

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Industries & Commerce Department – On-boarding of State Public Sector Undertakings, Municipal Corporations, and State-Level Autonomous Bodies/Societies onto the Trade Receivables Discounting System (TReDS) Platform – Orders – Issued.

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INDUSTRIES & COMMERCE (PROG-I) DEPARTMENT

G.O.MS.No. 71

Dated: 05-05-2025

Read the following:

1. Govt. Memo No.1843661/Prog-I/A2/2022 Date:26/06/2024.
2. MoUs made by the Government with RXIL, Invoicemart and M1 Exchange on 27.06.2024.
3. From the DoI, e-file No. INC02-20033/22/2023-AD-FP-DOI (Computer No.2294533).

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ORDER:

The Micro, Small, and Medium Enterprises (MSMEs) are the growth engines of the State's economy, contributing significantly to the Gross Domestic Product and exports. MSMEs provide the largest employment opportunities after agriculture. However, the full potential of MSMEs in Andhra Pradesh remains untapped due to various challenges. One of the major challenges faced by MSMEs is the uncertainty in cash flow caused by delayed payments from buyers of their goods and services. These delays block their working capital, leading to delayed payments to employees and suppliers, difficulties in covering overhead costs, and challenges in scaling operations.

2. To address the issue of delayed payments, the Reserve Bank of India (RBI) has introduced the Trade Receivables Discounting System (TReDS), an online digital platform that facilitates MSMEs in auctioning their trade receivables to multiple financiers (Banks, NBFCs, etc.) for prompt realization of payments at competitive discounted rates. The RBI has permitted the following three TReDS platforms to operate in India:

- i. Receivables Exchange of India Limited (RXIL)
- ii. M1xchange
- iii. Invoicemart

3. The Sellers (only MSMEs), Buyers (Corporates, Government Departments, PSUs, Government Agencies, and other entities), and Financiers (banks, NBFCs, etc.) can onboard the TReDS platform. The onboarding process requires signing Master Agreements between participants (Financiers, Buyers, and MSMEs) and the TReDS platform, as per RBI guidelines, detailing the mutually agreed terms and conditions. The Government of India mandates that all companies with an annual turnover of ₹250 crore and above must onboard the TReDS platform.

**(P.T.O)**

4. In the reference 1<sup>st</sup> read above, recognizing the potential benefits of TReDS for MSMEs, the Commissioner of Industries and the CEO, AP MSME Development Corporation were accorded permission to enter into Non Exclusive Memorandum of Understanding (MoUs) with Invoice Mart, M1exchange, and RXIL to utilize their services on the TReDS platform to provide benefits to the MSME Suppliers. It is also informed that any further conditions, to be insisted by the Finance Department of GoAP, to be complied by these 3 agencies, as and when communicate. Accordingly, the Industries & Commerce Department, Government of Andhra Pradesh, signed MoUs with RXIL, M1xchange, and Invoice Mart on June 27, 2024 vide reference 2<sup>nd</sup> read above.

5. In the reference 3<sup>rd</sup> read above, the Director of Industries, Andhra Pradesh, has submitted a proposal for the participation of State-owned Public Sector Undertakings on the TReDS platform.

6. Government after careful examination of the matter, hereby direct all the State Public Sector Undertakings/all Municipal Corporations/State Level Autonomous Bodies/Societies, to participate in the Trade Receivables Discounting System (TReDS) for the settlement of bills for Micro, Small, and Medium Enterprises, which are suppliers of goods and services and also to onboard any of the three TReDS platform.

- a. These organizations must register on any or all of the three TReDS platforms as per their choice. The platform they choose to onboard should be prominently displayed on their respective websites for the awareness of MSME vendors. Onboarding government agencies onto the TReDS platform will ensure prompt payments to MSMEs and encourage other buyers to join the platform as well.
- b. The organizations should also sensitize and assist their MSME vendors in onboarding the same TReDS platform. Following the onboarding process, regular transactions should begin on the TReDS platform for the mutual benefit of both the organization and its MSME vendors.
- c. The performance of these State Government PSUs on the TReDS platform will be periodically reviewed by the State Government.
- d. The Industries & Commerce Department will serve as the Nodal Department for TReDS implementation.

7. The Government bodies (State PSUs, Municipal Corporations, Autonomous Bodies, Societies etc., of the State Government) should ensure that the financing Banks and NBFCs and others are sufficiently put on notice that the Government of Andhra Pradesh does not guarantee / undertake payment under the transactions carried out on the TReDS platform.

8. Therefore, All State Public Sector Undertakings/all Municipal Corporations/State Level Autonomous Bodies/Societies, of the Government of Andhra Pradesh are hereby requested to take immediate action within their respective departments to ensure timely onboarding onto the TReDS platform at the earliest.

9. This order issues with the concurrence of Finance Department with their FileNo.FIN01-COOR0MISC/50/2024-IF (Computer No. 2605435), Dt.25/03/2025.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**N.YUVARAJ**  
**SECRETARY TO GOVERNMENT & CIP**

To

The Director of Industries, Mangalagiri.

The CEO, AP MSME Development Corporation, Mangalagiri.

All the Departments in the Secretariat.

All the PSUs in the State.

All the Municipal Corporations in the State **through** MA&UD Department.

All the Autonomous Bodies/Societies in the State

**through** concerned Departments.

The Finance Department.

Copy to:

The P.S. to Chief Secretary to Government.

The P.S. to Secretary to Government & CIP.

Sf/Sc

// FORWARDED::BY ORDER//

SECTION OFFICER