

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 572
TO BE ANSWERED ON 06.02.2025

INVOICE MANAGEMENT SYSTEM

572. SHRI K C VENUGOPAL:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) the manner in which the Ministry of MSME is collaborating with the Ministry of Finance to address the technological and operational challenges faced by MSME retailers in implementing the Invoice Management System (IMS);
- (b) whether the Ministry proposed an extension or phased rollout of IMS to the Ministry of Finance to ensure sufficient transition time for small businesses;
- (c) the steps being taken, in coordination with the Ministry of Finance to ensure timely release of APIs and provide user-friendly tools, such as bulk-upload facilities, to support MSMEs with high transaction volumes;
- (d) the steps taken/being taken by the Ministry to address the tight timelines for resolving invoice discrepancies including raising these concerns with the Ministry of Finance to prevent cash flow disruptions for small businesses; and
- (e) the measures being proposed by the Ministry to reduce the initial investment burden on small businesses for upgrading systems to comply with IMS?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SUSHRI SHOBHA KARANDLAJE)

(a) to (e): The Ministry of Micro, Small and Medium Enterprises (MSME) presently has no active collaboration with Ministry of Finance (MoF) on Invoice Management System (IMS) implementation. However, we are working alongside MoF on Udyam Registration and Trade Receivables electronic Discounting System (TReDS) platform.

MSMEs can register on Udyam Portal by filling their PAN. The data of Investment and Turnover against that PAN either gets auto filled/ fetched from the Income Tax Department (for those enterprises which have filed IT Returns) or is filed on a self-declaration basis (by those enterprises which are yet to file the IT Returns). From the Turnover data, the export data as searched and found from the GSTN data, against that PAN, is deducted. While there is an API to fetch data from the Income Tax Department on a real time basis, GSTN data is fetched from the annual dump provided by GSTN.

TReDS, an electronic platform, facilitates the discounting of trade receivables of MSMEs through multiple financiers. Recently, to unlock their working capital by converting their trade receivables into cash, based on the suggestions of stakeholders including associations, Government of India through notification dated 07.11.2024 has notified the reduction of the turnover threshold of buyers for mandatory onboarding on the TReDS platform from Rs. 500 crores to Rs. 250 crores.

The Ministry of MSME is taking proactive steps to address the tight timelines for resolving invoice discrepancies. The Ministry is promoting the use of the MSME Samadhaan portal to facilitate the timely resolution of payment disputes.
