

Invoice Discounting:

- **What is Invoice discounting?**
- Invoice discounting is a common financing method which works on the principle in which businesses can sell their unpaid invoices to lenders and avail a percentage of their invoice's value as a cash advance.
- **How does Invoice Discounting work:**
 - A company prepares invoices against the goods or services sold to its customers.
 - The details of these invoices are then forwarded to the lending institution.
 - Thereafter, funds are offered against a certain percentage of the total value of these invoices.

- The process of collecting the invoice is then carried out either by the business's credit controller or by the finance provider.
- Finally, when the debtor/customer makes a payment against the invoice, the balance amount is forwarded to the business-owner, minus the service fee.

Avoid Double Discounting by different financial institution

- **How Blockchain can help in Solving Double Discounting?**

- It can tell a financier if an invoice is potentially fraudulent or being double-financed, by cross-referencing it against a decentralised registry.

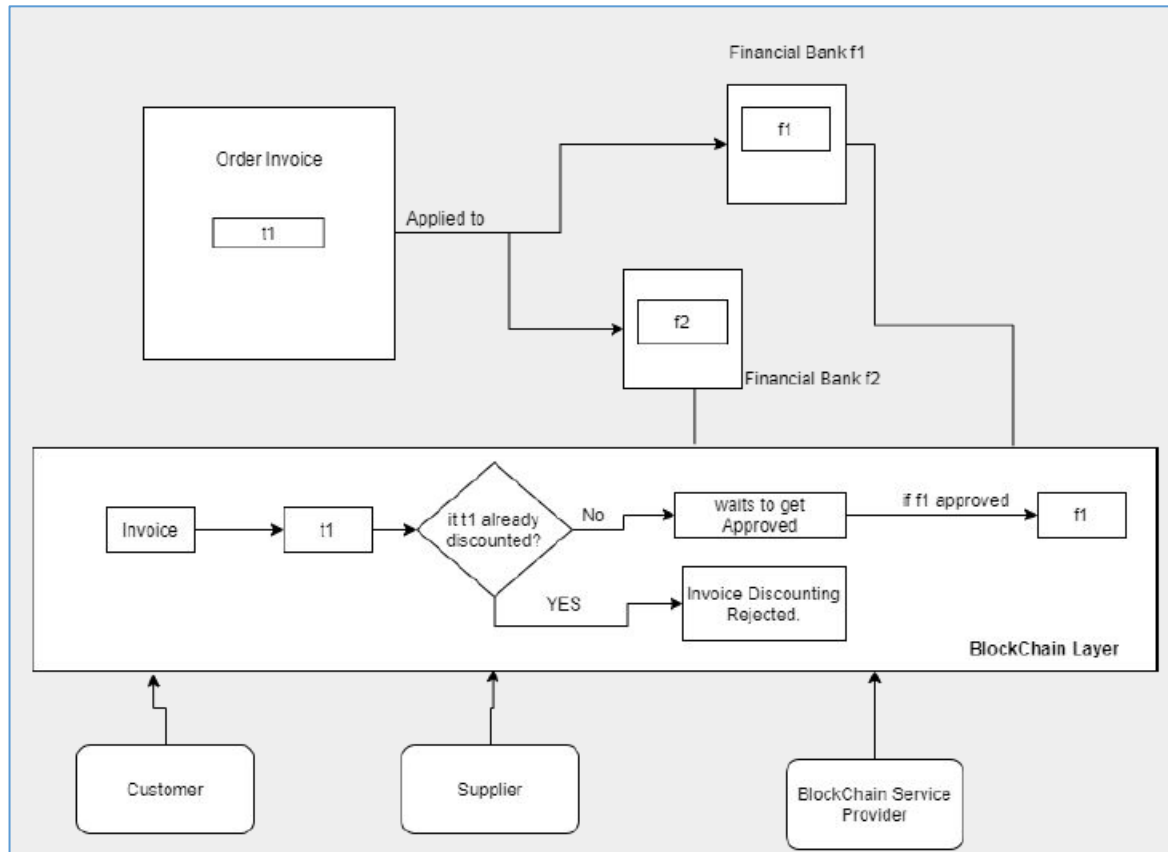
- **Invoice Discounting and Blockchain Complement each other as Blockchain can readily Provide:**

- Data encryption (each block is encrypted)
- Data Archival(Data can be Stored in year/months)
- Data Validation(Using smart contracts)



AIM:

- We have developed a particular blockchain system which will have following StackHolders:
- **Supplier** : (It put a request to various financial institution for invoice discounting)
- **Financial Bank**: (verifies the invoice and pays to supplier)
- The blockchain ecosystem will be **public**, where everyone can see and interact with the ledger, and **private** where there is certain rules of privacy. As invoice discounting scenario is a closed one: only certified financial institution can join and participate in the network.

- **Steps for financial institution to check the status of invoice?**



- Customer, supplier can only check the status or put the request in the system.
- Financial banks have the rights to accept/ check if the invoice is discounted or not .
- Role of blockchain service provider is to store the data and also keep a track if the is not altered.



We will now present
our project walkthrough
through following slides

Home Page



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India's Largest

Invoice Discounting Portal

We Are Your Partner On The Road To Success.

[Customer](#)

[Bank](#)



From home page if we select customer we are directed to sign in and register page

The diagram illustrates the user flow from the Sign In page to the Register page. On the left is the 'Sign in to continue' page, which includes fields for Email and Password, a Sign In button, and links for Register and Back to Home Page. On the right is the 'Let's create your account' page, which includes fields for Full Name, Email, Password, and Confirm password, a Sign Up button, and a link for Login. An arrow labeled 'If not registered already' points from the Sign In page to the Register page.

Sign in to continue

Email

Password

Sign In

Don't have an account? [Register](#)

[Back to Home Page](#)

If not registered already

Let's create your account

Full Name

Email

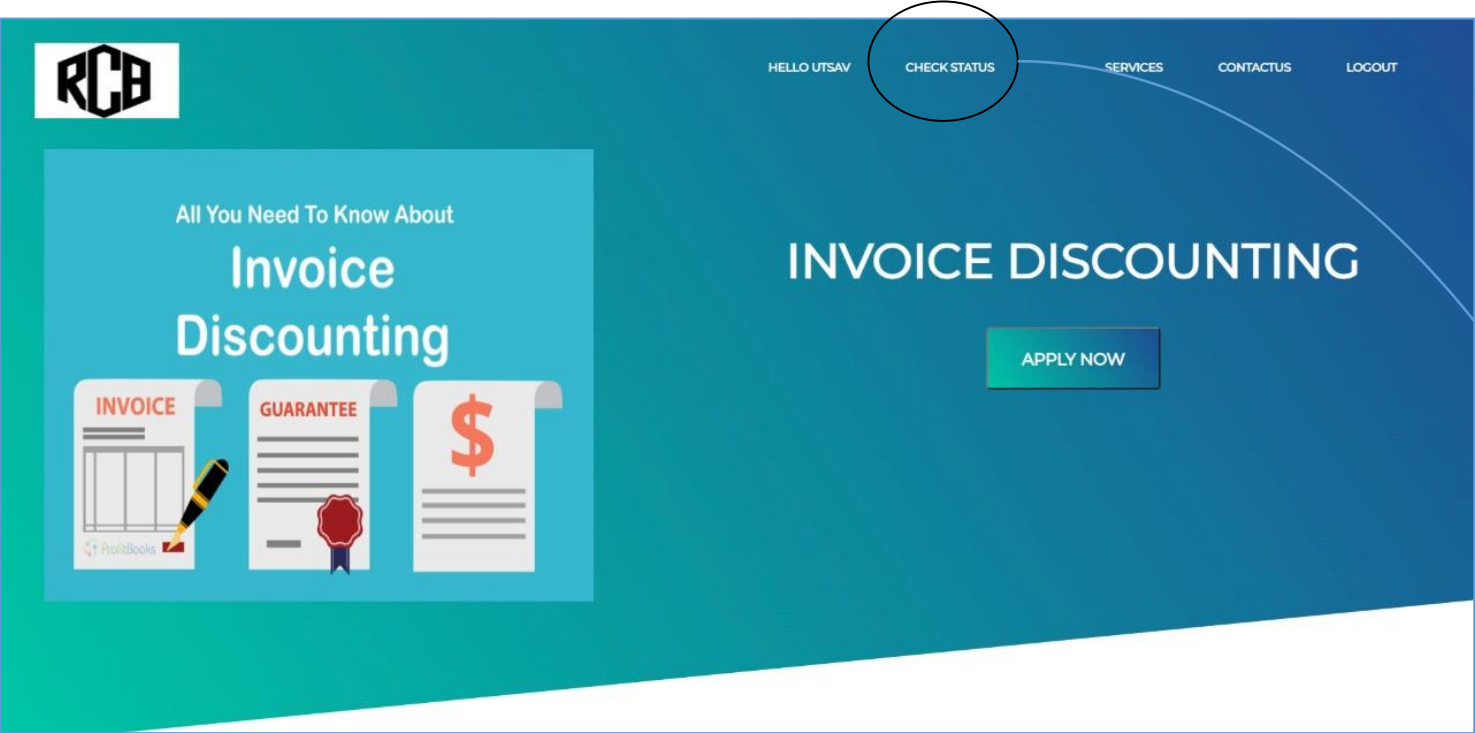
Password

Confirm password

Sign Up

Already have an account? [Login](#)

We progress to dashboard of registered user i.e Utsav as follows,



Buyer	Amount	Status	Bank
Muskaan Education	140000	pending	axis
Muskaan Education	140000	pending	hdfc
Muskaan Education	140000	pending	tns

[Go back to home page](#)

If we select apply now, we can apply to different banks as per our choice.



Invoice Discount

utsav

Muskaan Education

book

140000

Apply to:

☒AXIS(0.75pm) ☒HDFC(0.80 pm) ☒TVS(0.70 pm)

Submit

[Go back to home page](#)

Now login as bank here,

SIGN IN

Please sign in as Bank

hdfc@rcb.com

....

Sign in

Back to Home Page

Hi, hdfc

Total AcceptedLogout

90000 ₹

Manish would like to get an invoice discount for xyz Logistics Order

AcceptReject

2021-11-14 15:52:43

740000 ₹

parth would like to get an invoice discount for Butterfly Inc. Order

AcceptReject

2021-11-14 16:00:39

140000 ₹

utsav would like to get an invoice discount for Muskaan Education Order

AcceptReject

2021-11-14 22:25:52

Hi, hdfc

Total AcceptedLogout

90000 ₹

Manish would like to get an invoice discount for xyz Logistics Order

AcceptReject

2021-11-14 15:52:43

740000 ₹

parth would like to get an invoice discount for Butterfly Inc. Order

AcceptReject

2021-11-14 16:00:39

Buyer	Seller	Amount	Date
Muskaan Education	utsav	140000	2021-11-16 22:30:35

[Go back to home page](#)

Now if we go back to Utsav dashboard we will find that the status of invoice discounting by hdfc was accepted while rest got automatically rejected

Buyer	Amount	Status	Bank
Muskaan Education	140000	Rejected	axis
Muskaan Education	140000	Accepted	hdfc
Muskaan Education	140000	Rejected	tns

[Go back to home page](#)

CONCLUSION

Hence by our project we allowed different customer to apply invoice in multiple banks and banks can decide whether to accept it or not and tried to create a head database controller that avoids double invoice by automatically changing status of invoice to rejected as any one of the applied invoice gets accepted. Thus fraud of double discounting gets avoided.