

## ICICI Bank carries out maiden bill discounting on RXIL



Largest private sector lender ICICI Bank today said it has carried out the country's first digitised invoice discounting on the Receivables Exchange of India (RXIL), in which it is an investor.

An invoice raised by Ashoka Drugs and Chemicals for its supplies to Greenlam Laminates was discounted by the bank, it said in a tweet.

"The transaction heralds the start of providing convenient access to working capital for micro, small and medium enterprises through online discounting of invoices and bills of exchange raised by MSMEs to their corporate customers," it said.

The transaction comes at a time when demonetisation has caused discomfort to the Micro, Small and Medium Enterprises (MSME). Rating agency Crisil had recently said every third MSME is facing delay in receivables from clients, saying it has curbed their ability to repay creditors -- and pay salaries on time. The RBI had last year granted in-principle approval to three applicants to launch such an online platform, including the Sidbi-NSE joint venture RXIL, which is also the first to receive the authorisation to launch the platform. The trade receivables discounting systems (TReDS), an automated system driven platform are aimed to benefit MSMEs by facilitating them to auction their trade receivables at competitive market rates through transparent bidding process on the platform by multiple financiers. TReDS are the first attempt in the country to introduce factoring without recourse and help not only quick realisation of receivables but also appropriate price discovery. ICICI Bank said it will continue to participate in EXIL as a financier for discounting trade receivables of MSMEs.

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