

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 2199
TO BE ANSWERED ON: 12.02.2026

FINANCIAL LOSSES BY MSMEs

2199. SHRI SHYAMKUMAR DAULAT BARVE:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the Ministry is aware that, after the enforcement of the mandatory payment provision within 45 days under Section 43B(h) of the Income Tax Act, 1961, large companies in the country are reducing the number of orders placed with registered Micro, Small and Medium Enterprises (MSMEs) units or cancelling orders that were already placed, if so, the details thereof;
- (b) whether the Ministry has made any assessment of the business and financial losses being incurred by MSME units as a result and if so, the key findings thereof;
- (c) whether the Ministry has consulted the Ministry of Finance on this matter and considered making any modifications in the implementation of the said provision or extending the timeline for compliance and if so, the details thereof; and
- (d) the percentage of the total cases registered on the MSME Samadhan Portal that have been resolved so far and the details of the outstanding payment amount currently pending, State/UT-wise?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SUSHRI SHOBHA KARANDLAJE)

(a) to (c): To ensure timely payments to Micro, Small and Medium Enterprises (MSMEs) vide Finance Act 2023, clause (h) was inserted in Section 43B of the Income Tax Act 1961. The clause provides that any sum payable by the assessee to a Micro and Small Enterprise (MSE) beyond the time limit specified in section 15 of the Micro, Small and Medium Enterprises Development Act, 2006, which cannot be more than 45 days, shall be allowed as a deduction only on actual payment.

A number of stakeholders, including MSME associations have endorsed the intervention introduced to ensure timely payments as being beneficial to the Micro and Small Enterprises, which were grappling with the issue of delayed payments, cash flow and the risk of business getting closed due to financial constraints.

The Ministry is continuously monitoring issues relating to credit flow and payment delays faced by MSMEs through interactions with stakeholders including Ministry of Finance, MSMEs, and MSME industry associations. The provision is intended to strengthen payment discipline and improve liquidity for Micro and Small Enterprises. No separate assessment linked to the implementation of Section 43B(h) has been undertaken.

(d): As per data available on the MSME SAMADHAAN Portal, approximately 61.50 % of the total cases registered have been disposed of so far. The outstanding payment amount currently pending with States and MSEFCs is Rs. 14209.82 crore. State/UT-wise details of outstanding amount is at Annexure-A.

Annexure- A

State/UT-wise details of amount* currently pending as per SAMADHAAN Portal from 30.10.2017 till 09.02.2026		
S. No.	State	Amount (Rs. Crore)
1	Andhra Pradesh	241.22
2	Assam	58.83
3	Bihar	57.8
4	Chandigarh	49.92
5	Chhattisgarh	140.81
6	Dadra And Nagar Haveli And Daman And Diu	6.08
7	Delhi	2893.69
8	Goa	81.02
9	Gujarat	1194.33
10	Haryana	762.58
11	Jammu And Kashmir	117.83
12	Jharkhand	154.13
13	Karnataka	93.47
14	Kerala	151.18
15	Madhya Pradesh	70.84
16	Maharashtra	2717.85
17	Odisha	184.91
18	Puducherry	12.2
19	Punjab	486.47
20	Rajasthan	991.66
21	Sikkim	6.86
22	Tamil Nadu	795.68
23	Telangana	308.9
24	Uttar Pradesh	1123.46
25	Uttarakhand	144.37
26	West Bengal	1363.73
Grand Total		14209.82

*** Amount involved in applications converted into case under various stages of hearing.**