

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 111
TO BE ANSWERED ON: 01.12.2025

**PAYMENT DELAYS AND SLOW TECHNOLOGY ADOPTION
IN MSME SECTOR**

111. SHRI S NIRANJAN REDDY:

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

- (a) whether Government has taken note of the issues raised by Micro, Small and Medium Enterprises (MSME) stakeholders regarding difficulty in access to finance, persistent delays in payments, and the need for faster technology adoption;
- (b) the measures taken or proposed to strengthen credit flow, enforce timely payments, and support digital and technological upgradation in the MSME sector;
- (c) whether steps are being taken to reduce compliance burdens and improve the ease of doing business for micro and small enterprises; and
- (d) if so, the details thereof?

ANSWER

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

- (a) & (b): The Government of India has taken a number of initiatives and measures to provide support to Micro, Small and Medium Enterprises (MSMEs) for improving access to finance, timely payments and faster technology adoption. Some of them are:
- i. Under the Credit Guarantee Scheme (CGS) for Micro and Small Enterprises (MSEs) of Ministry of MSME, additional corpus fund of Rs. 9,000 crore was infused into the corpus of Credit Guarantee Fund Trust for MSEs, to enable an additional credit of Rs. 2.00 lakh crore, at a reduced cost of credit. Further, the guarantee ceiling has been increased from Rs. 5 crore to Rs. 10 crore (w.e.f. 01.04.2025) to MSEs, with guarantee coverage up to 90%, for various category of loan under CGS.
 - ii. Prime Minister's Employment Generation Programme provides Margin Money subsidy upto 35%, for setting up of new micro enterprises, in the non-farm sector with project cost of Rs. 50 lakh and Rs. 20 lakh, for Manufacturing and Services enterprises, respectively.
 - iii. PM Vishwakarma, launched on 17.09.2023 to provide end-to-end holistic support to artisans and craftspeople of 18 traditional trades who work with their hands and tools. The Scheme includes provision of loans upto Rs. 3 lakh with interest subvention of max upto 8%.
 - iv. Self Reliant India (SRI) Fund has been set up to infuse Rs. 50,000 crore as equity funding in MSMEs, under this Fund, there is a provision of Rs. 10,000 crore from the Government of India and Rs. 40,000 crore through Private Equity/Venture Capital Funds.

- v. To ensure timely payment settlements for Micro and Small Enterprises (MSEs) across the country, Ministry of MSME launched SAMADHAAN Portal on 30.10.2017 for monitoring of the outstanding dues to the MSEs. 161 Micro & Small Enterprises Facilitation Councils (MSEFCs) have so far been set-up in States/UTs. Ministry of MSME has launched Online Dispute Resolution (ODR) Portal on 27.06.2025 to provide end-to-end digitized resolution of the delayed payment cases.
- vi. RBI issued guidelines for setting up and operating the Trade Receivables Discounting System (TReDS) to facilitates the financing of trade receivables of MSMEs from corporate and other buyers, including Government Departments and Public Sector Undertakings (PSUs) through multiple financiers electronically. Five entities are presently operating TReDS. The monetary limit for onboarding on TReDS for Corporates and CPSEs has been reduced to a turnover of Rs. 250 Crore vide Notification dated 07.11.2024.

In order to promote technology upgradation in MSMEs sector, Ministry of Micro, Small and Medium Enterprises (MSME) is implementing various Schemes which inter-alia include MSE-Cluster Development Programme (Common Facility Centres), Tool Rooms / Technology Centres, Micro and Small Enterprises (MSE) - Green Investment Financing for Transformation (GIFT) Scheme and MSME Champions Scheme.

(c) & (d): A number of steps have been taken to address regulatory hurdles and improve ease of doing business for MSMEs by the Government as given below:

- (i) Udyam Registration Portal was launched on 01.07.2020 to facilitate ease of registration for MSMEs. The process of registration on Udyam is fully online, paperless and based on self-declaration. The Ministry in association with Small Industries Development Bank of India launched Udyam Assist Platform on 11.01.2023, for bringing Informal Micro Enterprises (IMEs) into the formal ambit. This has helped the registered IMEs to avail the benefits of Priority Sector Lending.
- (ii) The Ministry of MSME reduced the Compliance Burden on business as well as on citizens related to Public Procurement Policy for Micro and Small Enterprises Order, 2012 vide Notification No. S.O. 3237(E) dated 11.08.2021 as identified by the Department for Promotion of Industry and Internal Trade (DPIIT).
- (iii) As informed by DPIIT, National Single Window System has been developed, which integrates the existing clearance/regulatory systems of various Ministries/ Departments of Government of India and State Governments.
