

# Webinar on Solutions for MSME Late Payments and Section 43B(h) Issues

This webinar was held by IIA under the chairmanship of IIA National President Shri Neeraj Singhal on **31 May 2024**. The session aimed at addressing the persistent issue of delayed payments faced by MSMEs and providing an in-depth understanding of the recently implemented Section 43B(h) of the Income Tax Act. **The key speaker was Shri B.L. Chandak, former DGM, SIDBI, renowned for his vast experience and deep knowledge in the financial sector.**



## Key Highlights:

### 1. Understanding Delayed Payments:

- Shri B.L. Chandak highlighted the common challenges MSMEs face due to delayed payments.
- He discussed the financial and operational impacts on small and medium enterprises.
- Practical solutions and strategies to mitigate these challenges were provided, emphasizing the importance of timely invoicing and effective follow-up mechanisms.

### 2. Section 43B(h) of Income Tax Act:

- An in-depth explanation of the new provisions under Section 43B(h) was presented.
- Shri Chandak elaborated on how this section impacts MSMEs, particularly in terms of cash flow management and tax liabilities.
- He provided clarity on the compliance requirements and how businesses can align their financial practices accordingly.

### 3. Interactive Q&A Session:

- The webinar featured an engaging Q&A session where participants had the opportunity to ask specific questions.
- Shri Chandak addressed various queries, providing expert advice and practical tips tailored to the concerns of MSME owners and financial managers.

## Key Takeaways from the Webinar

### 1. Importance of Timely Payments:

- Delayed payments severely impact the cash flow and operational efficiency of MSMEs.
- Emphasized the need for timely invoicing and follow-up to ensure prompt payments.

### 2. Understanding Section 43B(h):

- Detailed explanation of Section 43B(h) of the Income Tax Act and its implications for MSMEs.
- Key compliance requirements and how businesses

should align their financial practices to meet these new regulations.

### 3. Strategies to Mitigate Delayed Payments:

- Practical tips and strategies were shared to address and reduce the occurrence of delayed payments.
- Importance of maintaining good relationships with clients and setting clear payment terms.

### 4. Cash Flow Management:

- Techniques for effective cash flow management to handle financial strain due to delayed payments.
- Tools and practices to monitor and manage cash flow efficiently.

### 5. Legal Recourse and Support:

- Information on the legal options available to MSMEs for recovering overdue payments.
- Resources and support systems provided by government and industry associations.

### 6. Interactive Q&A Insights:

- Real-world examples and solutions discussed during the Q&A session.
- Personalized advice provided by Shri B.L. Chandak to address specific concerns of participants.

### 7. Future Readiness:

- Encouragement for MSMEs to stay informed about legislative changes and financial regulations.
- Importance of adapting business practices to comply with new tax provisions and improve financial health.
- These key takeaways equip MSMEs with the knowledge and strategies needed to tackle delayed payments effectively and comply with Section 43B(h), ensuring smoother financial operations and long-term sustainability.