

F. No. DPE/7(4)/2007-Fin
Government of India
Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises

Public Enterprises Bhawan
Block No. 14, CGO Complex,
Lodhi Road, New Delhi-110003

Dated: 17th November, 2017

OFFICE MEMORANDUM

Subject:- Registration of CPSEs under D/o Financial Services to facilitate financing of Trade receivables of MSMEs on the Trade Receivables Discounting System (TReDS) platform –reg

The undersigned is directed to refer to D. O letter No 2/10/2017-IF.II dated 13.11.2017 received from Secretary, Department of Financial Services enclosing therewith Cabinet Secretary's D.O. letter No. 601/1/2/2017-CA.V dated 31st October, 2017 on the above subject. All the administrative Ministries/Departments are requested to issue suitable instructions to CPSEs under their administrative control for strict compliance on the matter.

Kalyani Mishra

(Kalyani Mishra)
Director
Ph. 24362061

Encl: As above

1. All Secretaries of Administrative Ministries/Departments
2. Chief Executive of CPESs

Copy to :

- 1) Ministry of Finance, Department of Financial Services (Kind Attention : Shri Rajiv Kumar, Secretary) w.r. to D.O No 2/10/2017-IF.II, dated 13.11.2017.
- 2) Cabinet Secretariat (kind Attention: Shri P.K.Sinha, Cabinet Secretary) w. r.t to D.O. letter No. 601/1/2/2017-CA.V dated 31st October, 2017

राजीव कुमार
सचिव

Rajiv Kumar
Secretary

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वित्त मंत्रालय
जीवन दीप भवन, तीसरी मंजिल
१०, पार्लियामेन्ट स्ट्रीट,
नई दिल्ली-११०००१
GOVERNMENT OF INDIA
DEPARTMENT OF FINANCIAL SERVICES
MINISTRY OF FINANCE
3rd FLOOR, JEEVAN DEEP BUILDING,
SANSAD MARG, NEW DELHI-110 001
E-mail : secy-fs@nic.in

D.O. No.2/10/2017-IF.11

13 November, 2017

Dear Seema ji,

Consequent to the approval of Union Cabinet on 21st October, 2017, a recapitalisation plan for public sector banks (PSBs) worth Rs.2.11 lakh crore has been announced. One of the key sectors to benefit from this is the Micro, Small and Medium Enterprises (MSME) sector. As per the presentation in this regard made before the Hon'ble Prime Minister, the action plan includes steps to address two key concerns of MSMEs namely enhanced financing access and enhanced market access.

2. Trade Receivables Discounting Systems (TReDS). TReDS is a platform approved by RBI, which enables prompt encashing of receivables and also brings transparency in their business ecosystem. Such a platform set up by SIDBI is already operational.

3. The Cabinet Secretary, vide letter dated 31.10.17 (copy enclosed) has directed that Central Public Sector Enterprises (CPSEs) may be immediately registered under TReDS platform. I would therefore request you to kindly direct all the CPSEs to register on the TReDS platform by 30th November, 2017 and also put in place an institutional mechanism to regularly monitor the cases of delayed payments for their urgent resolution.

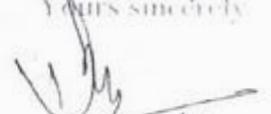
JSCRKC)

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Adv. ASB,

Li 15.11.17

with warm regards
Yours sincerely


(Rajiv Kumar)

Smt. Seema Bahaguna
Secretary
Department of Public Enterprises
Lodi Estate, CGO Complex,
Lodi Colony
New Delhi-110 003

AB 15/11
Din/KM]

U. Mishra
15.11.17

DDCSN)

प्रदीप कुमार सिन्हा
PRADEEP K. SINHA



मंत्रिमंडल सचिव
भारत सरकार
CABINET SECRETARY
GOVERNMENT OF INDIA

D.O. No. 601/1/2/2017- CA.V

Dated, the 31st October, 2017

Dear Secretary,

As you are aware, the Micro, Small and Medium Enterprise (MSME) sector is a major contributor to Gross Domestic Product and an important stimulator for economic growth. Despite this sector's vast potential, certain challenges are hampering its rapid growth. One of the challenges faced by MSMEs is the delayed payment from Government buyers leading to shortage of working capital for their regular business operations.

2. While the MSME Development Act, 2006 mandates payment to Micro & Small Enterprises (MSEs) in 45 days, instances have come to the notice of Government where some CPSEs are making delayed payments to them. In this regard, M/o MSME has recently launched 'MSME-SAMADHAAN', an online portal to enable MSEs to register their grievances regarding delayed payments. The portal also provides a facility to view the actual delay in payments - Ministry/CPSE wise - thus offering an effective tool for monitoring. I would earnestly request you to use this facility and also put in place an institutional mechanism in your Ministry as well as in CPSEs under your Ministry to regularly monitor the cases of delayed payments for their urgent resolution.

3. Further, in order to facilitate financing of Trade receivables of MSMEs, D/o Financial Services has established the Trade Receivables Discounting System (TReDS) which enables prompt encashing of receivables and also brings transparency in their business ecosystem. Besides being compliant with the MSME Development Act, 2006, it also enables buyers to negotiate better terms with MSME vendors. You may ensure that the CPSEs under your Ministry get immediately registered on the TReDS platform, under intimation to the Department of Financial Services.

With regards,

Yours sincerely,

175/DFS(LMF)/17
06/11/17

Shri Rajiv Kumar
Secretary,
Deptt. of Financial Services
New Delhi

Sergis)
ASCP's
FSCP3)-
O.T. we need to follow up.
3/11

for you
madam. Dis (SP) = DL
US (SP) - II)

3/11

06/11/2017

OSDCS

(P. K. Sinha)