

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
STARRED QUESTION NO.*96
TO BE ANSWERED ON: 09.02.2026

DELAYED PAYMENTS TO MSMEs

*96. SHRI KARTIKEYA SHARMA:

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

- (a) whether Government has assessed the extent of delayed payments owed to Micro, Small, and Medium Enterprises (MSMEs) by large Corporates, PSUs and Government departments, particularly beyond the timelines prescribed under the Micro, Small and Medium Enterprises Development Act, 2006;
- (b) number of cases and total amount of dues currently pending on the MSME Samadhaan portal since last three years, year-wise;
- (c) whether Government proposes to introduce stricter enforcement mechanisms, including automatic interest penalties or payment-linked compliance ratings, to deter chronic payment defaulters; and
- (d) manner in which Government intends to ease working capital stress for MSMEs to prevent closures, job losses and supply-chain disruptions?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI JITAN RAM MANJHI)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO RAJYA SABHA STARRED QUESTION NO. *96 DUE FOR ANSWERING ON 09.02.2026 REGARDING “Delayed Payments to MSMEs”.

(a) and (b): As per SAMADHAAN Portal of the Ministry of Micro Small and Medium Enterprises (MSME), the cumulative due owed to MSME by CPSEs is as per the table given below:

| As per SAMADHAAN Portal the reported Pending dues with CPSEs till 04.02.2026 | | |
|---|--|--|
| Total Cumulative dues towards MSMEs (in Rs. Crore.) | Amount Paid to MSMEs (in Rs. Crore.) | Total Pending dues towards MSMEs (in Rs. Crore.) |
| 17,400.13 | 14,744.54 | 2,655.6 |

The details of number and amount under process with MSEFCs as per SAMADHAAN Portal during the last three year are as follows:

| | 2023-24 | 2024-25 | 2025-26 |
|----------------------------|----------------|----------------|----------------|
| Total Pending Applications | 21,031 | 27,399 | 17,923 |
| Amount (in ₹ Cr) | 3,819 | 4,669 | 3,768 |

(c): To ensure timely payment to MSMEs, following provisions are in place:

- i) To ensure timely payments to Micro and Small Enterprises (MSEs) vide Finance Act 2023, clause (h) was inserted in Section 43B of the Income-tax Act 1961. The clause provides that any sum payable by the assesses to a Micro and Small Enterprise (MSE) beyond the time limit specified in section 15 of the Micro, Small and Medium Enterprises Development Act, 2006, which cannot be more than 45 days, shall be allowed as a deduction only on actual payment
- ii) 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 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.
- iii) Under the MSMED Act 2006, registered Micro and Small Enterprises (MSEs) are legally entitled to interest on payments delayed beyond 45 days (or the agreed period, not exceeding 45 days). Interest is calculated at three times the RBI's bank rate, compounded monthly.
- iv) Further, Ministry of MSME has launched Online Dispute Resolution (ODR) Portal as a digital, technology-enabled mechanism to strengthen the existing MSME SAMADHAAN Portal, with the objective of ensuring speedy, cost-effective, and transparent resolution of delayed payment disputes involving Micro and Small Enterprises (MSEs). All the fresh cases of delayed payment by MSEs are being filed on MSME ODR portal w.e.f 15.10.2025

(d): The growth of Bill discounting on TReDS during last three years is as under:

| Financial Year | Factoring Units (FUs) financed during the year | |
|--------------------------------|--|-----------------------|
| | No. of FUs(in actual) | Amount (in Rs. Crore) |
| 2021-22 | 2,47,122 | 40,347 |
| 2024-25 | 10,76,443 | 2,33,706 |
| 2025-26 (till October 2025) | 8,36,459 | 1,79,129 |

To enhance the liquidity support through TReDS platforms, which will address the issue of Delayed Payment and Working Capital, Government has made the following announcement during the Budget Announcement 2026:

- (i) Mandate Trade Receivables Discounting System (TReDS) as the transaction settlement platform for all purchases from MSMEs by CPSEs, serving as a benchmark for other corporate.
- (ii) Introduce a credit guarantee support mechanism through CGTMSE for invoice discounting on TReDS Platform.
- (iii) Link Government e-Marketplace (GeM) with TReDS for sharing information with financiers about government purchases from MSMEs, encouraging cheaper and quicker financing.

Additionally, to address the issues of working capital for MSMEs, to prevent closures, job losses and supply-chain disruptions the following provisions are already in place:

- i. Under Prime Minister's Employment Generation Programme, credit linked subsidy for setting up new Micro-Enterprise in non-farm sector is provided ranging from 15% to 35% of project cost.
- ii. Rs. 50,000 crore equity infusion through Self Reliant India (SRI) Fund. This scheme is aimed at providing growth capital to the deserving and eligible units of MSME sector.
- iii. Under Credit Guarantee Scheme for Micro and Small Enterprises, guarantee is provided to Banks/Financial Institutions for loans sanctioned by them to Micro and Small Enterprises without collateral security and third party guarantee up to Rs. 10 crore.
- iv. Government of India has also directed CPSEs and all companies with the turnover of Rs. 250 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.

Additionally, to strengthen financial support, revive and reconstruct MSMEs, the Government of India has taken the various steps, which inter alia includes the following:

- To provide financial support to MSMEs, in Budget announcement 2025, the Government of India has taken the various steps which inter-alia includes the following:
 - i. For Micro and Small Enterprises Credit Guarantee coverage enhance from Rs. 5 crore to Rs. 10 crore.
 - ii. Term loans up to Rs. 20 crore for well-run exporter MSMEs
 - iii. Customised Credit Cards with following features:-
 - a) Micro Enterprises
 - b) Credit limit upto Rs.5 lakh
 - c) Micro enterprises registered on Udyam portal

- By revision of the definition of MSMEs, scope of MSMEs was widened, some of the enterprises, which were earlier outside the ambit of the MSME sector, came under the ambit of MSME. Eventually, more MSMEs are eligible to take the benefits of the various schemes including Priority Sector Lending. Further, in the Budget Announcements 2025, measures like introduction of customized Credit Cards with a Rs. 5 lakh limit for micro enterprises registered on Udyam portal and an increase in the credit guarantee cover ceiling under the Credit Guarantee Scheme for Micro and Small Enterprises from the existing Rs. 5 crore to Rs. 10 crore, leading to facilitate for additional credit.
