

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

**LOK SABHA**  
**UNSTARRED QUESTION NO-988**  
ANSWERED ON-08/02/2021

**CLEARANCE OF DUES OF MSMES**

988. SHRI BALASHOWRY VALLABHANENI

Will the Minister of **FINANCE** be pleased to state:

- (a) whether the Ministry's directive of clearing the dues of Micro, Small and Medium Enterprises (MSMEs) by the States, Centre and Corporations has strictly been adhered to;
- (b) if not, the details of dues pending for MSMEs by the States, Centre and Corporations;
- (c) whether it has come to the notice of the Ministry that the dues to MSMEs are gradually mounting and as of October, 2020, there are nearly Rs. 1,000 crore dues to MSME sector; and
- (d) if so, the action taken by the Ministry to clear the dues of MSMEs?

**ANSWER**

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE**

**(SHRI ANURAG SINGH THAKUR)**

- (a) to (c): As soon as the Government announced the directive as regards clearing of dues of the Micro, Small and Medium Enterprises (MSMEs), Ministry of MSME got active to play an important role in clearance of dues to the MSMEs. Government has taken many steps to get the dues payable to the MSMEs cleared by public sector units of State and Central Governments. The Ministry has taken up the subject vigorously with the Central Ministries, Central Public Sector Enterprises (CPSEs) and State Governments and the Corporate entities. But, it is to be noted that the Central Government cannot

issue any directions to, or force, State Governments or State PSEs to pay the dues.

(ii) The status of monthly payments by Central Ministries and CPSEs to MSMEs dues after Atma Nirbhar Bharat package is given below:-

<b>Reported Month</b>	<b>Total Dues at beginning of the month (in Rs. Crores)</b>	<b>Paid during the month (Rs. Crores)</b>	<b>Pending at the end of month (in Rs.Crores)</b>
May 2020 (25 Ministries & 79 CPSEs Reported)	2349.53	1787.89	561.64
June 2020 (25 Ministries & 86 CPSEs Reported)	2553.94	1905.11	648.83
July 2020 (30 Ministries & 108 CPSEs Reported)	4124.34	3155.16	969.19
August 2020 (26 Ministries & 104 CPSEs Reported)	3811.13	2954.48	856.65
September 2020 ( 25 Ministries & 105 CPSEs Reported)	4858.18	3814.44	1043.74
October 2020 (26 Ministries & 108 CPSEs Reported )	5124.13	4102.43	1021.70
November 2020: (26 Ministries & 110 CPSEs Reported)	5184.92	4279.67	905.24
December 2020: (26 Ministries & 105 CPSEs Reported)	6499.92	4821.90	1678.02

(d) Other steps taken by Government to clear the dues of MSMEs are as below:-

- In order to promote greater discipline and timeliness in payment to vendors, the government has issued guidelines that whenever a Consignee Receipt and Acceptance Certificate (CRAC) in the Government e- Market place (GeM) is issued by a buyer and payment is not made within 10 days thereafter, the buyer organization is required to pay penal interest @ 1% per month for the delayed payment beyond the prescribed timeline till the date of such payment.
- In order to provide relief from the problem of delayed payment from the MSMEs under the 'MSME outreach programme', Ministry of MSME has issued a notification dated 02.11.2018 with the direction that all CPSEs and all companies with the turnover of Rs.500 Crore or more shall be required to get themselves onboarded on the Trade Receivables Discounting System (TReDS) platform. TReDS platform provides an option to MSMEs to discount invoices to raise short-term credit from banks to tide over delays in payments. SIDBI on 26.08.2020 informed/announced about the fees exemption for onboarding of registration of MSMEs on the TReDS till 31.03.2021. The Government of India has also publicized the exemption of fees and charges for registration on TReDS platform to the MSMEs.

<b>(TReDS Bills Discounted during Covid Period)</b>		
<b>Date</b>	<b>No. of invoices discounted</b>	<b>Value of discounted invoices (Rs. in cr.)</b>
<b>December, 2020 (Cumulative)</b>	1201995	28,119
<b>April, 2020 to December, 2020 (during Covid period)</b>	<b>472035</b>	<b>10,285</b>

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