



GOVERNMENT OF KERALA

Abstract

Industries Department- Permitting State owned Public Undertaking/Companies, Local Government institutions, all Statutory Boards/Societies under the State Government and all Apex Co-operatives to participate on the Trade Receivable Discounting System (TReDS) Platform-Orders issued

INDUSTRIES(B)DEPARTMENT

G.O.(Ms)No.40/2022/ID Dated,Thiruvananthapuram, 16-05-2022

Read Letter No. DIC/591/2021-MA-M2 dated 26.02.2022 from the Director of Industries and Commerce

ORDER

The Trade Receivable Discounting System(TReDS) is an electronic platform for facilitating the financing/discounting of trade receivables of Micro, Small and Medium Enterprises (MSMEs) through multiple financiers. The process of TReDS involves three parties; seller (MSME), buyer and financier. The seller or buyer uploads invoice(s) or bill(s) of exchange-containing details of invoices/bills of exchange (evidencing sale of goods/services by the MSME sellers to the buyers) on their preferred TReDS platform, which gets verified and approved by their counterpart (buyer or seller). The accepted invoice is bid upon by the financiers – banks and NBFC. Suitable bid is chosen by the seller or the buyer. Payment made by the financier (of the selected bid) to the MSME seller at the agreed rate of financing /-discounting. The amount is later paid to the financier by the buyer on the mutually agreed terms. Goods and Services from Micro, Small and Medium Enterprises constitute a large share of the procurement by Government Agencies and Public Sector Undertakings. Onboarding Government Agencies on TReDS would ensure prompt payment to MSMEs and also encourage other buyers to get onboard the platform.

2) Accordingly, the Director of Industries and Commerce submitted a proposal as per the letter read above for participating the State-owned Public Sector Undertakings / Companies Local Self Governments, State Government Institutions, Statutory Boards and Societies on the TReDS Platform.

3) Government have examined the matter in detail and are pleased to permit State owned Public Undertakings/ Companies, Local Government institutions, all Statutory Boards/Societies under the State Government and all Apex Co-operatives to participate on the Trade Receivable Discounting System (TReDS) envisaged for settlement of bills for Micro-Small & Medium Enterprises, suppliers of Goods and Services.

(By order of the Governor)
SUMAN BILLA
PRINCIPAL SECRETARY

To:

The Director of Industries and Commerce, Thiruvananthapuram

(For wide publicity and further necessary action)

The Principal Accountant General(Audit/A&E), Kerala,
Thiruvananthapuram

The General Administration (SC)Department

Finance Department (Vide No. 1719449/I&PW-A3/2021/Fin
dated 03.01.2022)

All Government Departments/HODs of Departments /Head of
Statutory Bodies/Societies/Apex Cooperatives

Secretary, RIAB

Information &Public Relations (Web & New Media)Department(for
publishing in the Government website)

e-office notice board

Stock File / Office Copy

Forwarded /By order

Signed by Anil Kumar P
Date: 16-05-2022 16:47:38
Section Officer