# GOVERNMENT OF INDIA MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

## LOK SABHA UNSTARRED QUESTION NO.1668 TO BE ANSWERED ON 29.07.2021

#### **Pending Payments to MSMEs**

## 1668. SHRI LAVU SRI KRISHNA DEVARAYALU:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:(a) whether the Government has assessed the total pending payments to MSMEs from the Union and State Government and Public Sector Enterprises;

(b) if so, the details thereof;

(c) the duration for which these payments have been pending for; and

(d) the details of the steps taken by the Government to pay these pending dues to MSMEs within stipulated time period?

## ANSWER

## MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI NARAYAN RANE)

(a) to (c): Yes Sir. As per data available on SAMADHAAN Portal, as on 26<sup>th</sup> July, 2021 total 9,729 applications amounting to Rs. 7,798.30 cr. have been filed against Union and State Government and Public Sector Enterprises by Micro and Small Enterprises (MSEs).

(d): Some of the steps taken by the Government to pay these pending dues to MSMEs within the stipulated time period are as follows:-

- (i) Under the provisions of the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006, Micro & Small Enterprises Facilitation Councils (MSEFCs) have been set up in the States/UTs to deal with cases of delayed payments of the Micro and Small Enterprises (MSEs). Ministry of MSME has launched SAMADHAAN Portal on 30.10.2017 (http://samadhaan.msme.gov.in/MyMSME/MSEFC/ MSEFCWelcomer.aspx.) for monitoring of the outstanding dues to the MSEs from the buyers of goods and services.
- (ii) If a buyer fails to make payment to MSE supplier, there is a provision to pay compound interest on the due amount at three times of the bank rate notified by the Reserve Bank as per section 16 of the MSMED Act, 2006.
- (iii) A special sub-portal within SAMADHAAN portal (https://samadhaan.msme.gov.in/) was launched on 14<sup>th</sup> June, 2020. An online reporting system developed for reporting the dues and monthly payments by GOI Ministries and CPSEs to the MSMEs. Dues of Rs. 55,863.3 crore have been paid to the MSME vendors by Government Ministries/Departments/CPSUs from 14<sup>th</sup> May 2020 till 26<sup>th</sup> July, 2021.
- (iv) 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 receivable of MSMEs through multiple financiers.
- (v) 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.