

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA  
UN-STARRED QUESTION NO. 173

TO BE ANSWERED ON 14<sup>th</sup> September, 2020 / BHADRAPADA 23, 1942 (SAKA)

**TReDS PLATFORM**

173. SHRI SHIVKUMAR C. UDASI:  
MS. PRATIMA BHOUMIK:  
SHRI SUMEDHANAND SARASWATI:  
SHRI RANJEETSINGH HINDURAO NAIK NIMBALKAR:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government had started TReDS for facilitating the financing / discounting of trade receivables of MSMEs through multiple financiers;
- (b) if so, the details thereof;
- (c) whether the Government has issued any instruction to the State Governments to use TReDS platform;
- (d) if so, the details thereof along with the list of States which are using TReDS and if not, the reasons therefor;
- (e) Whether the Government has any data with regard to the business done / routed through TReDS; and
- (f) if so, the details thereof during the last two years, Year and State-wise?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

(a) and (b): With a view to facilitate the financing of trade receivables of Micro, Small and Medium Enterprises (MSMEs) through multiple financiers, Reserve Bank of India (RBI) issued guidelines on Trade Receivables Discounting System (TReDS) on 3.12.2014 and granted 'In-principle' approval to three entities *i.e.* Receivables Exchange of India Ltd (RXIL) incorporated as a joint venture by SIDBI and NSE, M1xchange set up by Mynd Solutions Pvt Ltd and Invoicemart promoted by A.TReDS Ltd., a joint venture between Axis Bank and mjunction Services. All three entities approved by RBI commenced operations in the year 2017.

(c) and (d): While the Government has not issued any instructions to the State Governments mandating the use of TReDS platform, *vide* M/o MSME's notification dated 2.11.2018, onboarding on TReDS platform has been made mandatory for all Central Public Sector Enterprises (CPSEs) and companies having turnover of more than Rs 500 crore.

(e) and (f): As per data reported by the three TReDS platforms, a total of 2.35 lakh invoices amounting to Rs 5870.56 crore and 4.77 lakh invoices amounting to Rs 11,151.02 crore have been discounted on these platforms for financial year (FY) 2018-19 and FY 2019-20 respectively. State wise data in respect of business routed on RXIL is enclosed at Annexure-I. The other two platforms *i.e.* Invoicemart and MIXchange have informed that state-wise data is not maintained by them.

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Receivables Exchange of India Limited (RXIL) State wise data				
State-wise Data of business routed				
State	FY 2018-19		FY 2019-20	
	No of Invoices	Amount Financed (in Rs crore)	No of Invoices	Amount Financed (in Rs crore)
Andhra Pradesh	8	0.84	68	4.48
Assam	0	-	0	-
Bihar	0	-	33	0.62
Chandigarh	0	-	0	-
Chhattisgarh	0	-	123	8.96
Dadra & Nagar Haveli	9	0.25	13	0.53
Daman & Diu	233	6.24	6431	70.09
Delhi	2373	213.51	3436	237.93
Goa	60	0.21	97	0.46
Gujarat	4607	321.22	2777	275.46
Haryana	3810	74.99	3596	68.52
Himachal Pradesh	190	35.00	265	14.61
Jammu & Kashmir	0	-	0	-
Jharkhand	0	-	14	0.63
Karnataka	1685	63.28	2063	87.49
Kerala	87	0.14	178	22.78
Madhya Pradesh	197	17.95	610	57.06
Maharashtra	13815	381.80	23675	874.90
Orissa	1	0.08	52	8.70
Pondicherry	0	-	58	5.07
Punjab	186	19.06	1040	47.70
Rajasthan	3	0.45	373	27.25
Tamil Nadu	2440	69.87	8730	354.42
Telangana	579	26.78	828	57.03
Uttar Pradesh	222	8.25	956	23.68
Uttarakhand	475	11.87	1729	29.81
West Bengal	863	25.57	745	37.93
<b>Total</b>	<b>31843</b>	<b>1,277.35</b>	<b>57890</b>	<b>2,316.14</b>

Source: RXIL