

Newgen **Blockchain-enabled Supply Chain Finance** Solution

Strategic supply chain financing is crucial, determining your relationship with buyers and suppliers. However, the process is often slow, inefficient, and prone to errors due to excessive manual intervention. The need of the hour is to digitize the complete process while bringing transparency and improving traceability across the supply chain finance process.

The Newgen Blockchain-enabled Supply Chain Finance Solution provides a holistic view of supply chain finance activities. By leveraging the solution, you can smoothly manage your working capital, increase liquidity, mitigate risks, and enhance operational efficiency.



Supply Chain Finance Explained

The supply chain finance is a set of technology-based business and financing processes that connect various parties involved in a transaction—buyer, seller, and financial institution—to minimize financing costs and improve business efficiency.

- The supplier initiates the invoice of shipped/supplied goods or provided services for the buyer
- The supplier sends the invoice to the financial institution's SCF platform
- The buyer approves the invoices using the same platform
- The financial institution releases the payment against the received invoice
- On invoice maturity, the financial institution debits the amount from the buyer's account

Involved Parties



Buyer



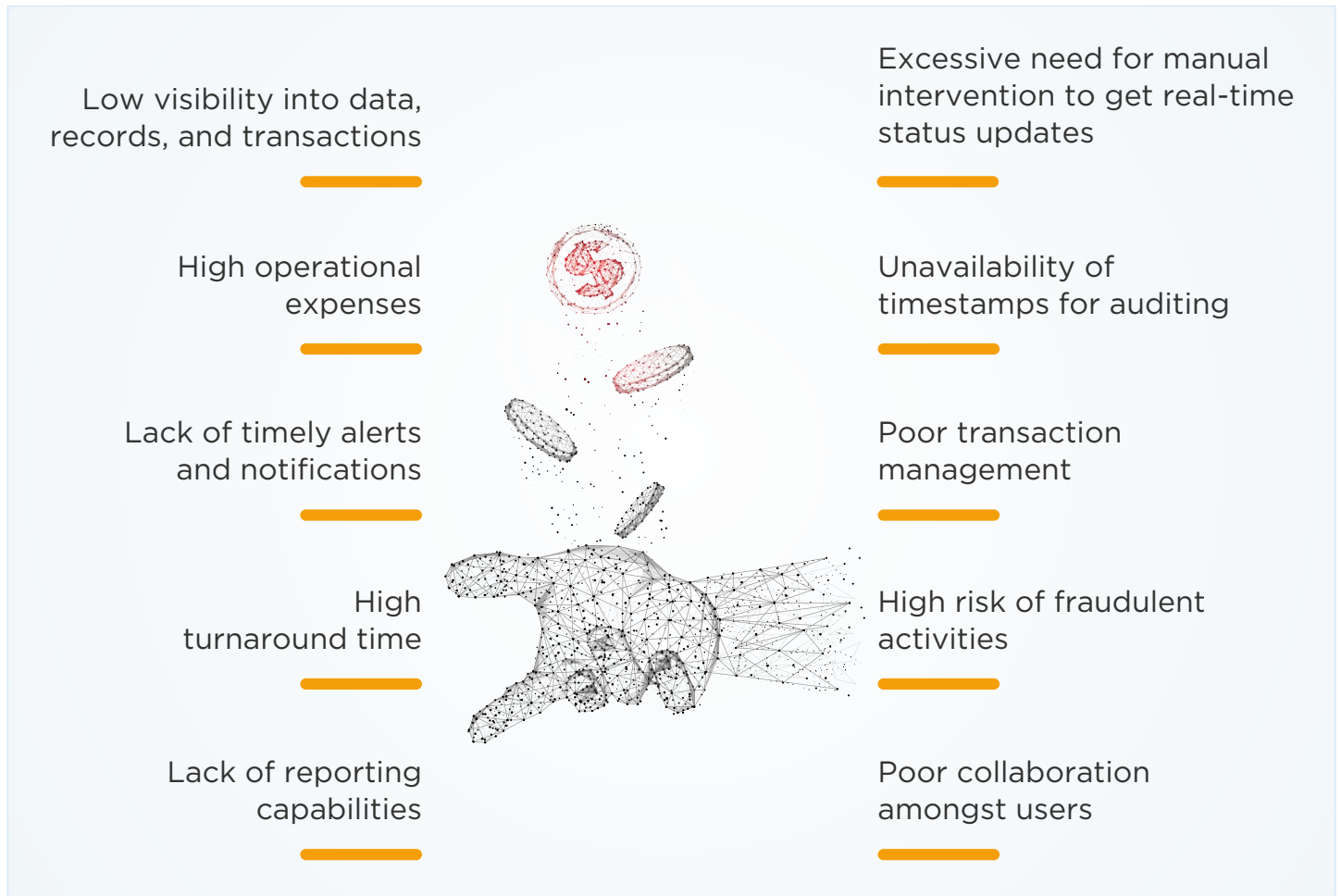
Supplier



Financial Institution



The Stumbling Blocks



Why Choose a Blockchain-enabled Solution for Supply Chain Financing?

A blockchain is a decentralized, distributed digital ledger, developed to record immutable transactions by keeping user identities classified. The immutable transactions steer through several computers, called nodes, without altering any subsequent blocks, allowing the participants to verify and audit transactions inexpensively.

Consensus-based Approval

Reaches agreement among nodes and maintains a copy of the ledger to prevent single-point-of-failure

Trackability

Verifies the history, location, or application of a transaction by using recorded identification in the blockchain network

Immutability

Ensures every transaction that has reached consensus is time-stamped and cannot be altered

Untamperable

Secures every transaction by veiling the identity of the users and the transactions

Newgen's Blockchain-enabled Supply Chain Finance Solution

The Newgen Blockchain-enabled Supply Chain Finance Solution, built on a low code digital automation platform, provides you a secure way to manage the end-to-end process, from onboarding to final disbursement. By leveraging the solution, you can gain visibility, increase efficiencies, and minimize costs throughout the chain. Furthermore, it helps you adopt a collaborative approach toward other parties in the chain.

The Solution Highlights

Audit Tracking

- Enable traceability of information and documents as they move from one user to another, thereby keeping all the involved stakeholders on the same page and minimizing exposure to fraudulent activities and credit risks
- Utilize smart contracts while enabling all the involved parties in supply chain finance to work on a single, shared ledger
- Provide secure access for the financial institution to manage smart contracts while monitoring processes, including manufacturing, shipping, order fulfillment, etc.
- Ensure 100% trust and transparency by using immutable ledger records; suppliers, manufacturers, and other participants can update their part of each transaction

Invoice Tokenizing

- Create and save hashes on the blockchain for each invoice, based on predefined parameters
- Ensure 100% data integrity; the solution does not have the provision to create duplicate copies of existing invoices
- Eliminate double-spending concerns and remove redundant invoices across the chain

Invoice Settlement

- Ensure quick settlement based on predefined rules for invoice and finance payment
- Detect outstanding invoices or finances from the buyer or seller
- Ensure reconciliation of outstanding invoices against the payment initiated by the buyer/seller without manual intervention
- Automate disbursement and repayment by a settlement utility

Superior User Experience

- Intuitive user interface to drill-down to multiple levels when viewing customer, product, and supply chain finance product key performance indicators
- Comprehensive dashboards for faster decision-making

Core Functionalities

Digitized Supply Chain Finance

- Centralized processing of transactions with the convenient routing of role-based workflows
- Increased value delivery to corporate with the timely availability of transactional details for the finance team

Counterparty Onboarding

- Separate onboarding module to support corporate buyers and sellers
- Counterparty onboarding via a single, secure sign-on portal
- Instant capture of users' personal and financial details, including limits, credit score, and plans. Post verification, users can securely access the portal

Integration with OmniDocs

- Robust integration with Newgen's OmniDocs Contextual Content Services (ECM) product suite to easily upload and access contextually accurate documents
- Upload of multiple invoices and goods receipt notes (GRNs)
- Accessibility of documents and their recordings, related to a specific order request, purchase order, invoice, GRN type, etc.

Limits Set-up

- Sanctioned and ad hoc limit checks for eligibility at anchor, program, and counterparty levels



Anti-fraud Risk Management

- Identification of duplicate and fraudulent invoices and requests with dedupe checking
- Request authorization by checkers using digital signatures to avoid fraudulent activities and discrepancies
- Real-time credit limit management with robust analytical capabilities

Program Parameters

- Various checks at the counterparty level, including maximum/minimum financing percentage, maximum/minimum tenure, preferred disbursement mode, and settlement
- Additional checks for automatic financing, settlement, and acceptance of invoices

Invoice Management

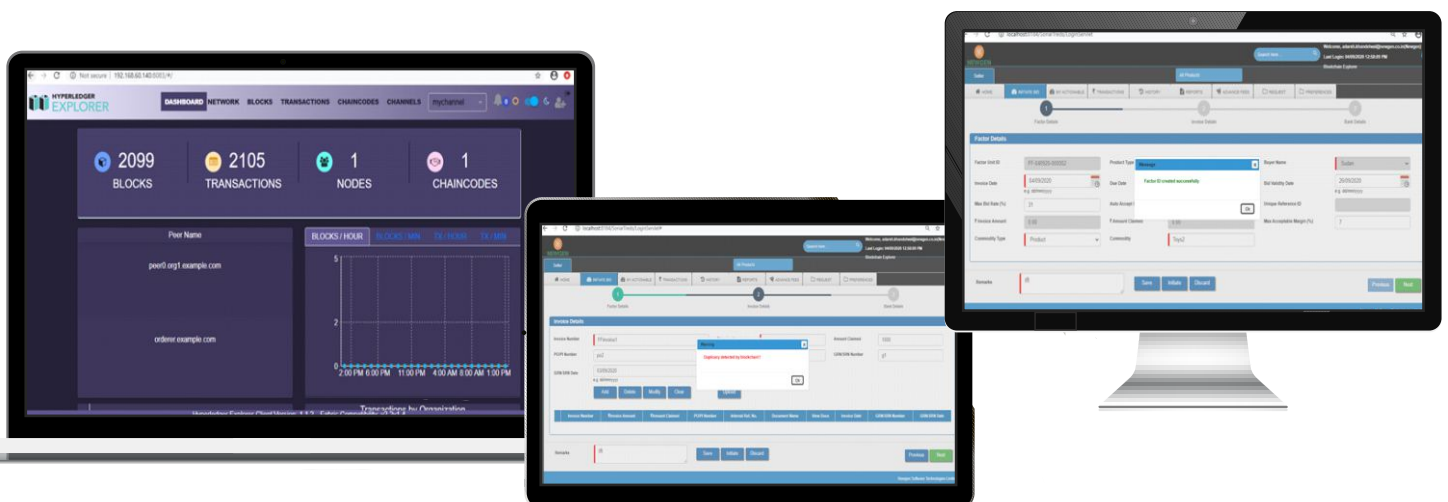
- Manual creation and upload of invoices, along with options to amend, cancel, and accept
- Auto-financing of invoices based on predefined parameters with instant amendment options
- Easy upload of scanned invoices
- Auto-financing of accepted invoices, based on set parameters
- Invoice status monitoring and real-time updates of users' details

Speed and Control

- Streamline the process while gaining significant process speed and minimizing the time required for processing a transaction, from initiation to the final payment
- Monitor the complete chain, thereby allowing to gain complete control over the process

Increased Competition and Opportunities

- Gain trust, security, and transparency while increasing competition and driving down margins

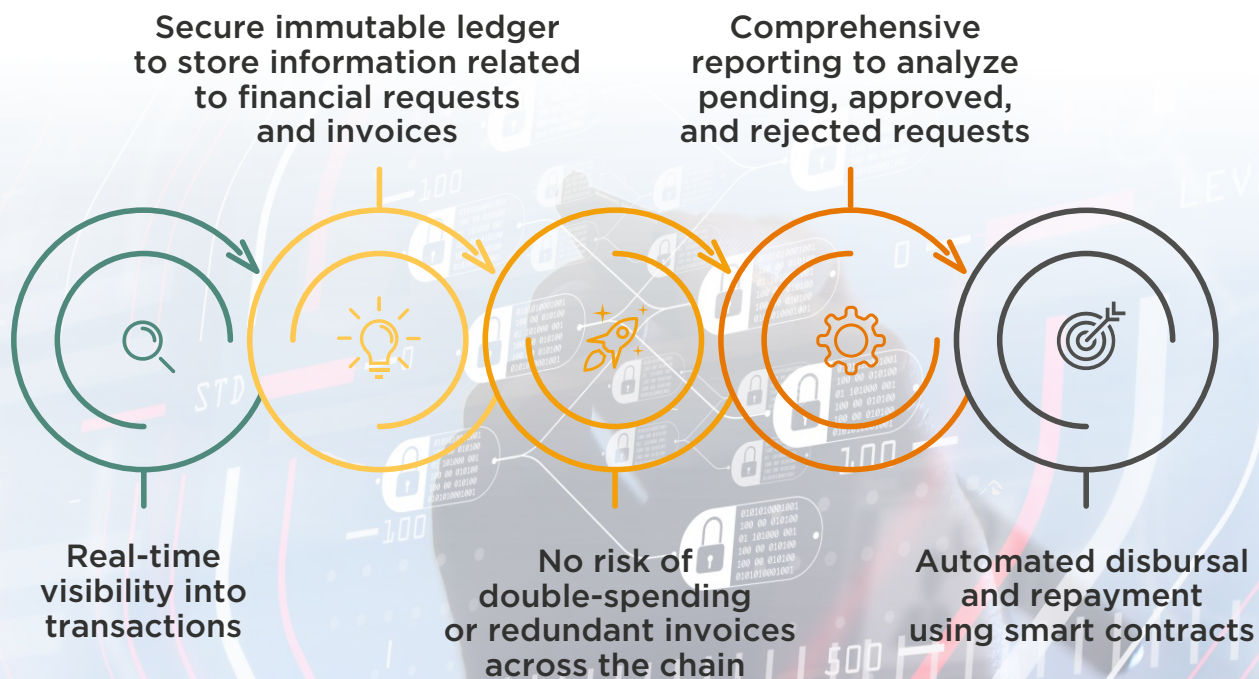




How the Solution Works?

- By using the onboarding module, you can capture the personal and financial details of users
- Once the user is verified, they can securely access the portal
- The buyer/supplier can request the financial institution to finance an order, based on the request type (factoring or reverse factoring) and track the current state of the respective transaction
- Order details and finance details of the buyer/vendor are recorded as the request is initiated. All these details, including factory details, invoice details, etc., are captured on the blockchain, along with proper audit tracking
- Tokenization, implemented through blockchain, ensures no duplicate invoice is added in the system while eliminating double-spending
- The supplier can upload multiple invoices and GRNs while raising a request; the invoices are safely recorded in the system
- The uploaded documents can be viewed when a request reaches the next set of users in the approval process. The request is authorized by a checker using a digital signature and dedupe checks, thereby eliminating the chances of fraud and discrepancies
- Once the financial institution accepts the request, the auto-settlement utility disburses the funds

Why Newgen's Blockchain-enabled Supply Chain Finance Solution?



About Newgen

Newgen is the leading provider of a unified digital transformation platform with native process automation, content services, and communication management capabilities. Globally, successful enterprises rely on Newgen's industry-recognized low code application platform to develop and deploy complex, content-driven, and customer-engaging business applications on the cloud. From onboarding to service requests, lending to underwriting, and for many more use cases across industries. Newgen unlocks simple with speed and agility.

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