



## Monocept

### A Rising Problem in the Industry

Back in 2014, EY reported that top Indian firms could have had made Rs. 5.3 trillion in cash in the fiscal year of 2013, had they managed their working capital cycle effectively. The report concluded by stating that only a marginal improvement was observed in the working capital performance of Indian companies in 2012-13 over 2011-12, with the cash-to-cash cycle being shorter by 2%. This marginal improvement is going to hardly increase the working capital management of Indian companies.

Here, it's important to understand the reason behind the lack of a good working capital cycle in Indian B2B companies. Most domestic clients of an Indian company ask for long credit periods and, at times, extend the payment timelines even further. This leaves the company in a tough financial situation and thus, it becomes increasingly difficult for the company to manage a healthy working capital.

**“ To fix this situation, the question arises that what solutions should a company adopt in order to improve its working capital cycle? ”**

## **Invoice Discounting Service Can Rescue**

To help businesses ease their working capital cycle and overall grow the company, excellent services like invoice discounting are available. An invoice discounting is basically an alternative solution to the traditional loans. Through this service, a company can instantly get access to cash which is tied up in its outstanding invoice.

To avail this service, a company is required to send the outstanding invoice's details to an invoice finance provider. The provider is likely to give up to 90% of the total amount of the invoice. With this ready cash-in-hand, the company can now grow in a hassle-free manner and once its client clears the payment, the company can then return the amount to the invoice finance provider along with an agreed upon fee. Thus, the invoice discounting facility is much flexible than the traditional loans via banks.

## **Monocept: IT Services Company Facing Working Capital Issues**

Monocept is an Information Technology (IT) services provider company. The company's main services include producing scalable enterprise solutions, future-ready modernization systems, and efficient test automation facilities.

The clientele of Monocept spans from Financial Services and Insurance to Media and e-commerce. The company handles reputed international as well as national customers. Among its huge list of clienteles, Reckitt Benckiser, The Weather Channel, ICICI Lombard, Maxlife Insurance and Religare Health Insurance are few to name.

Ever since the company's initiation, Monocept has gained a good reputation for delivering excellent solutions to businesses from across the world. Thus, it's natural for an IT company like Monocept to grow rapidly and plan to expand its horizons even further. But, a factor which has utmost importance in the progress of a company – a good working capital – was lacking in Monocept.

The main reason behind this mismanaged working capital in Monocept was the delayed payments made by their domestic customers. The lack of timely payments by the local clients hindered the company's plans to invest in its growth models or even to add new clients.



## Indifi's Ideal Financial Assistance

**The invoice discounting service offered by Indifi**, a business loan company, perfectly took care of Monocept's cash problem. Monocept needed instant cash in order to maintain a working capital cycle. This issue was easily solved by Indifi's efficient invoice discounting service.

According to Indifi's invoice discounting facility, a company can get instant cash based on its unpaid invoices. Indifi allows up to 90% of the invoice value immediately. The company needs to repay the amount to Indifi, along with some pre-set fees, once its client has cleared the payment. To make things further easier, Indifi has a no pre-payment penalty and a no collateral requirement policy.

All of these aspects of the service helped Monocept in growing the company in a stress-free manner. The Founder & CEO of Monocept, Mr. Manav Gaur, says, "We've found Indifi's invoice discounting credit line quite timely. We can take payments immediately on outstanding invoices. Not only does this help us manage delays in payments from existing customers, it also helps us invest in growth, add a new client, invest in infrastructure, or build new capabilities. We were able to get the loan without even a single meeting. Everything was digital, and whenever we have any questions, we can get them resolved promptly with an email or a call."