

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
LOK SABHA
UNSTARRED LOK SABHA QUESTION NO. 1280
TO BE ANSWERED ON 25th November, 2019/ Agrahayana 4, 1941(Saka)
“MSMEs NPAs”**

1280. Shri Anubhav Mohanti

Will the Minister of Finance be pleased to state :

- (a) Whether the Government is aware that the Micro, Small and Medium, Enterprises (MSMEs) are facing problems of delayed payments by large corporations which is creating a fear of rising Non-Performing Assets (NPAs) among MSMEs despite having laws such as MSME Development Act, 2006 and MSME Samadhaan Portal;
- (b) if so, the measures that the Government propose to take to ensure timely payments to MSMEs so that the fear of getting converted into an NPA is completely removed and if so, the details thereof along with the time by which it is likely to be implemented;
- (c) Whether the Government will consider integrating all relevant schemes under one single authority as the current schemes have overlapping objectives leading to confusion among beneficiaries and implementing agencies besides increasing administrative costs; and
- (d) if so, the details thereof and if not, the reasons therefor?

**ANSWER
THE MINISTER OF STATE FOR FINANCE
(SHRI ANURAG SINGH THAKUR)**

(a), (b), (c) & (d) : Government is aware that Micro, Small and Medium, Enterprises (MSMEs) are facing challenges in getting due payments on time from large corporations. In order to ensure timely payments and to prevent their accounts from being treated as Non Performing Assets (NPAs), Government has taken following steps:

- (i) Under the provisions of the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006, 60 Micro & Small Enterprises Facilitation Councils (MSEFCs) have been set up in the States/Union Territories for resolution of delayed payment cases by way of conciliation and/ or arbitration.

- (ii) The Ministry of Micro, Small & Medium Enterprises (MSME) has launched the SAMADHAAN portal on the 30.10.2017 to enable Micro & Small Enterprises (MSEs) across the country to directly register their cases online on the portal relating to delayed payments by Central Ministries / Departments/ Central Public Sector Enterprises (CPSEs)/ State Governments etc.
- (iii) Government of India, vide Gazette notification S.O. 5621(E) dated 02.11.2018 instructed that all Companies with a turnover of more than Rs. 500 crore and all CPSEs shall be required to get themselves onboard on the Trade Receivables Discounting System Platform (TReDS) in order to address cash flow problems of MSMEs. Further Government vide Gazette Notification 5622(E) dated 02.11.2018, on delayed payments, instructed that all companies who got supplies of goods or services from MSEs and whose payment exceeds 45 days from the date of deemed acceptance of the goods or services as per the provision of the Act, shall submit half yearly return to the Ministry of Corporate Affairs stating the following :-
- i. The amount of payments due; and
 - ii. The reason of the delay.
- (iv) MSME-Development Institutes (under the Ministry of MSME) located in the States are helping Committees set up by Banks for restructuring debts of the MSMEs so that their loans are not treated as NPAs, especially when they face such problems related to delayed payments.
