GOVERNMENT OF INDIA MINISTRY OF CORPORATE AFFAIRS

LOK SABHA UNSTARRED QUESTION NO. 177 ANSWERED ON Monday, July 21, 2025 Ashadha 30, 1947 (Saka)

Action Against Companies Not Paying Dues

177. Shri Dr. Thirumaavalavan Tholkappiyan

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Government has any data about the amount due to the Medium and Small Enterprises by Companies that are to submit MSME-I form;
- (b) if so, the details thereof;
- (c) the actions taken against the companies that have been keeping the dues unpaid for a period exceeding 45 days; and
- (d) if so, the details thereof?

ANSWER

Minister of State in the Ministry of Corporate Affairs; Minister of State in the Ministry of Road Transport and Highways

(Shri Harsh Malhotra)

- (a) to (d): The Government has taken a number of initiatives to support the MSMEs:
- (i) In terms of section 405 of the Companies Act, 2013 r/w notification no. S.O. 368(E) dated 22.01.2019, MSME 1 form has been prescribed for specified companies to disclose details of all outstanding dues to Micro or Small enterprises suppliers. Every specified company is mandated to file a return as per MSME-1 form by 31st October for the period from April to September and by 30th April for the period from October to March. The form MSME-1 has been re-notified vide notification no. S.O. 2751 (E) dated 15.07.2024. Further, the Companies Act, 2013 does not contemplate settlement of dues of the creditor's including MSMEs.
- (ii) If any company fails to comply with an order made under section 405 sub-section (1) or sub-section (3), or furnishes any information or statistics which is incorrect or incomplete in any material respect, the company and

every officer of the company who is in default shall be liable to a penalty of twenty thousand rupees and in case of continuing failure, with a further penalty of one thousand rupees for each day after the first during which such failure continues, subject to a maximum of three lakh rupees.

- (iii) On the basis of the last half-yearly MSME-1 returns filed for period October 2024 to March 2025 filed in the MCA21 portal, a total of 46,562 companies having reported dues of around Rs. 61,770 crores pending for less than 45 days and around Rs. 22,730 crores pending for more than 45 days.
- (iv) Ministry of MSME launched a portal viz. SAMADHAAN Portal (https://samadhaan.msme.gov.in/MyMsme/MSEFC/MSEFC_Welcome.aspx) for filing of grievances & for monitoring of the outstanding dues to the Micro & Small Enterprises (MSEs) from the buyers of goods and services on 30.10.2017. As per the information available on the SAMADHAAN Portal since inception on 30.10.2017 till 17.07.2025, the amount involved in pending applications is Rs. 22,363.40 crore.
- (v) Under the provisions of the MSMED Act, 2006, Micro & Small Enterprises Facilitation Councils (MSEFCs) have been set up in the States/UTs to deal with cases of delayed payments of the Micro and Small Enterprises (MSEs). So far, 161 MSEFCs have been set up in the country with more than one MSEFC in Delhi, Jammu & Kashmir, Karnataka, Kerala, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal.
- (vi) A special Sub-Portal has been created within SAMADHAAN Portal on 14.06.2020, after the Aatma Nirbhar Bharat announcements, for reporting the dues and monthly payments by Central Ministries/Department/Public Sector Enterprises to MSMEs.
- (vii) Section 43B (h) of the Income-tax Act 1961 provides that any sum payable by the assessee to an MSME beyond the time limit specified in section 15 of the MSMED Act 2006, which cannot be more than 45 days, shall be allowed as a deduction only on actual payment.
- (viii) Government of India has also instructed CPSEs and all companies with the turnover of Rs. 250 Crore or more to get themselves on-boarded on the Trade Receivables Discounting System, an electronic platform for facilitating the discounting of trade receivables of MSMEs through multiple financiers.
