

GLOBAL ALLIANCE FOR Mass Entrepreneurship



India's First Solutions-Focused Report For MSME Delayed Payments

As the Indian economy grows, the promising and thriving MSME sector needs better access to finance, mentoring, exposure to markets and technology to thrive and create more jobs. Delayed payments, is a nagging problem which poses an impediment to the sustainability and growth of MSMEs. The magnitude of this issue was first highlighted by GAME in May 2022 with its first report on Delayed Payments, published in collaboration with Dun & Bradstreet.

Now, we have done it again, publishing India's first solutions-focused report for MSME delayed payments in collaboration with C2FO (Collaborative Cash Flow Optimization)

The Delayed Payments Report 2.0 titled; "[Imagining Solutions to Unlock Working Capital for MSMEs](#)" was recently released by the Chief Economic Advisor to the Government of India, Dr. V. Anantha Nageswaran. Speaking on the occasion, he said, "I am quite pleased with the fact that Global Alliance for Mass Entrepreneurship continues to focus on the issue of Delayed Payments that needs resolution. This is an issue that can only be tackled over time by maintaining a constant pressure. It is also an issue that remains to be resolved not only in India, but several countries across the globe."



The Delayed Payments 2.0 report focuses on plausible solutions with three central pillars for resolving Indian MSME's financial crisis -



Government and
Policy Makers



Finance Enablers
and Financiers



Large Enterprises
(Including PSUs)



MSMEs have deployed a diverse set of strategies to deal with the challenges of delayed payments, like developing leverage through innovation, predatory pricing, operating in a niche market, offering goods and services on credit to only trustworthy buyers, and supplying to a diverse set of buyers. However, these strategies are firm-level measures often only applicable to some enterprises.

Increasing financial inclusion through the provision of multiple options to address the working capital needs of MSMEs lies at the heart of all the solutions proposed to address the problem of Delayed Payments. These options need multi pronged support - from government policy to better delivery of financial products by the public and private sector, with a high bias towards data.

MSMEs are integral to the growth of the Indian economy and creating opportunities for the 9 crore workers who will be looking for jobs by 2030. Despite their importance to the economy, MSMEs in India have been particularly plagued by difficulty accessing formal finance, among other challenges, such as barriers to ease of doing business and high costs. Initiatives such as OCEN for cash flow based lending, TReDS for invoice discounting, and Samadhaan for reporting and monitoring instances of delayed payments have set the rails for the delayed payments problem to be addressed. The recommendations in this report provide mechanisms to amplify existing initiatives through an understanding of the challenges that these initiatives face and suggesting ways to overcome them.



Download the entire report

Delayed Payments 2.0 - Imagining Solutions to Unlock Working Capital

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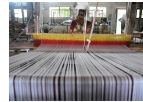
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