

प्रादीप कुमार सिन्हा  
PRADEEP K. SINHA



सत्यमेव जयते



मंत्रिमंडल सचिव  
भारत सरकार  
CABINET SECRETARY  
GOVERNMENT OF INDIA

D.O. No. 601/1/2/2017- CA.V

Dated, the 31<sup>st</sup> October, 2017

Dear Secretary,

As you are aware, the Micro, Small and Medium Enterprise (MSME) sector is a major contributor to Gross Domestic Product and an important stimulator for economic growth. Despite this sector's vast potential, certain challenges are hampering its rapid growth. One of the challenges faced by MSMEs is the delayed payment from Government buyers leading to shortage of working capital for their regular business operations.

2. While the MSME Development Act, 2006 mandates payment to Micro & Small Enterprises (MSEs) in 45 days, instances have come to the notice of Government where some CPSEs are making delayed payments to them. In this regard, M/o MSME has recently launched 'MSME-SAMADHAAN', an online portal to enable MSEs to register their grievances regarding delayed payments. The portal also provides a facility to view the actual delay in payments - Ministry/CPSE wise - thus offering an effective tool for monitoring. I would earnestly request you to use this facility and also put in place an institutional mechanism in your Ministry as well as in CPSEs under your Ministry to regularly monitor the cases of delayed payments for their urgent resolution.

3. Further, in order to facilitate financing of Trade receivables of MSMEs, D/o Financial Services has established the Trade Receivables Discounting System (TReDS) which enables prompt encashing of receivables and also brings transparency in their business ecosystem. Besides being compliant with the MSME Development Act, 2006, it also enables buyers to negotiate better terms with MSME vendors. You may ensure that the CPSEs under your Ministry get immediately registered on the TReDS platform, under intimation to the Department of Financial Services.

With regards,

Yours sincerely,

AS(DP)

Shri Sanjay Mitra  
Secretary,  
Ministry of Defence  
New Delhi

(P. K. Sinha)

circulate to all CPSEs  
for compliance info