

## Amita Desai & Co. Company Secretaries

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### **ARTICLE ON MICRO, SMALL AND MEDIUM ENTERPRISE (“MSME”)**

Ministry of Corporate Affairs vide Notification dated **January 22, 2019**, requires that

➤ **Applicability:**

To all the companies, who

(a) receive supplies of any goods and services from Micro, Small and Medium Enterprise (“MSME”)

and

(b) whose **payment exceeds 45 days** from the date of acceptance or from 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.

**(referred to as “Specified Companies”)**

➤ Every Specified Companies shall file “**MSME Form I**” with the Ministry of Corporate Affairs, within **30 (thirty) days** from the date of the said Notification and every half yearly as well, stating *(1) the amount of payment due and (2) the reason of the delay.*

➤ MSME Form I should *also* be filed on a half-yearly basis i.e:

- on /before 30<sup>th</sup> April for the period October to March and
- on /before 31<sup>st</sup> October for the period April to September.

➤ In case of non- compliance, the Company and every officer in default shall be punishable under Section 405 (4) of the Companies Act, 2013 with a fine and/ or imprisonment, which reads as follow :

*If any company fails to comply with an order made under sub-section (1) or subsection (3), or knowingly furnishes any information or statistics which is incorrect or incomplete in any material respect, the company shall be punishable with fine which may extend to twenty-five thousand rupees and every officer of the company who is in default, shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than twenty-five thousand rupees but which may extend to three lakh rupees, or with both.*

The Link of the above notification is as under:

[http://www.mca.gov.in/Ministry/pdf/MSMESpecifiedCompanies\\_22012019.pdf](http://www.mca.gov.in/Ministry/pdf/MSMESpecifiedCompanies_22012019.pdf)

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