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# INDUSIND BANK

## INDIE for Business

### Abstract

MSMEs are the backbone of the Indian economy, contributing over 30% of GDP, generating nearly half of exports and employing over 110 million individuals across India. Yet MSMEs face significant barriers in the banking sector: fragmented financial systems, slow onboarding, payment delays, complex compliance requirements and limited digital support. IndusInd Bank's INDIE for Business directly targets these challenges through a unified, mobile-first financial ecosystem. INDIE offers digital onboarding, central financial management, tax and payment tools, merchant services, robust security and trade finance, all in one platform. Its modular API-driven structure moves beyond traditional banking to provide intelligent, scalable, customer-centric services. Within six months, INDIE exceeded 1.3 lakh downloads, with 90,000+ users and boosted customer engagement and efficiency. This case shows how digital banking drives MSME financial inclusion and productivity in India's digital economy.

### Introduction

IndusInd Bank created INDIE for Business as an integrated digital banking ecosystem to simplify business banking for India's MSME sector. The bank responded to operational inefficiencies hampering small businesses, which often navigate fragmented banking systems, manual processes, compliance burdens and delayed financial workflows.

The platform provides instant paperless onboarding, centralised account management, bulk and recurring payments, merchant services, collateral-free loans, tax tools and advanced security. It also integrates trade finance, letting users manage current accounts, overdrafts, loans and merchant settlements in one place.

The project followed a phased approach: ideation and research in FY Q1 2024, then strategy, prototyping, integration, testing and launch in FY Q3 2025. In six months, the app saw over 1.3 lakh downloads and more than

90,000 customer onboardings. Engagement was strong, with 75% monthly active users and 25% transacting. One in five users was new to the bank, highlighting its impact on acquisition and inclusion.

## The Problem Statement

India's MSME sector occupies a central role in economic growth, employment generation, export expansion and regional development. However, the sector continues to face multiple structural inefficiencies within traditional banking ecosystems that constrain productivity, liquidity and growth potential.

One of the most pressing challenges was the cumbersome and paper-intensive nature of conventional business banking. MSMEs frequently encountered delays in account opening, loan disbursement and operational approvals. For enterprises operating with lean administrative structures and limited finance teams, such delays directly affected business continuity and working capital cycles. Fragmented financial management was another key concern. Owners needed to handle multiple accounts, payments, loans, overdrafts, merchant services and tax obligations through separate systems, reducing financial visibility, complicating operations and increasing compliance risks.

Delayed payments represented a persistent liquidity challenge for MSMEs. Payment delays from vendors and customers adversely impacted payroll cycles, inventory procurement and investment planning. Small businesses need faster, automated and accountable payment systems that improve cash flow visibility.

Manual transaction processing also exposed businesses to fraud risks, operational errors and compliance vulnerabilities. Traditional approval structures lacked sufficient digital controls and verification mechanisms necessary for secure transaction management. Additionally, tax and regulatory compliance remained highly complex for smaller enterprises.

A large proportion of MSMEs remained underbanked or outside formal digital financial ecosystems. The absence of an integrated, accessible and intuitive digital business banking infrastructure limited their ability to scale and participate effectively in India's expanding digital economy.

## Solutions Stack

NDIE for Business is a modular, API-driven digital platform that unifies onboarding, management, merchant services, lending, taxation and security.

The first pillar of the solution involved instant digital onboarding. Businesses could self-onboard using Aadhaar authentication, debit card credentials or net banking verification without physical paperwork or branch visits. This significantly reduced onboarding friction and accelerated access to banking services.

The second pillar involved centralised financial management. The platform enabled users to access current accounts, overdrafts, loans, merchant settlements and credit lines through a single dashboard. This unified view addressed the fragmentation challenges that MSMEs traditionally face.

Another major component involved an intelligent payment infrastructure. The application introduced bulk payments, recurring transactions, payment reminders, preferred account routing and tax payment systems. Real-time tracking and downloadable challans simplified GST, TDS and income tax compliance.

The merchant ecosystem enabled businesses to order QR codes, POS devices and Soundbox devices directly, aiding digital payment adoption. Security architecture stands out as one of the platform's most innovative components. The Bank developed an industry-first centralised entitlement engine that defines authorisation rights across business entities. Advanced maker-checker workflows, SIM binding, Positive Pay systems, debit card controls and multi-layer verification mechanisms greatly strengthen transactional security.

The platform also integrated trade finance capabilities, including pre-shipment and post-shipment loan tracking, as well as planned inward and outward remittance capabilities for import-export businesses.

## Strategic Vision and Institutional Context

IndusInd Bank recognised that India's rapidly growing entrepreneurial ecosystem required banking solutions fundamentally different from traditional retail or corporate banking frameworks. MSMEs increasingly demand digital-first financial ecosystems that deliver speed, flexibility, centralised visibility and intelligent automation.

The Bank, therefore, positioned INDIE for Business not merely as a mobile application but as a digital operating system for MSME financial management. The initiative aligned closely with broader national priorities such as financial inclusion, digital transformation, entrepreneurship development and formalisation of the MSME economy.

Five core objectives guided the Bank's institutional strategy. First, the Bank aimed for full digital empowerment by eliminating the need for branch visits

and physical documentation. Second, it sought to improve financial inclusion by enabling underserved businesses to join formal banking systems using simplified onboarding.

The third objective emphasised customer experience through intuitive user interfaces, real-time alerts and simplified workflows. The fourth objective focused on centralised financial management through a 360-degree view of business accounts, loans and overdrafts.

Finally, the fifth objective involved operational efficiency through secure maker-checker workflows, tax automation and bulk payment systems.

The vision: strengthen IndusInd Bank's MSME segment position and improve customer stickiness, relationship value and long-term market share.

## Implementation Journey

The implementation process followed a structured, phased roadmap, beginning in FY Q1 2024 with ideation and market research. During this stage, IndusInd Bank conducted stakeholder consultations with MSMEs, startups and freelancers to identify operational pain points and map digital banking opportunities. Competitive benchmarking of fintech platforms and traditional banking systems informed the product strategy.

During FY Q2 2024, the Bank finalised the platform's value proposition, technology stack and vendor partnerships while prioritising core features for the minimum viable product.

FY Q3 2024 focused on UX research, wireframing and interface prototyping. The platform was intentionally designed using

mobile-first principles to ensure intuitive navigation for entrepreneurs and small business operators.

The development and testing phase extended from FY Q4 2024 to FY Q2 2025. This stage involved backend integration with IndusInd Bank's legacy systems, the creation of onboarding and payment modules, the implementation of merchant solutions and the deployment of security controls, including maker-checker workflows and Positive Pay verification. This stage was implemented during FY Q3 2025 across Android and iOS platforms, accompanied by targeted marketing campaigns focused on MSMEs and startups. Post-launch phases introduced tax payment features, remittance enhancements, merchant upgrades and continuous feedback-driven improvements.

## Challenges and Responses

The implementation journey encountered several structural and technological challenges. One major challenge involved the absence of centralised digital authorisation systems for MSMEs. To address this, the Bank developed an industry-first entitlement engine that defines user roles and authorisation rights within business entities.

Another challenge involved customer confusion arising from multiple banking applications with overlapping functionalities. The Bank addressed this by consolidating business banking services into a unified digital ecosystem.

Modernising legacy banking infrastructure proved difficult as well. Several existing platforms were not API-native and required extensive re-engineering, including adopting caching systems, an event-based architecture and data replication pipelines to support real-time digital experiences.

Balancing cybersecurity requirements with seamless user experience posed another critical governance challenge. Features such as onboarding, bulk payments and remittances required strong security controls without creating excessive friction for users.

The Bank also identified digital literacy gaps among MSMEs, particularly in semi-urban and rural regions. This highlighted the importance of vernacular communication, customer education, self-help systems and intuitive design frameworks.

## Highlights

- IndusInd Bank launched INDIE for Business as a digital-first banking ecosystem for MSMEs, integrating onboarding, payments, merchant services, lending, taxation and financial management into a single mobile platform.
- The initiative addressed key MSME challenges such as fragmented banking systems, delayed onboarding, compliance complexity, payment inefficiencies and limited digital inclusion through paperless onboarding and centralised financial management.
- The platform introduced features such as bulk and recurring payments, GST and tax tools, merchant QR/POS services, trade finance, maker-checker workflows, Positive Pay and an industry-first entitlement engine for secure role-based authorisation.
- Built on a modular API-driven architecture, INDIE enabled scalable integration of services like ERP connectivity, remittances, AI insights and FD-backed overdrafts while balancing cybersecurity with seamless user experience.
- Within six months, the platform achieved over 1.3 lakh downloads and 90,000+ users, improved operational efficiency and customer engagement and strengthened financial inclusion by bringing underserved MSMEs into formal digital banking ecosystems.

## Outcomes

Within six months of launch, the application achieved more than 1.3 lakh downloads and onboarded over 90,000 registered users. Importantly, 1 in 5 users were new-to-bank customers, indicating strong customer acquisition capabilities.

The platform demonstrated strong engagement metrics, with 75 percent of users being monthly active and 25 percent being monthly transacting. The application also achieved ratings of 4.2 on the Play Store and 4.5 on the App Store, reflecting positive user acceptance.

Operational efficiency improved substantially through straight-through processing, reduced manual intervention and centralised transaction management. Bulk payments, tax payments, merchant onboarding and financial workflows became significantly more efficient for businesses.

Customer empowerment increased through self-service functionalities such as FD/RD booking, debit card management, sub-user role management and merchant solution ordering. The initiative also strengthened financial inclusion by enabling Aadhaar-based onboarding and reducing barriers for underbanked MSMEs to access formal financial ecosystems.

Additionally, the Bank reported a 15 percent increase in transaction intensity and a 5 percent increase in account balances after customer activation. Customers actively using the platform had nearly double the current account balances of non-active users, reflecting improved customer stickiness and relationship value.

## Conclusion

The INDIE for Business represents a significant advancement in India's MSME banking landscape by demonstrating how digital-first ecosystems can simplify financial management, improve operational efficiency and accelerate financial inclusion.

Rather than digitising isolated banking services, IndusInd Bank developed an integrated financial operating environment capable of supporting the complete business lifecycle of MSMEs. The platform successfully addressed longstanding structural inefficiencies, including fragmented banking systems, compliance burdens, delayed onboarding and limited digital accessibility.

The initiative also illustrates the strategic importance of modular architecture, API-driven scalability, embedded security and customer-centric design within contemporary banking ecosystems. By combining technological innovation with operational simplification, the Bank positioned itself as a key enabler of entrepreneurial growth within India's expanding digital economy.



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e-Mail: [info@skoch.in](mailto:info@skoch.in)  
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