

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 427
TO BE ANSWERED ON 06.02.2023

BLOCKED OVERDUES OF MSME UNITS

427. SHRI JAWHAR SIRCAR:

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

- (a) whether it is a fact that approximately ₹ 11 lakh crore are locked up in overdues by buyers who purchase goods and services from Micro, Small and Medium Enterprises (MSME) units every year;
- (b) whether Government will consider a legislation to dissuade such overdues ; and
- (c) the other measures Government propose to take in this regard?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI BHANU PRATAP SINGH VERMA)

(a): For ease of filing of grievances & for monitoring of the outstanding dues to the MSEs from the buyers of goods and services, the Ministry of MSME launched a portal, viz. Samadhaan portal (https://samadhaan.msme.gov.in/MyMsme/MSEFC/MSEFC_Welcome.aspx) on 30.10.2017. After the application is admitted by the Micro, Small Enterprise Facilitation Councils (MSEFCs), it becomes a case. As per the information available on the SAMADHAAN Portal since inception till 02.02.2023, the amount involved in pending applications & cases is Rs. 18,212.39 crore.

(b): As per the provisions of Micro, Small and Medium Enterprises Development (MSMED) Act 2006, when a buyer does not make payment to the supplier (Micro & Small Enterprises) for his supplies within 45 days of the acceptance of the goods/service rendered, then the buyer is liable to pay a compound interest with the monthly rests to the supplier on the amount at the three times of the bank rate notified by RBI. Under the provisions of the MSMED Act, 2006, Micro & Small Enterprises Facilitation Councils have been set up in the States/UTs to deal with cases of delayed payments of the MSEs.

(c): The steps taken by the Government to resolve the issues are as follows:-

- The Ministry of MSME launched SAMADHAAN Portal on 30.10.2017 for monitoring of outstanding dues to the Micro & Small Enterprises from the buyers of goods and services.
- The Ministry of MSME created a special sub-portal within Samadhaan Portal on 14.06.2020, after the AatmaNirbhar Bharat announcements, for reporting the dues and monthly payments by central Ministries/Department/Public Sector Enterprises to MSMEs.
- The Ministry of MSME has been urging States/UTs to set up more number of Micro & Small Enterprises Facilitation Councils for quicker disposal of cases related to delayed payments. So, far 115 MSEFCs have been set up with more than one MSEFC set up in Delhi, Jammu & Kashmir, Karnataka, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Telangana and U.P.
- The Government of India has also instructed CPSEs and all companies with a turnover of Rs. 500 Crore or more to get themselves on-boarded on the Trade Receivables Discounting System (TReDS), an electronic platform for facilitating the discounting of trade receivables of MSMEs through multiple financiers.
- Companies which get supplies of goods or services from Micro & Small Enterprises and whose payment to Micro and Small Enterprises exceeds 45 days from the date of acceptance or the date of deemed acceptance of the goods or service need to submit a half yearly return to the Ministry of Corporate Affairs stating the amount of payments due and the reasons of the delay.
