

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 2328**  
**TO BE ANSWERED ON 03.08.2023**

**MSME SAMADHAAN**

2328: DR. HEENA VIJAYKUMAR GAVIT:  
PROF. RITA BAHUGUNA JOSHI:  
DR. SUJAY RADHAKRISHNA VIKHE PATIL:  
DR. SHRIKANT EKNATH SHINDE:  
SHRI UNMESH BHAIYYASAHEB PATIL:  
DR. KRISHNA PAL SINGH YADAV:

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

- (a) whether the Government has considered implementing stricter penalties or deterrent measures to discourage delayed payments to Micro, Small and Medium Enterprises (MSMEs) under MSME Samadhaan initiative;
- (b) if so, the steps taken by the Government to ensure effective enforcement of prompt payment norms and protect the interests of MSMEs;
- (c) the details of data or statistics regarding the number of cases resolved through the MSME Samadhaan initiative, along with the average time taken for resolution;
- (d) whether MSMEs Samadhaan initiative promotes transparency and accountability in payment transactions between MSMEs and their buyers and if so, the details thereof; and
- (e) the details of the platforms established to monitor and track payment disputes along with the measures taken to ensure fair and impartial resolution of such disputes?

**ANSWER**

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

(a) & (b): The steps taken by Government to prevent delay in payments to Micro, Small and Medium Enterprises (MSMEs) 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 the cases of delayed payments of the Micro and Small Enterprises (MSEs).
- Ministry of MSME launched a portal viz. Samadhaan Portal ([https://samadhaan.msme.gov.in/MyMsme/MSEFC/MSEFC\\_Welcome.aspx](https://samadhaan.msme.gov.in/MyMsme/MSEFC/MSEFC_Welcome.aspx)) for filing of grievances & 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 number of MSEFCs for quicker disposal of cases related to delayed payments. So far 152 MSEFCs have been set up with more than one MSEFC set up in States like Delhi, Jammu & Kashmir, Karnataka, Kerala, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Telangana, U.P. & West Bengal.

- The Ministry of MSME 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 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.
- Budget 2023 announcement: 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): MSEs can file applications in Micro and Small Enterprise Facilitation Councils (MSEFCs) for delayed payments. After the application is admitted by the MSEFCs, it becomes a case. The details of applications/cases filed on Samadhaan Portal from 30.10.2017(launch date) to 31.07.2023 are as follows:-

<b>Description</b>	<b>No. of applications/cases</b>	<b>Amount involved (Rs. In Crore)</b>
<b>1. Applications mutually settled</b>	14,508 (9.35%)	1,860.6 (5.01%)
<b>2. Cases disposed by MSEFCs</b>	30,322 (19.53%)	8,878.7 (23.89%)
<b>3. Applications rejected by MSEFCs</b>	39,409 (25.39%)	7,830.52 (21.07%)
<b>4. Cases currently under consideration by MSEFCs</b>	32,262 (20.78%)	11,392.3 (30.65%)
<b>5. Applications yet to be viewed by MSEFCs</b>	38,739 (24.95%)	7,203.7 (19.38%)
<b>6. Applications filed by MSEs (1+2+3+4+5)</b>	1,55,240 (100.00)	37,165.82 (100.00)

The time taken to review the applications and decide on the resolution of the dispute varies from case to case and across MSEFCs.

(d) & (e): As per the provisions of MSMED Act 2006, when a buyer does not make payment to the supplier (Micro & Small Enterprises) for his supplies within 45 days of the acceptance of the goods/service rendered, then the buyer is liable to pay a compound interest with the monthly rests to the supplier on the amount at the three times of the bank rate notified by RBI.