

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 803
TO BE ANSWERED ON. 07.12.2023

PENDING PAYMENTS OF MSMEs

803. SHRI JAGDAMBIKA PAL:

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

- (a) the details of pending MSME payments with the Government, including the total amount involved and the average duration of these payments have been outstanding;
- (b) the measures being taken by the Government to reduce the backlog of pending MSME payments with the Government and ensure timely disbursement of funds to Micro and Small Enterprises; and
- (c) the details of breakdown of the types of the Government entities or departments responsible for the highest number of pending MSME payments along with the corresponding amounts?

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 & 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). As per the information available on the Samadhaan Portal, the no. of pending applications/cases filed against the Government (Including Central Ministries, Central PSEs, State Government & State PSEs) from 30.10.2017 to 04.12.2023 are 9,589 and the total amount involved in these applications is Rs. 8,069.7 crore.

(b): The steps taken by Government to reduce the backlog of pending MSME payments with the Government and ensure timely disbursement of funds to MSEs 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.

: 2 :

- 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 Government entities (Including Central Ministries, Central PSEs, State Government & State PSEs) responsible for the highest number of pending MSME payments along with the corresponding amounts from 30.10.2017 to 04.12.2023 are as below :-

Sr. no.	Government Entities (Including Central Ministries, Central PSEs, State Governments & State PSEs).	No. of pending applications +cases	Amount Involved (Rs. in crore)
1	State Governments	4,392	3,379.04
2	Central Ministries	1,856	904.16
3	Central PSEs	1,853	2,142.97
4	State PSEs	1,488	1,643.53
Total		9,589	8,069.7
