

SBI unveils ₹200-cr fund to invest in fintech start-ups

Mumbai, June 16

STATE Bank of India has set up a ₹200 crore fund to fund start-ups in the financial technology (fintech) space.

“This fund shall consider assistance of up to ₹3 crore to an Indian registered company for promoting their business innovations using IT for banking and related technology,” SBI chairman Arundhati Bhattacharya said at a CII event here on Thursday. The IT Innovation Start-up Fund will have a corpus of ₹200 crore, she said.

The announcement comes against the backdrop of a greater thrust from the Centre on developing the start-up ecosystem.

With digital technology making greater inroads into banking, majority of financial institutions have upped their engagement to spot start-ups in the fintech space.

Bhattacharya said the bank has also formed a mentoring team to assist start-ups. It will support, monitor and make a report on the progress and utilisation of funds by the venture.

The team will facilitate and guide business, extending help in various areas in-



SBI chairman Arundhati Bhattacharya at the launch of the fintech start-up fund in Mumbai on Thursday

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cluding additional funding requirement, she said, adding that it will also give external legal and financial assistance as and when required. The team may have

one or more external technical experts.

Bhattacharya said the bank has opened a start-up branch, InCube, in Bengaluru in January. It functions

as a single point of contact for start-up account holders for their various banking and financial advisory-related requirements.

“This branch is not giving actual funding. It handholds start-ups to create their business plans, finds out their legal requirements, help them with compliance and registration,” she said, adding that it has signed up 200 clients so far.

Bhattacharya said the bank is looking at cross selling through collaboration with fintech companies as it provides a great opportunity. “It is not only the fintechs that are coming into banking, but banking can also benefit from fintech... There may be one or two areas where they can give us competition, but overall, there could be several areas where they can help cross sell banks' products.”

She said with the growing significance and interactions of fintech in the financial services space, there needs to be in place a suitable regulatory framework to address associated risks such as technology risks, cyber security risk, data-theft risk... cross-linkages and source of funds, among others.

PTI