

Protean & PayNearby team up to democratize credit through ONDC; What could be India's unique credit marketplace built on the ONDC Network

- The credit marketplace will allow easy discovery of product and pricing for last mile borrowers on the network
- Initiative to facilitate both individuals and businesses at the last mile with viable credit options

Mumbai, August 9, 2023: Protean eGov Technologies Limited, a pioneer and leader in Digital Public Infrastructure (DPI), Regulatory Tech (RegTech) and Open Networks, has joined forces with **PayNearby**, India's leading branchless banking and digital network, to make credit services more accessible and affordable for Indians across the country leveraging the ONDC network. This marketplace will be launched soon for last mile borrowers and MSMEs. Once launched the market place will also allow for easy discovery of various lending products at affordable pricing to its borrowers.

In this partnership, Protean will serve as an ONDC technology service provider that facilitates availability of credit for last mile borrowers across the country through PayNearby's well entrenched Distribution as a Service (DaaS) network. By making this service available through 12+ lakh active PayNearby outlets, the partnership aims to broad-base credit access for India and Bharat both and lay the foundation of a more inclusive society. Smart data modelling and use of frameworks like Account Aggregator (AA) will ensure credit extension to thin-file/new-to-credit underserved citizens, driving breakthroughs in the way India and Bharat lends. Protean will also aggregate multiple Loan Service Providers (LSPs) onto a single platform, thereby giving citizens and businesses the convenience of choice and affordability.

India has a glaring inadequacy in capital access across all segments of the society. According to a TransUnion CIBIL research, the credit served population in the country in 2021 stood less than 22% of the adult population. Despite significant advances in financial inclusion through the JAM (Jan Dhan, Aadhaar, and Mobile) trinity, formal credit access to rural and low-income households continue to be a challenge. Dependence of rural poor on money lenders continue, and is more pronounced in the case of marginal farmers, landless labourers, MSMEs and economically backward classes.

The Protean-PayNearby partnership will solve for many of the use-cases that inhibit last mile penetration. Formal institutions find it expensive to reach rural underserved due to their geographical remoteness and lack of access to customer data. Rural citizens are therefore left with very few choices, often informal and at very high cost. With PayNearby's robust DaaS network, LSPs gain seamless access to local markets through digitally-enabled retailers, streamlining servicing costs. The Account Aggregator (AA) framework enhances credit scoring for accurate assessment of new-to-credit (NTC) and thin-file segments, enabling tailored credit to a wider audience.

For borrowers, credit shopping through a comprehensive marketplace will give them the choice to pick the interest rate and repayment terms as per their needs. The aspect of choice will rationalize pricing and make credit more affordable at the last mile. For the tech-shy and documentation-averse last mile customer, trusted PayNearby local retailers will streamline the process, ensuring faster and hassle-free loan applications and disbursements.

Suresh Sethi, Managing Director and CEO, Protean eGov Technologies Limited, said, “Protean has been at the forefront of building Digital Public Infrastructure (DPI) and population scale e-governance solutions for the citizens and has successfully created a pan-India assisted model to include the digitally excluded masses. However, Bharat is still underserved in terms of access to formal credit. We firmly believe that consent-based data sharing through Account Aggregator will digitally empower the individuals with their own data. Towards that, we have partnered with PayNearby to leverage the Account Aggregator and ONDC network to further accelerate financial inclusion and enable credit access for individuals and businesses at the last mile. This partnership will enable seamless discovery of borrowers and lenders and help create a more inclusive financial system in India.”

Commenting on the alliance, **Anand Kumar Bajaj, Founder, MD & CEO, PayNearby**, said, “At PayNearby, we champion financial inclusion. However, true inclusion requires credit access at the last mile. Our integration with Protean through ONDC will revolutionize credit availability in Bharat. This partnership enables LSPs to offer formal credit to MSMEs and customers, with competitive pricing and tailored products. Multiple data sources enhance underwriting decisions, ensuring timely credit. PayNearby retailers provide human intelligence for seamless loan disbursements. We're excited about the potential to create value for our retail partners and customers alike. Zidd Aage Badhne Ki!”

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In the past, PayNearby and Protean joined forces to provide paperless PAN Card services at nearby stores across the country.

About Protean

Protean eGov Technologies (previously NSDL e-Governance Infrastructure) is a pioneer and leader in Digital Public Infrastructure (DPI), Regulatory Tech (RegTech) and Open Networks. Since its inception 28 years ago, Protean has relentlessly pursued the vision of being a globally trusted builder of population-scale eGovernance technology that improves ease of doing business, promotes financial & social inclusion and ease of living for its citizens.

Disclaimer

“Protean eGov Technologies Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its equity shares and has filed a draft red herring prospectus (“DRHP”) with Securities and Exchange Board of India (“SEBI”). The DRHP is available on the website of the SEBI at www.sebi.gov.in as well as on the websites of the book running lead managers, ICICI Securities Limited, Equirus Capital Private Limited, IIFL Securities Limited and Nomura Financial Advisory and Securities (India) Private Limited, at www.icicisecurities.com, www.equirus.com, www.iiflcap.com and www.nomuraholdings.com/company/group/asia/india/index.html respectively, and the website of BSE Limited at www.bseindia.com. Any potential investor should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see “Risk Factors” of the RHP, when available. Potential investors should not rely on the DRHP for any investment decision.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act, “Rule 144A”) in transactions exempt from, or not subject to, registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and pursuant to the applicable laws of the jurisdictions where those offers and sales are made. There will be no public offering of the Equity Shares in the United States.