

SBI to set up trade receivables platform

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To partner with NSE and SIDBI for the initiative: Arundhati Bhattacharya

SBI chief Arundhati Bhattacharya
New Delhi, January 12:

State Bank of India will partner with SIDBI and National Stock Exchange (NSE) to set up a trade receivables platform to facilitate better credit flow to small and medium enterprises (SMEs).

This was stated by SBI Chairman Arundhati Bhattacharya in her lecture 'Indian Banking Sector: The Changing Landscape' to mark the 96th Foundation Day of apex industry chamber Assocham.

This platform, which will be among the three-four such platforms expected to come up in the country, will go live in the next one year, she said.

Setting up a trade receivables platform could benefit several small traders and SMEs who find it difficult to recover payments for the goods and services supplied to large industries. The inability to get payments in time has led to small traders facing "stress", she noted.

Elaborating on how the new platform is expected to function, the SBI chief said that small traders would be required to register and put in their bills with the platform.

"We will send the bills to the industry majors. We are hoping that there would be some force of law to get the industry majors to say yes or no within 30 days. Once accepted, the traders can send the bill for discounting and take the money," she said.

Once these platforms go operational, things will become much better for small traders.

"Today, just as you (SMEs) are suffering, we (SBI) are also suffering. At the end of the day, I might be having your security. But for the moment, you will become an NPA (non-performing asset). But till such time I am able to dispose of the security, I will have you as an NPA on our books...", Bhattacharya said.

Many traders are feeling the stress due to non-receipt of payments on timely basis. "We don't have a mechanism to ask for payments from large industries. Industry will eventually suffer when all traders go down," said a trader present at the event.

Setting up trade receivables platform could benefit several small traders and SMEs who find it difficult to recover payments for the goods and services supplied to large industries: SBI chief

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