

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 3138
TO BE ANSWERED ON 04.08.2022

PENDING PAYMENT TO MSME SECTOR

3138. DR. T. SUMATHY (a) THAMIZHACHI THANGAPANDIAN:

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

- (a) whether the Union Government is aware of the fact that huge pending payments from the Government PSUs and big private players has killed several thousand companies belonging to MSME sector;
- (b) if so, the steps taken by the Government to mitigate the crisis faced by MSME sector;
- (c) the total number of companies registered as MSME or SME suffering from bad loans in the country, particularly in Tamil Nadu during the last five years; and
- (d) the various proactive measures taken by the Union Government to rehabilitate such companies to be on normal track of business?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI BHANU PRATAP SINGH VERMA)

(a)&(b): The Government is aware of the pending payment issue of Micro and Small Enterprises (MSEs) and the various steps taken by the Government to address the issue of delayed payment to MSEs are as follows:-

- Under the provisions of the Micro, Small and Medium Enterprises 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 launched SAMADHAAN Portal on 30.10.2017 ([http://samadhaan.msme.gov.in/MyMSME/MSEFC/ MSEFCWelcomer.aspx](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.
- The Ministry of MSME created a special sub-portal within Samadhaan portal on 14.06.2020, after the Aatma Nirbhar Bharat announcements, for reporting the dues and monthly payments by central Ministries/Department/Public Sector Enterprises to MSMEs. Dues of Rs. 1,32,531.05 crore have been paid to MSME vendors by Government Ministries/ Departments/CPSEs from May, 2020 till 01st August, 2022.
- The Ministry of MSME has also been urging States/UTs to set up more number of Micro & Small Enterprises Facilitation Councils for quicker disposal of cases related to delayed payments. So far 113 MSEFCs have been set up, with more than one MSEFC having been set up in Delhi, Jammu & Kashmir, Karnataka, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Telangana and U.P.

- The 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 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.
- The Ministry has taken up the subject with the Central Ministries, CPSEs and State Governments for the clearance of pending dues to MSEs. It is regularly following up with the State Governments & UTs for timely disposal of such cases.

(c): As informed by Reserve Bank of India (RBI) information on number of companies registered as MSME or SME suffering from bad loans is not maintained with RBI.

(d): The Government of India announced a series of measures under Aatma Nirbhar Bharat to support the economy, especially the MSME sector. This inter-alia includes (i) Subordinate Debt for stressed MSMEs; (ii) Equity infusion through MSME Fund of Funds (SRI Fund); (iii) Emergency Credit Line Guarantee Scheme (ECLGS) for Businesses, including MSMEs; (iv) New Definition of MSME (v) No Global tenders for Government procurements upto Rs. 200 crore (vi) Launch of Udyam Registration Portal.
