

**GOVERNMENT OF INDIA  
MICRO, SMALL AND MEDIUM ENTERPRISES  
LOK SABHA**

UNSTARRED QUESTION NO:6186  
ANSWERED ON:04.05.2010  
BILL PAYMENT TO MSMEs  
Rao Shri Nama Nageswara

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

- (a) whether any mechanism for prompt payments of bills of Micro, Small and Medium Enterprises (MSMEs) both by Central public sector undertakings and State Government agencies has been put in place by the Government;
- (b) if so, the details thereof;
- (c) whether the mechanism is functioning well; and
- (d) if so, the break-up of payments made to MSMEs during the last three years ?

**Answer**

THE MINISTER OF STATE(INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA PATEL)

(a) & (b): The "Micro Small and Medium Enterprises Development(MSMED) Act, 2006" provides for a mechanism to deal with the issues relating to payments, delayed beyond 45 days to micro and small enterprise (MSE) suppliers by the buyers which, inter alia, include central public sector undertakings and State Government agencies to ensure that MSEs get timely payment for their products sold/ services rendered .

(c) to (d): The regulations relating to issues of delayed payment which were earlier dealt in the "Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act, 1993" (as amended in 1998) have since been strengthened and subsumed in MSMED Act, 2006, making it more effective in ensuring prompt payment to MSEs. Establishment of 'Micro and Small Enterprise Facilitation Councils (MSEFCs)' has been made mandatory for each State/ U.T. and a time frame has been evolved for the award by the MSEFC, which has made the whole mechanism more efficient. Government does not maintain/monitor the data on payments made by the buyers to the MSE suppliers.