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सचिव
A. K. Sharma
Secretary



MSME
भारत सरकार
सूक्ष्म, लघु और मध्यम उद्यम मंत्रालय
GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

D.O. No.16/08/2018-P&G/Policy(Pt.II)

11th September, 2020

Subject: Payment of MSME Dues.

Dear Shri <Name>

Please accept our greetings for the season and good wishes on personal and business front. We, in the Ministry of MSME, are committed to do all that is required to help businesses re-start. I am particularly writing this to convey our support and solidarity in these difficult times and also to bring out an important issue pertaining to MSMEs.

You are aware that Micro, Small and Medium Enterprises (MSMEs) play an important role in the economy of our Nation. Among other things, they contribute around 30% of the GDP and create employment opportunities for more than 11 crore people. Direct and indirect dependence of households, professionals and workers on MSME sector is all-pervasive. Many of the MSMEs must be doing business with your esteemed group, the companies and entities thereof.

In recent months, particularly as a result of Covid-19, there is visible stress in the business of all entities, but more so in the MSME sector. One of the problems is that the payments due to the MSMEs are not coming from buyers and users of their goods and services. The situation had become so acute that the issue formed part of the announcements made under the AtmaNirbhar Bharat package by Hon'ble Finance Minister on 13th May, 2020. By way of this announcement, it was directed that the MSME receivables must be paid within 45 days.

As a follow up to the announcements under AtmaNirbhar Bharat package, our Ministry, with support of other Ministries & Departments, has tried for getting such delayed payments released. This has led to payment of substantial amounts from public and private sector companies as well as Central and State Government agencies. I take this opportunity to thank all those who have responded to the call of the Government and made the due payments to MSMEs.

However, still, a lot remains pending; a lot remains to be done. In this regard, I have to make three specific suggestions and requests:

- You will agree that such payments are very important for MSME operations and sustenance of jobs and other economic activities at the grass-root level. This will ultimately benefit the entire economy including your own operations. Therefore, I request you to kindly examine whether any such payments are pending at your end and release the same at the earliest;
- Towards a solution of the issue of cash flows of MSMEs, it was made mandatory by the Ministry of MSME on November 02, 2018, for all CPSEs and corporate entities with more than Rs. 500 Crore turnover to onboard themselves on the TReDS platforms. Many corporates are yet to join or transact. You are requested to onboard your company on the TReDS and start transacting;
- Also, Government of India has made it mandatory for all the corporate entities to file half-yearly returns with the MCA on their dues to MSMEs. This, too, is not being followed by many of the corporate entities. I would request your company to file returns if not doing so already.

You may be aware that payment of MSME receivables within 45 days is mandated under the MSME Development Act, 2006, which is administered by this Ministry. Moreover, your gesture will be a timely contribution for the economy of the Nation. It will help bringing smile on millions of faces whose only source of livelihood are these smaller units.

With kind regards

<Designation>
< Company Name>
< City>

Yours sincerely,

(A.K. Sharma)