

ए. के. शर्मा  
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)

11<sup>th</sup> 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 13<sup>th</sup> 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)

September 14, 2020

Dear Sir,

Re: Payment of MSME Dues

At the outset, I take this opportunity to complement you and your colleagues from the Ministry of MSME for your exemplary efforts and proactive initiatives undertaken to mitigate the adverse impact caused to the sector by the covid-19 pandemic. We are all amidst some truly unprecedented times and I hope you, your colleagues and family members are all safe and healthy.

I am writing this letter to you on the above subject and in response to your letter under reference D.O. No.16/08/2018-P&G/Policy (Pt.II) dated September 11, 2020.

I am happy to inform you that since many years now, \_\_\_\_\_ has been doing its best to help the development of MSMEs which form an important part of India's overall economic development and growth engine. We constantly try and provide various business opportunities and help them in various ways to sustain on their own. In addition, where required, we also provide MSMEs with required technical support and guidance to help them operate in the best possible way and progress further.

In respect of the specific points mentioned in the letter, I am happy to state as follows:

- We always ensure that all payments to our MSME vendors are made well in time. Our payment terms for MSME vendors are always within the stipulated 45 days. This is also monitored closely to ensure no MSME payments are delayed, and this now receives extra attention, post Covid.
- Our company is already registered on the TReDS platform with the Receivables Exchange of India Ltd. (RXIL) in January 2020 (Ref \_\_\_\_\_ ) and we continue our efforts to transact thereon.
- We are also fully compliant with the submission of half-yearly returns with the MCA regarding dues to MSMEs, as applicable.

I truly appreciate the efforts and the concerns of your Ministry, under your able leadership, in helping the MSME sector develop and grow. As responsible citizens and stakeholders, I can assure you that we at \_\_\_\_\_ are conscious of our duties and are marching with the Government and the Nation during these unprecedented times. I hereby re-affirm our full and continued support always.

Thanking you!

With best personal regards,

Yours Sincerely,

ए. के. शर्मा  
सचिव  
A. K. Sharma  
Secretary



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

Date: 17<sup>th</sup> October, 2020

**Dear «Name\_of\_Representative»**

Kindly accept the greetings from MSME family for the coming festive season including Diwali. We wish you, your family and workers a healthy, happy and heartening time ahead.

Some of you may recall that I had written last month to sensitize about the pending payments of MSMEs. I feel happy to convey that very good response has been seen from the Corporate India towards the smaller, ancillary and supplier units. If we consider the period of last five months, maximum payment to MSMEs appears to have happened in the month of September, 2020. Not only that, in that timeframe, even the procurements and transactions appear to be maximum in the month of September. I am saying this on the basis of inputs from the Central Public Sector Enterprises (CPSEs). More than Rs. 13400 crores have been paid by CPSEs to MSMEs in the last five months. Out of this, payments worth Rs. 3700 crores have happened in September alone. I take this opportunity to convey our sincere thanks to the corporate sector of the country for this gesture. We have made relentless efforts including personal follow-up and digital intervention for this purpose. In that direction, encouraged with the above outcome, I am addressing to an even wider corporate community of the Nation.

As you know, MSMEs are the backbone of our economy and directly affect the livelihood of a large section of our society. Along with you, they have seen the worst of the business cycles in the last few months. However, since their capacity to withstand is small, they are facing more distress and need to be supported. Also, if their cash flows improve, they can make use of the coming festival season when there is opportunity to earn by supplying goods and services. In fact, some of them look for such a period for their sustenance of the whole year. Thus, timely payment of their receivables will not only support the MSMEs and their dependents in this festive season but will also sustain many of them for full year. Therefore, I sincerely request you to kindly see if any such dues are pending. If so, please arrange for payment as soon as possible, preferably in this month itself.

In addition, I would also like to remind you that:

- It is ideal that payments are made in stipulated time. However, in absence of that, to solve the cash flow problems of MSMEs, a bill discounting mechanism has been started by the RBI in the name of TReDS. It is mandatory for all CPSEs and other companies with turnover of more than Rs. 500 Crore to join this platform. However, many companies are yet to join it or transact thereon. You are requested to check whether your group/company has joined the TReDS platform and is doing transactions;
- The MSME Development Act, 2006 mandates to make such payments within 45 days. As per related Government instructions, the corporate entities are supposed to file half-yearly returns with the Ministry of Corporate Affairs about the dues of MSMEs. In many cases, this too is not being done. I request for your attention and needful action on this also.

Government is very keen to see that payment of receivables to MSMEs is made on time. Considering its importance, a very categorical appeal was made in the Atma Nirbhar Bharat Package. Hence, I request you to do your utmost on this issue. Your small gesture during this period can go a long way and brighten lakhs of homes and crores of faces.

Again, with best wishes and deepest regards,

Your sincerely,

«Name\_of\_Representative»  
«Designation»  
«Name\_of\_Firm»  
«City»



-sd-  
(A.K. Sharma)

October 20, 2020

Dear Mr. Sharma,

Thank you for your greetings and good wishes.

We would like to reaffirm that \_\_\_\_\_ as an organization has always been committed to the development of MSMEs. A significant proportion of our procurement is from a large number of MSMEs.

On an ongoing basis, we follow a systematic process for payment to all suppliers. This ensures that for MSMEs payments are made essentially within 45 days.

We are also registered on the TReDS platform. We make our payments directly to MSMEs, and if our vendors require financing through the platform we can do that as well.

Further, we are filing returns with the MCA on a half-yearly basis as required.

We would like to assure you that we are always supportive of measures that help in the growth of MSMEs, more so as it helps in the Aatmanirbhar Bharat initiative.

Thanking you,

Yours sincerely,

20<sup>th</sup> October 2020.

Dear Shri AK Sharma ji

I thank you for your letter dated 17<sup>th</sup> October'20 regarding payment of MSME dues and I sincerely appreciate your efforts which is a huge contribution to sustainability of India's MSME sector.

As a responsible company, \_\_\_\_\_ has always believed in partnering with our stake holders. We are committed to support our MSME vendors and we are committed to stand for the cause. We firmly believe that what's good for nation is good for the industry.

You would be happy to note that as of Sept end, there is no payment which is due to our MSME friends. We are using TReDS platform for various transactions and are also encouraging usage of the same by creating awareness amongst various stakeholders.

Thank you for your warm wishes and we would like to reciprocate the same to your family and loved ones. I am also taking liberty of sharing our CSR report for year 2019-20 for your ready reference

Best Regards,

Dear Shri Sharma,

This has reference to your DO Letter dated 17<sup>th</sup> Oct 2020, addressed to our Chairman,

Mr. \_\_\_\_\_ . We are delighted to note the efforts taken by Government of India, Ministry of Micro, Small and Medium Enterprises towards ensuring smooth flow of liquidity to the MSMEs.

Please be assured of the fullest support from the \_\_\_\_\_. You may be particularly glad to know that \_\_\_\_\_ has been very meticulous in clearing all the dues of MSMEs within the guidelines and have followed the same discipline even in the critical months of March-May 2020. Moreover, wherever required, we ensure that the vendors have discounting line available on a continuous basis.

We have always complied for submission of half-yearly return with the MCA and our last return was filed on 16<sup>th</sup> Oct 2020.

We will continue to support the MSME Sector and under the Chairmanship of

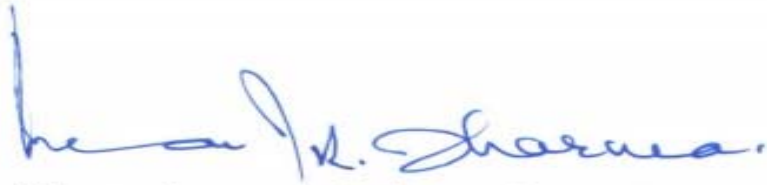
Mr. \_\_\_\_\_, fully endorse their contribution to nation-building and to providing livelihood to a vast section of our Society.

On behalf of the \_\_\_\_\_, I take this opportunity to extend our Greetings for the coming Festive Season to all of you at the Ministry.

Yours sincerely,

20<sup>th</sup> October, 2020

To,  
Mr. A. K. Sharma  
Secretary  
Government of India  
Ministry of Micro, Small and Medium Enterprises  
169, Udyog Bhawan,  
New Delhi - 110 011.



We are in receipt of your letter dated 17<sup>th</sup> October, 2020, we are pleased to know that, the initiative of the Government in supporting and getting the dues cleared of MSMEs, which every Corporate companies should adhere to the time limit as per purchase / supply agreements.

We are pleased to inform you that, there are no dues in our Company of MSMEs or otherwise beyond the prescribed payment time and in fact as of today. Further, there are no outstanding's.

We once again appreciate your initiative in the Atma Nirbhar Bharat Package for MSMEs.

Warm regards,

Yours sincerely,

October 26, 2020

**Subject: Your Letter Dated 17.10.2020**

Dear Shri A.K Sharma,

Greetings from \_\_\_\_\_

I hope you and your family are keeping safe and healthy! Our greetings for the upcoming festive season; we wish a happy and prosperous Diwali in advance to you and to the entire MSME community.

We, at \_\_\_\_\_ pride ourselves as one of the leading players in the Commercial Vehicle Industry. \_\_\_\_\_ entered the Indian Market with a clear vision to transform the Indian CV Industry. We consider our suppliers as our partners, who are important not just to keep the business moving but also ensure our products meet the customer expectations in the challenging Indian market. Strong and robust \_\_\_\_\_-Supplier partnership is one of the priority areas for us.

About **400+** supplier partners currently supply goods and services to us across the length and breadth of the nation and **15%** of our supply base falls under the Micro/Small supplier category. As per MSME guidelines, we are committed to making payments to these suppliers within 45 days. Returns are being filed half yearly, wherever applicable with Ministry of Corporate Affairs.

For supporting cash flow concerns of our Supplier Partners, we have introduced Supplier Financing Program. Under this program, our bankers pay the trade receivables of our supplier partners within 7 days of processing the invoice. I am glad to inform you that about **35%** of our total purchasing volume is already covered under this program and we are targeting to increase this to **>50%** by end of 2020. We have initiated the necessary steps for registering with TREDS and the process is expected to be completed soon.

\_\_\_\_\_ is committed to ensuring the concerns of the MSME community are met in a timely manner. Even during the COVID -19 crisis we have made payments to our suppliers regularly.

I hope this letter allays all your concerns but of course, I am happy to address any further queries on this topic.

Best Regards,



October 27, 2020

Shri A. K. Sharma  
Secretary,  
Ministry of Micro, Small and Medium Enterprises  
Government of India  
169, Udyog Bhavan,  
New Delhi – 110 011.

**Subject: Payment of MSME Dues.**

Dear Shri Sharma,

Thank you very much for your greetings and I reciprocate heartily.

We have received your letter No. D.O. No.16/08/2018-P&G/Policy (Pt.II) dated September 1, 2020. We certainly appreciate the vital role played by MSMEs in building the nation.

I would like assure you that \_\_\_\_\_ India has been committed to provide best in class banking services to its customers in India, which include MSME customers also.

We have noted contents of your letter and will ensure that those are implemented.

Yours sincerely,

November 11, 2020

Dear Sh. A K Sharma ji,

This is with reference with your letter to \_\_\_\_\_, CEO and Executive Director of \_\_\_\_\_ Enterprises. Thank you for your wishes. Please accept our greetings on this festive occasion to you, your family and the MSME family.

It is heartening to be informed that there is a good response to your appeal by Corporate India in being sensitive to the pending payments of MSME and in clearing the same. Your relentless efforts in this endeavor at this critical time is highly appreciable.

Wipro Enterprises understands the challenges the MSME community is facing during these difficult times. We are conscious of the requirement of the law in this regard which requires payments to be made to the MSME vendors within 45 days and always try to comply with the same. We have also noted the recent changes made by the Government of India in enhancing the definition of MSME to enable higher number of Enterprises to benefit from the schemes devised in this effort of national economic revival.

We have taken multiple steps to be compliant and join the efforts initiated by your ministry some of which I am outlining below:

1. As soon as the new enhanced definition of MSME came to effect this June'20, we had sent a letter to our entire vendor community asking them as to whether they have qualified under these new expanded norms and to revert to us to take benefit of the payment terms applicable to MSMEs.
2. We have ensured all our MSME vendors have term of payment 45 days or less and ensure payment of the dues to them on time. I am happy to state that we ensured zero dues to MSMEs as on 30<sup>th</sup> September 2020 over 45 days.
3. As per the MCA notification we have already registered with TReDS platform
4. We have also filed the half yearly returns that is required to be filed on time wherever there is an outstanding due to MSME vendors more than 45 days.

Thank you for reaching in person to us and you can be assured of our continued support and compliance about MSME community.

With Warm Regards,