

COMPLIANCES TOWARDS PAYMENT DUES TO MSME

The central government vide Notification Number S.O.5622 (E), dated the 2nd November, 2018 has directed that all companies, who get supplies of goods or services from micro and small enterprises and whose payments to micro and small enterprise suppliers exceed forty five days from the date of acceptance or the date of deemed acceptance of the goods or services as per the provisions of section 9 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) (hereafter referred to as "**Specified Companies**"), shall submit a half yearly return to the Ministry of Corporate Affairs.

Further MCA vide its notification dated 22.01.2019 issued an Order which may be called the Specified Companies (Furnishing of information about payment to micro and small enterprise suppliers) Order, 2019 through which the **specified companies** required to file the half yearly return in MSME FORM I to Ministry of Corporate Affairs within prescribed time period.

Return in MSME Form I

The Ministry of corporate Affairs vide its notification dated 22.01.2019 has prescribed the filing of following returns to the Ministry of Corporate Affairs stating the following:

- (a) The amount of payment due; and
- (b) The reasons of delay;

(i) One Time Return

Every specified company mandatorily required to file MSME Form I for the details of all outstanding dues to Micro or small enterprises suppliers existing on the date of notification of this order within Thirty days from the date of publication of this notification i.e **21.02.2019** shall be last date to file this return

(ii) Periodic filing of half yearly Return

Every specified Company mandatorily required to submit a half yearly return to the Ministry of Corporate Affairs in MSME Form I, by 31st October for the period from April to September and by 30th April for the period from October to March.

- (a) From April to September – 31st October
- (b) From October to March - 30th April

RELATED DEFINITIONS

SPECIFIED COMPANIES

All companies, who get supplies of goods or services from micro and small enterprises and whose payments to micro and small enterprise suppliers exceed forty five days from the date of acceptance or the date of deemed acceptance of the goods or services as per the provisions of section 9 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006)

MICRO ENTERPRISE

Section 2(h) of the Micro, Small and Medium Enterprises Development Act, 2006, states that micro enterprise means an enterprise classified as such under sub-clause (i) of clause (a) or sub-clause (i) of clause (b) of sub-section (1) of section 7.

As per section 7(1)(a)(i), “micro enterprise” means an enterprise engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 and investment in plant & machinery doesn’t exceed more than twenty-five lakh rupees.

As per section 7(1)(b)(i), “micro enterprise” means an enterprise engaged in providing or rendering services and investment in equipment doesn’t exceed more than ten lakh rupees.

SMALL ENTERPRISE

Section 2(m) of the Micro, Small and Medium Enterprises Development Act, 2006, states that small enterprise means an enterprise classified as such under sub-clause (ii) of clause (a) or sub-clause (ii) of clause (b) of sub-section (1) of section 7.

As per section 7(1)(a)(ii), “small enterprise” means an enterprise engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 and investment in plant & machinery is more than twenty-five lakh rupees but doesn’t exceed five crore rupees.

As per section 7(1)(b)(ii), “small enterprise” means an enterprise engaged in providing or rendering services and investment in equipment is more than ten lakh rupees but doesn’t exceed two crore rupees.

Link of the notification: http://mca.gov.in/Ministry/pdf/MSMESpecifiedCompanies_22012019.pdf

Suggestions may be send to rupesh@cacsindia.com

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