

A.TREDS Ltd

Platform Name: Invoicemart

Online Market Place in India for MSME Invoice Financing

Note: The presentation and contents are being shared only for purpose of evaluation of A.TREDS Ltd (platform name: Invoicemart) case study nomination submitted for Digital and Innovative Financial Products and Services for MSMEs beyond Credit under G20 Indonesia 2022 (restricted usage). The contents are not to be shared with anyone for any other purpose without our explicit consent



INVOICEMART

A joint venture of Axis Bank and mjunction

Micro Small Medium Enterprises (MSMEs) in India



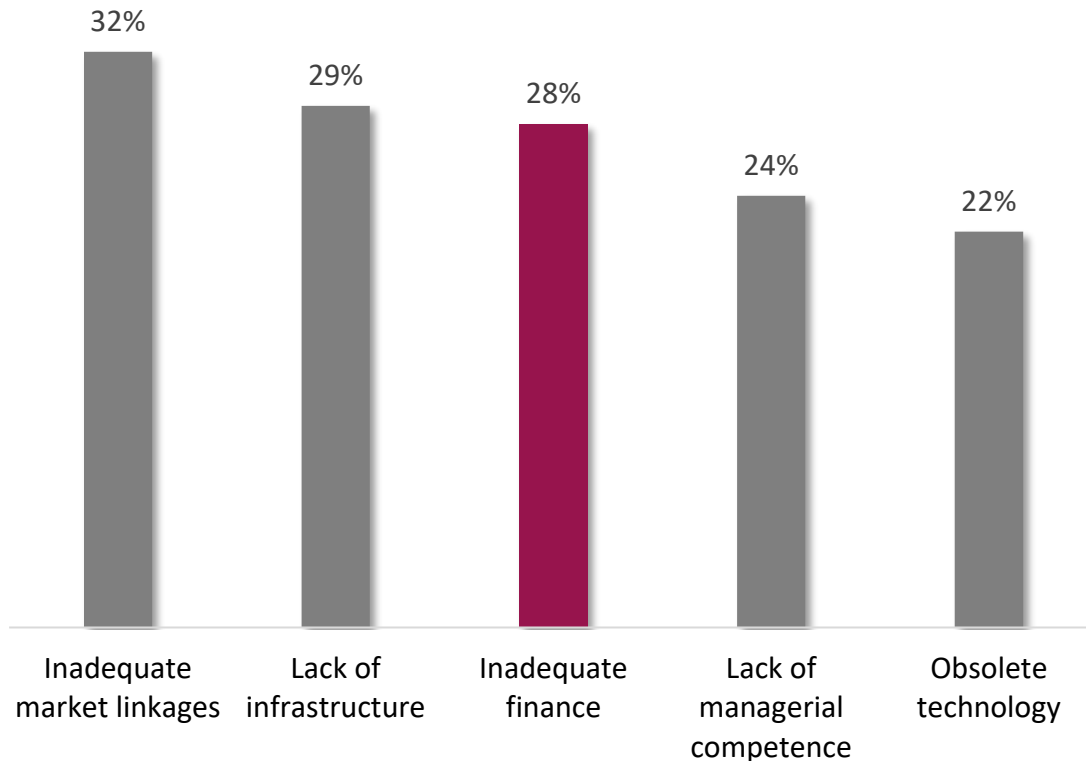
- Access to credit and delayed payment from Buyers is a prevalent issue affecting growth of MSME
- MSME supplies on credit to buyer this results in higher pricing and ultimate cost to consumer increases
- **Invoicemart - Trade Receivables Discounting System (TReDS)** platform set up in India to facilitate discounting of invoices raised on their buyers through multiple financiers via a bidding model.
- **It is a unique and fast evolving digital market place model in India aimed at financial inclusion of MSME**

MSMEs in India are as defined below

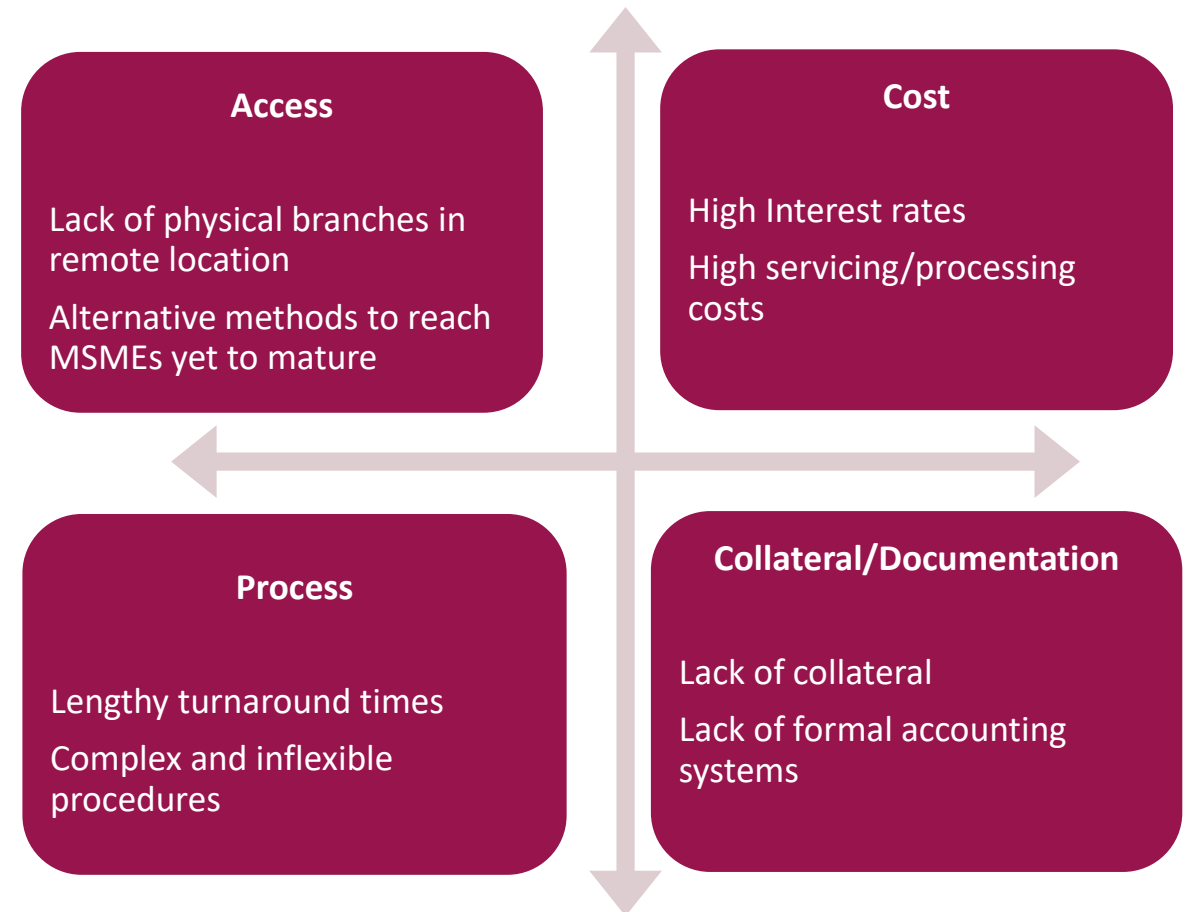
Classification	Micro Enterprises	Small Enterprises	Medium Enterprises
Manufacturing Enterprises and Services Enterprises	Investment in Plant and Machinery or Equipment: Not more than ₹ 1 Crore and Turnover: Not more than Rs. ₹ Crores	Investment in Plant and Machinery or Equipment: Not more than ₹.10 crore and Turnover: Not more than ₹. 50 Crores	Investment in Plant and Machinery or Equipment: Not more than ₹.50 Crore & Turnover: Not more than ₹. 250 Crores

MSMEs in India – Challenges for growth

Key Growth Constraints for MSMEs



Reasons for inadequate finance to MSMEs



A.TREDS Ltd (Platform Name: INVOICEMART) - online marketplace



Guidelines

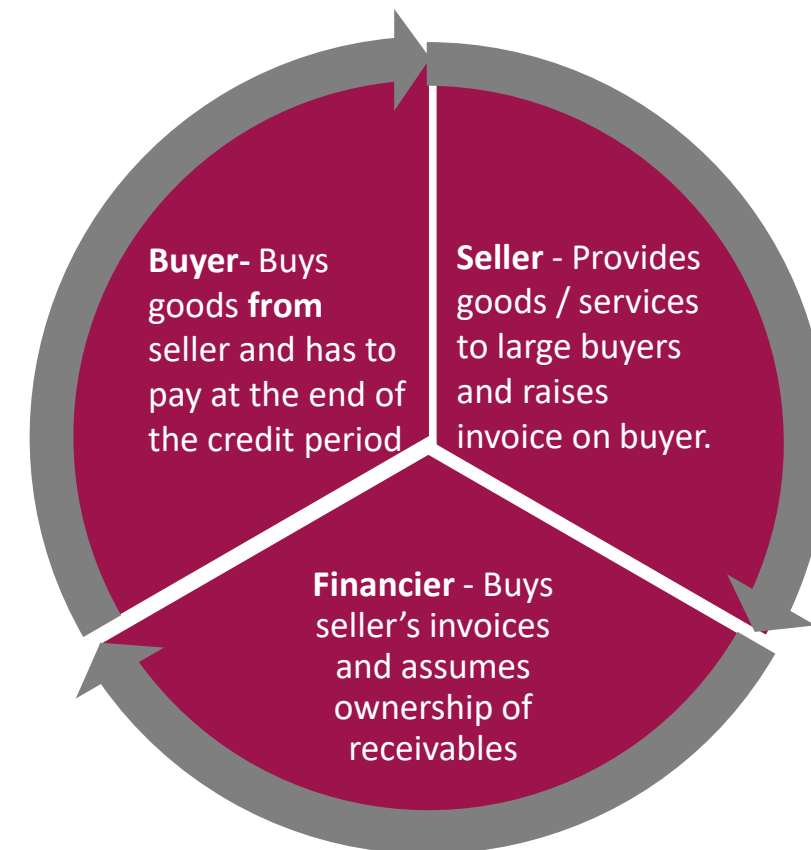
- Governed by Reserve Bank of India under Payment and Settlements Systems Act, 2007
- Guidelines on KYC and adherence to AML, CFT, PMLA etc

Activities

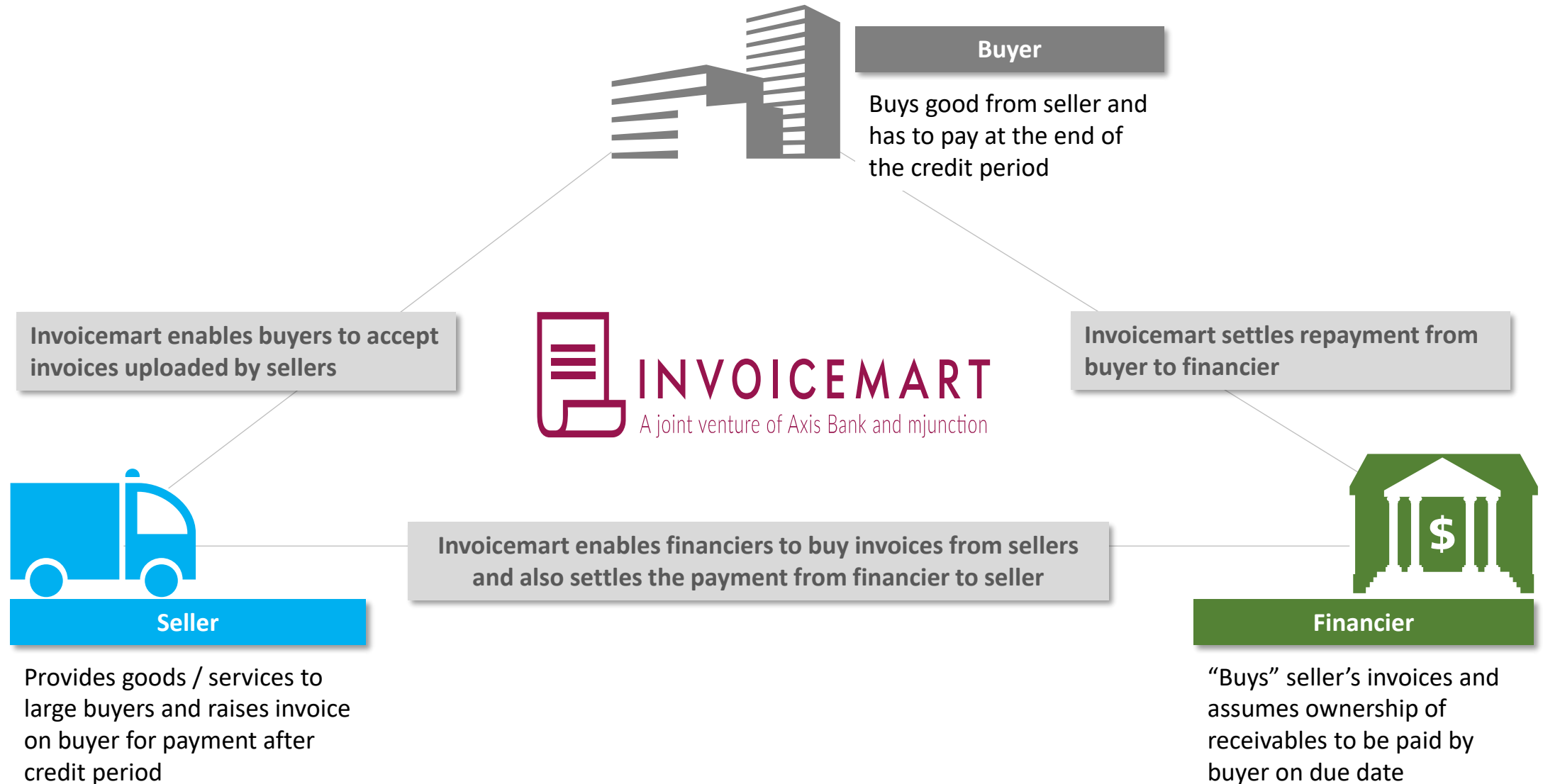
- Primarily focused on to making cheap and timely finance available to the MSMEs to ease out their short-term liquidity concerns
- Unique model that enables converting trade receivables of MSMEs into liquid funds thus unlocking working capital quickly through a bidding mechanism

Focus

- Address the access to finance and ease of working capital for MSMEs
- Corporates ,PSU/PSEs to route their MSME payments to build supply chain synergies.
- Banks to build short term granular asset with PSL benefit



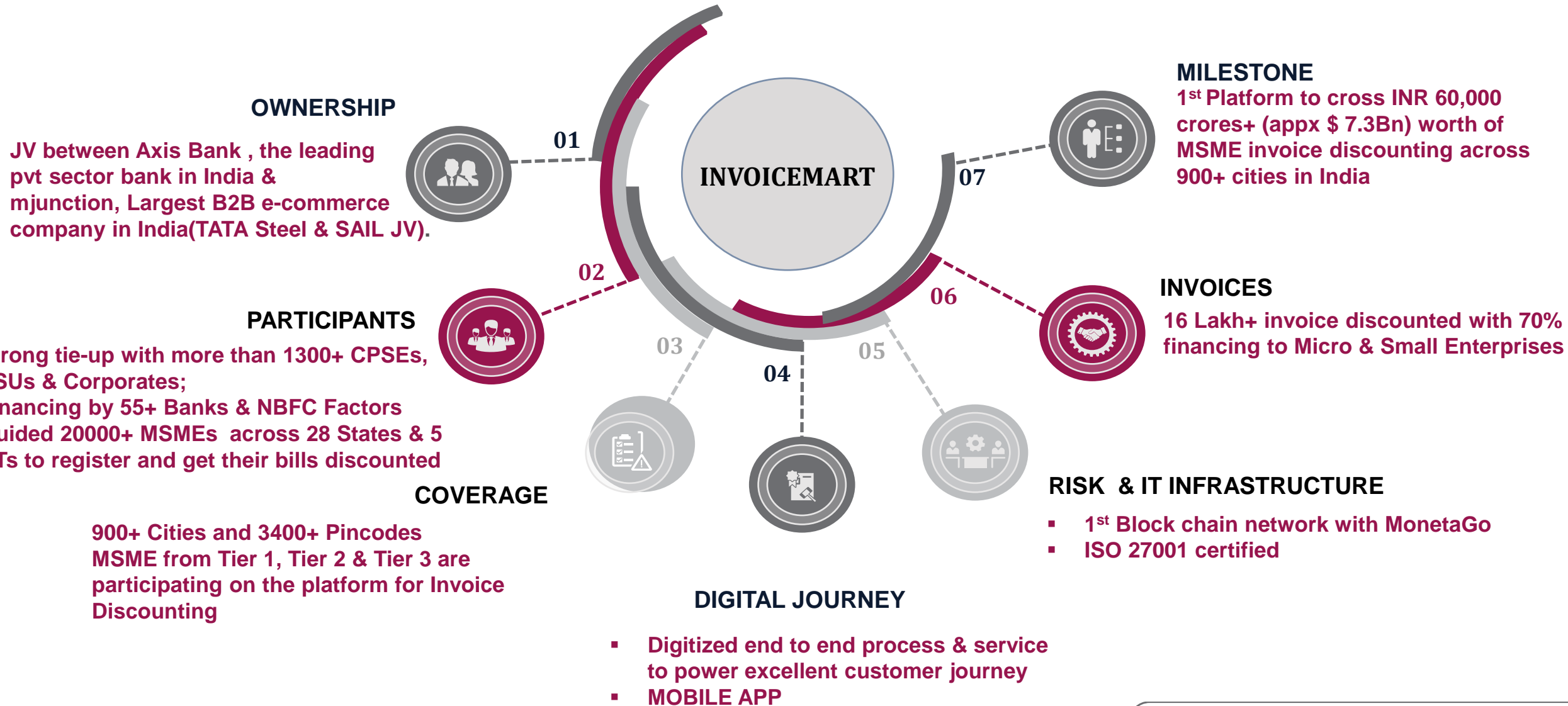
Invoicemart (TReDS platform) and How it Works?



Benefits for MSMEs in India

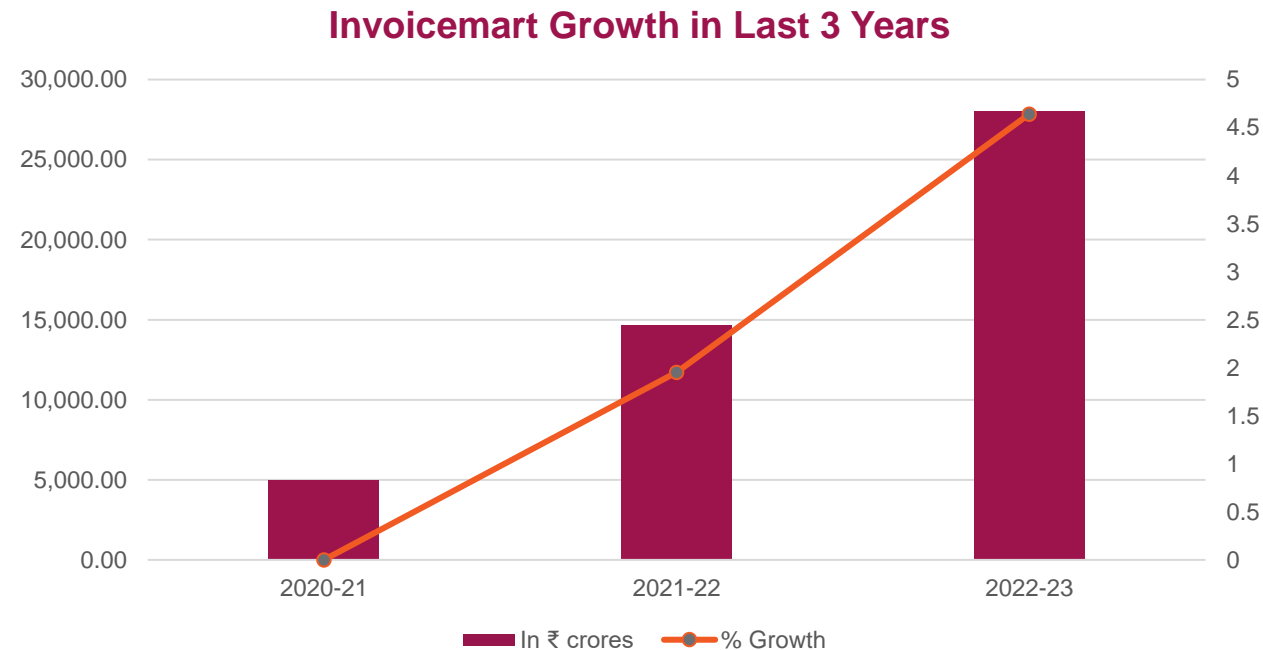
- “**Without Recourse**” financing for MSME on market-place (unique model world over) through a bidding model
- No collateral, loan liability or repayment liability on MSME for the financing
- Early Payments unlocking the receivables from Buyer
- Significant reduction in receivable cycle leading to improved cash flows for MSME
- MSME leverages Buyer’s credit profile thus significantly reduced rate of interest
- Better relationship between MSMEs and Buyers as MSME can then offer discount
- MSMC has access to finance at competitive rates even from Banks which do not have a bilateral relationship with MSME or a physical presence in the place where MSME is based
- End to end digital process for onboarding, transactions and settlement

Invoicemart – Highlights



Invoicemart - Growth

- **Highest Cumulative Throughput** of ₹ 60,000+ crores (appx USD 7.3+ Bn) since inception
- India's **largest and leading** TReDS platform
- **Highest** No of **Participants** – 21,000+ (Buyers – 1300+; MSMEs – 20000+; Financiers – 55+)



Digital Aspects of TReDS

Online Application and Upload of Documents

Video KYC for Sole Proprietor, Unit Visit only for Other Entities

E-sign of Application Form and Agreement

Login Credentials given once Registered (Documents Validated)

Connected to Multiple Buyer(s) through the platform

Transaction for Multiple Buyers Uploaded through single Login

Bidding and Acceptance of Bid (Maker, Checker) on Platform/Mobile App

Direct Credit to Bank Account through NPCI

All Notifications, Reports, Assignment through Email

Reach our Helpdesk Through Email/Phone

Thank You