GOVERNMENT OF INDIA MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA UNSTARRED QUESTION NO. 909 TO BE ANSWERED ON. 11.12.2023

DELAYED PAYMENT TO MSMEs

909. DR. AMEE YAJNIK:

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

- (a) details of the amount pending for payment to Micro, Small and Medium Enterprises (MSMEs) in various States up to November, 2023, along with the time when the amount is pending for payment;
- (b) steps taken by the Government to prevent delays in payments to MSMEs; and
- (c) whether Government plans to integrate Online Dispute Resolution (ODR) into the MSME Samadhan Portal to enable MSMEs to resolve their delayed payment disputes through ODR?

ANSWER

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

- (a): Ministry of Micro, Small & Medium Enterprises (MSME) launched a portal viz. Samadhaan Portal (https://samadhaan.msme.gov.in/MyMsme/MSEFC/MSEFC_Welcome.aspx) for filing of grievances and for monitoring of the outstanding dues to the Micro & Small Enterprises (MSEs) from the buyers of goods and services on 30.10.2017. The applications regarding outstanding dues are filed before the Micro, Small Enterprise Facilitation Councils (MSEFCs). After the application is admitted by the MSEFCs, it becomes a case. As per the information available on the Samadhaan Portal, State-wise pending amount for payment to MSEs from 30.10.2017 to 30.11. 2023 is attached at Annex –I.
- (b): The steps taken by Government to prevent delays in payments to MSMEs are as follows:-
 - Under the provisions of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, MSEFCs have been set up in the States/UTs to deal with the cases of delayed payments of the MSEs.
 - The Ministry of MSME launched a portal viz. Samadhaan Portal for filing of grievances and for monitoring of the outstanding dues to the MSEs from the buyers of goods and services on 30.10.2017.
 - The Ministry of MSME has requested States/UTs to set up more MSEFCs for quicker disposal of cases related to delayed payments. So far, 157 MSEFCs have been set up with more than one MSEFC set up in States like Delhi, Gujarat, Jammu & Kashmir, Karnataka, Kerala, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Telangana, U.P. & West Bengal.
 - The Ministry of MSME has 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.

- Government of India has also instructed CPSEs and all companies with the 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 MSEs and whose payment to MSEs exceeds 45 days from the date of acceptance or the date of deemed acceptance of the goods or services, also 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.
- Under Section 43B of Income Tax Act: Deduction has been allowed for expenditure incurred on payments only when payment is actually made to MSMEs.
- (c): The Ministry of MSME implements the World Bank supported Central Sector Scheme "Raising and Accelerating MSME Performance" (RAMP). One of the Disbursement Linked Indicators under RAMP is to reduce the incidence of delayed payments to MSMEs, which inter alia entails linking of Samadhaan Portal and Online Dispute Resolution Platform.

As per data available on Samadhaan Portal, State-wise details of the amount pending for payment to MSEs from 30.10.2017 to 30.11.2023 are as below:-

Sr. no.	State	Amount involved in pending applications +Cases (Rs. in crore)
1	Andaman and Nicobar Islands	0
2	Andhra Pradesh	845.85
3	Arunachal Pradesh	1.21
4	Assam	80.14
5	Bihar	57.71
6	Chandigarh	169.27
7	Chhattisgarh	229.63
8	Dadra and Nagar Haveli & Daman and Diu	82.13
9	Delhi	2,975.03
10	Goa	31.69
11	Gujarat	1,765.95
12	Haryana	1,418.61
13	Himachal Pradesh	123.89
14	Jammu and Kashmir	150.91
15	Jharkhand	269.95
16	Karnataka	581.38
17	Kerala	92.26
18	Ladakh	0
19	Lakshadweep	0
20	Madhya Pradesh	259.24
21	Maharashtra	3,192.85
22	Manipur	94.50
23	Meghalaya	1.39
24	Mizoram	0
25	Nagaland	37.65
26	Odisha	348.46
27	Puducherry	36.41
28	Punjab	570.56
29	Rajasthan	968.38
30	Sikkim	6.80
31	Tamil Nadu	729.37
32	Telangana	533.27
33	Tripura	1.50
34	Uttar Pradesh	2,431.36
35	Uttarakhand	188.79
36	West Bengal	1,123.84
	Total	19,399.98