

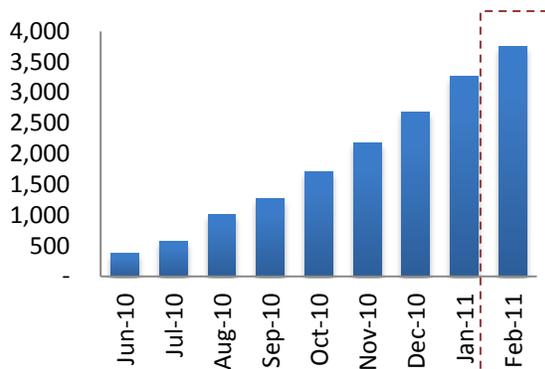
# Trade Receivables E-Discounting Engine



## FACTSHEET - FEBRUARY 2011

NTREES platform transacted volumes of **Rs.480 million** in the month of February 2011. Till date, **9,987 invoices** were factored to the tune of **Rs. 3.74 billion**. The average daily transaction amounted to **INR 24.04 million**.

**NTREES Cumulative Volumes  
(INR Million)**



### \*New Factoring Bill to be introduced..

Stamp duty exemption for sale of accounts receivables is planned to be offered by the Govt. The finance ministry will facilitate this by moving a new bill to regulate factoring business - The Factoring and Assignment of Receivables Bill 2010 which was placed before the Union Cabinet in February.

The factoring business has not made much

progress in India because of a lack of a consolidated framework. In 2008, the total factoring business was worth 33,228 crore - about 1.24% of the total bank credit. Steep stamp duty on assignment of debt and lack of recourse for the buyer in case of bad account receivables are the deterrents. The new bill proposes to address these concerns, by removing the stamp duty on assignment of debt and extend the law relating to recovery of debt to dues under a factoring arrangement.

The proposed bill will require registration and regulation of factoring, addressing the procedural challenges and easing the reluctance of customers as the assignment of debt will be deemed to have a legal standing. Under the new law assignment of receivable will be noted in the soon to be established central registry.

### New Participants

Purchasers pan India has been empannelled with the total count now reaching 16. The total supplier base as at the end of February stood at 330.

### Seminars

Seminars were conducted for Videocon (Aurangabad), Eicher Motors (Chennai) & Glenmark Pharma (Mumbai)