



NEWS HIGHLIGHTS

Nainital Bank trying to revamp itself as a digital bank

HSBC and IBM build cognitive intelligence solution to digitise global trade

SoftBank's \$2.5 bn investment in Flipkart

Mobile banking shows rise, but not mobile wallets

Sodexo to phase out paper vouchers

Today's View

Innovating Cash Management

Working capital is the lifeline of businesses. As per a PwC report, titled "Bridging the gap", businesses can potentially release around € 1.4 trillion cash globally from their balance sheet by managing working capital cycle more efficiently. However, only 9% of companies around the globe manage to improve working capital consistently over multiple years.

Businesses, especially in the informal or unorganized sectors like transportation, retail trade and agriculture, are focused on managing and improving their working capital cycle. To aid such businesses and allow them to focus their efforts on their core functions, banks have been traditionally offering Cash Management Services.

Thanks to budding fintechs, Cash Management Services are being transformed to improve businesses' profitability through improved collection rates, picking out apt investment vehicles, and accordingly negotiating payables. And this is now being powered by Advanced Analytics, Business Intelligence and AI capabilities.

American financial institution Capital One has partnered with fintech firm Viewpost to offer invoicing and payments to track the status of transactions along with dynamic discounting to manage working capital on demand. Fintech start-ups like InterNex Capital are providing working capital financing services to SMEs through in-depth account analyses as well as real-time updates, which play a crucial role in working capital management.

Back home in India, fintech firm Numberz.in claims to offer cash flow management solutions to approximately 3,750 SMEs, integrating invoice and expense management tools. Another fintech firm AccessPay provides next generation cloud-based solutions that transform payments, cash management and treasury systems.

OTHER INTERESTING NEWS

Buoyant bitcoin stirs crypto-bubble fears

The price of a single bitcoin hit an all-time high of above \$3,500 this week, dragging up the value of hundreds of newer, smaller digital rivals in its wake. Now some investors fear a giant crypto-bubble may be about to burst.



It has been a year of unprecedented growth for the largely unregulated market, with dozens of new currencies appearing every month in "Initial Coin Offerings" or ICOs.

Source- Business Standard

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Date- 11th August 17

With proven benefits of Cash Management Services available to the customers, incumbent transaction banking players must put an 'innovative cap' on to realize the full potential of cash management.

Today's News

Nainital Bank trying to revamp itself as a digital bank

Nainital Bank Ltd, a subsidiary of India's third-largest public sector lender Bank of Baroda (BoB), is trying to revamp itself as a digital bank.

"Nainital Bank is an old private sector bank and BoB owns 98.6% in it. Last year, BoB looked at the opportunity of a digital bank and an infrastructure-light bank that can take full advantage of all the stuff that is happening around us in the tech space," said Manish Shah, head, digital bank, Nainital Bank.

Source- Mint

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HSBC and IBM build cognitive intelligence solution to digitise global trade

HSBC, the world's leading trade finance bank, is working with IBM to develop a cognitive intelligence solution combining optical character recognition with advanced robotics to make global trade safer and more efficient for thousands of businesses.

HSBC's Global Trade and Receivables Finance (GTRF) team facilitates over \$500 billion of documentary trade for customers every year, and in doing so must manually review and process up to 100 million pages of documents, ranging from invoices to packing lists and insurance certificates.

Source- The Economic Times

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Banks are reducing fund transfer charges

According to an official of a leading public sector bank, the government is nudging banks to incentivise electronic transactions. For now, banks have responded by reducing their fund transfer charges. Peer to peer UPI transactions are currently free.

The State Bank of India recently reduced its charges for national electronic funds transfer (NEFT) and real time gross settlement (RTGS) transactions done through internet and mobile banking. Punjab National Bank has also announced revision of charges through a public notice on its website.

Source- Mint

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This News Letter has been prepared with the assistance of Pankaj Tadas and Manish Kulkarni

SoftBank's \$2.5 bn investment in Flipkart sets record for Indian tech industry

Flipkart has secured nearly \$2.5 billion in funding from Japan's SoftBank Group, giving the online retailer more firepower to compete with Amazon in the country's burgeoning e-commerce market.

Flipkart, which raised \$1.4 billion in April from China's Tencent, online marketplace eBay and software giant Microsoft, will now have more than \$4 billion of cash, the Bangalore-based company said.

Source- The Economic Times

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New WhatsApp Beta version shows UPI payment feature

WhatsApp will soon facilitate instant money transfer via the Unified Payments Interface (UPI) transaction system, shows a new Beta update by the Facebook-owned mobile messaging platform.

According to a blog website WABetaInfo late on Wednesday, WhatsApp was finally giving shape to its plans towards bank-to-bank transfer using the UPI system.

Source- The Economic Times

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Mobile banking shows rise, but not mobile wallets

More and more people are using their mobile phones to transact, show data for all banks released by the Reserve Bank of India (RBI) for the month of June.

Volume in mobile banking for all banks in April, May and June stood at 106.27 million, 114.26 million and 115.73 million respectively. However, prepaid instruments, such as mobile wallets and prepaid cards, showed a steady decline in these three months.

Source- *Business Standard*

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January to June period witnessed 130 internet start-ups shutting operations

A total of over 130 internet start-ups have closed down operations in the first six months of calendar year 2017, with the e-commerce and foodtech space contributing to the deadpool the most.

According to data analytics firm Tracxn Technologies, 19 retail e-commerce start-ups wound down and formed a significant part of the deadpool list this year. The foodtech space saw 11 food-tech start-ups shutting shop.

Source- *Financial Express*

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Paytm to support third-party QR Code service in its bid of business expansion

Paytm, which has made a fortune out of its QR-code based mobile payments system, is now all set to open the platform to allow third-party services. This will enable users to scan codes other than that of Paytm.

The move seems to be a part of the company's strategy to build a discovery business, especially in the offline space. To generate revenue from the service, it is expected to monetise by charging third party brands and plugging advertisements.

Source- *The Indian Wire*

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CA Institute sets up Digital Accounting & Assurance Board

The CA Institute recently constituted a Digital Accounting and Assurance Board (DAAB) for fostering a cohesive global strategy on aspects related to digital accounting and assurance, its President Nilesh Vikamsey said.

DAAB will identify and deliberate on issues in accounting (including valuation) and assurance (internal audit) in the digital world. The CA Institute and global accounting bodies are working towards deciding the ideal "accounting treatment" for crypto-currencies.

Source- *Business Line*

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Sodexo to phase out paper vouchers

Leading gifting and employee benefit services provider Sodexo will soon be phasing out its iconic meal and gift paper vouchers from the Indian market even as the company charts out a digital strategy.

With the digital strategy in place, Sodexo India expects a 20 per cent jump in its revenues and client base, said a top official. It plans to add about six lakh users every year.

Source- *Business Line*

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Uber says India business is growing at more than 100%

US-based cab aggregator Uber today said its India business has grown over 100 percent year-on-year, driven by strong adoption of services like Pool and expansion into smaller cities.

Uber India, which competes with SoftBank-backed Ola, said it has seen the number of completed trips on its platform grow from 19.2 million in July 2016 to 41.3 million in July this year, a jump of 115 percent. On sequential basis, the company registered a growth of 6.4 percent from 38.8 million completed trips in June 2017.

Source- *First Post*

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