

# Payment Terms Legislation In India



## India

Please see below for a summary of payment terms in India and the various industries across which payment term legislation appears.

| Industries         | Laws | Codes | Notes |
|--------------------|------|-------|-------|
| Construction       | ✓    |       |       |
| Manufacturing      | ✓    |       |       |
| Retail/Agriculture | ✓    |       |       |

## LAWS

The Micro, Small and Medium Enterprises Development (MSMED) Act 2006 limits payment terms to SMEs to 45 days.

Construction

Manufacturing

Retail/Agriculture

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## NOTES

The Indian government's e-marketplace for government procurement currently requires payment of suppliers within 10 days. The government is also currently debating the introduction of 30 days terms for all other government procurement.

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