of the organization.

The council members expressed their concerns about the lack of control organizations have during outages while adopting partner-driven network solutions. This dependency on the partners can lead to a loss of productivity for an organization handling multiple branches. The senior executives from Tata Communications spoke about an innovative solution by the company called the 'Branch-in-a-box'. This solution caters to every need of a branch including a voice communication network, endpoint device, cloud firewall, and additional security level, if necessary. By way of this solution, Tata Communication aims to reduce outages and the potential losses caused as a result of them.

Further recognizing the sensitive nature of the businesses in the BFSI sector and their unique challenges, Tata Communications has introduced the 'Financial Cloud' which has been designed in accordance with regulatory compliance and has been benchmarked against security controls recommended by the top regulatory authorities in India. This solution aims to promote focused services for banking and financial institutions in the country to bring operational efficiency and make organizations more resilient and future-ready.

“Financial institutions in India must focus on improving the employee experience by adopting internal CRM solutions and facilitating seamless communication between different departments.

**Vivek Kudal,**

COO & CFO, Baroda BNP Paribas  
Asset Management

“BFSI institutions must prioritize upskilling and enabling employees to acquire added skillsets over hiring new persons.

**Dnyaneshwar Gaikwad,**

EVP, CIO & CTO, Edelweiss Financial  
Services Ltd.



“By modernizing networks and IT infrastructure, financial services institutions can achieve more efficient time-bound operations and ensure that the transactions go through seamlessly. Organizations are continually challenged by ever changing regulations and having an agile approach in their operations help manage change more efficiently and quickly.

**Ananth Subramaniam,**

EVP & Head IT, Kotak Mahindra Asset  
Management Co. Ltd.

## Conclusion

To sum up, the digital transformation of the BFSI sector in India has brought about significant advancements in the way financial services are delivered. However, this transformation is not without its challenges. The report highlights several key challenges that organizations in the BFSI sector face including,



**Scarcity of demand-based network solutions for better control over network usage**



**Managing network security in hybrid work structures**



**Ensuring data security and governance in the face of increasing cloud adoption**



**Need for a unified and single-window solution for data compilation**

Addressing these challenges is crucial for organizations to establish secure network infrastructures, comply with regulatory requirements, and provide seamless and secure experiences to their customers. Establishing strong collaboration among stakeholders, including government bodies, regulatory authorities, and industry players, collectively can help the BFSI sector address the challenges and drive digital transformation in India. By designing a holistic approach that combines advanced security measures, resilient network architectures, and innovative solutions businesses can create a solid foundation for the digital advancements shaping the future of the BFSI sector in India.