

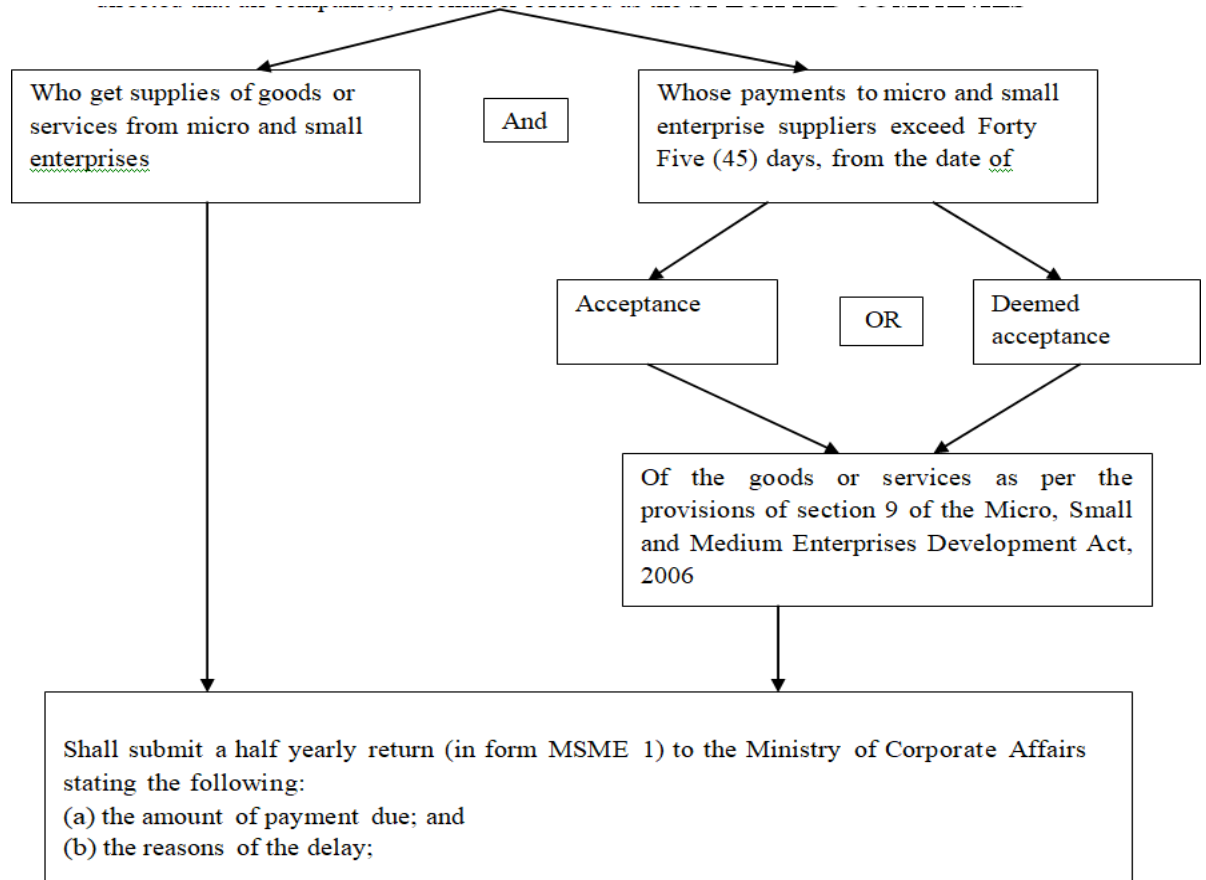
**CORPORATE UPDATES**

**SPECIFIED COMPANIES (FURNISHING OF INFORMATION ABOUT PAYMENT TO MICRO AND SMALL ENTERPRISE SUPPLIERS) ORDER, 2019**

The Central Government *vide* notification number S.O. 5622(E), dated the 2nd November 2018 has directed that all companies, hereinafter referred to as the -

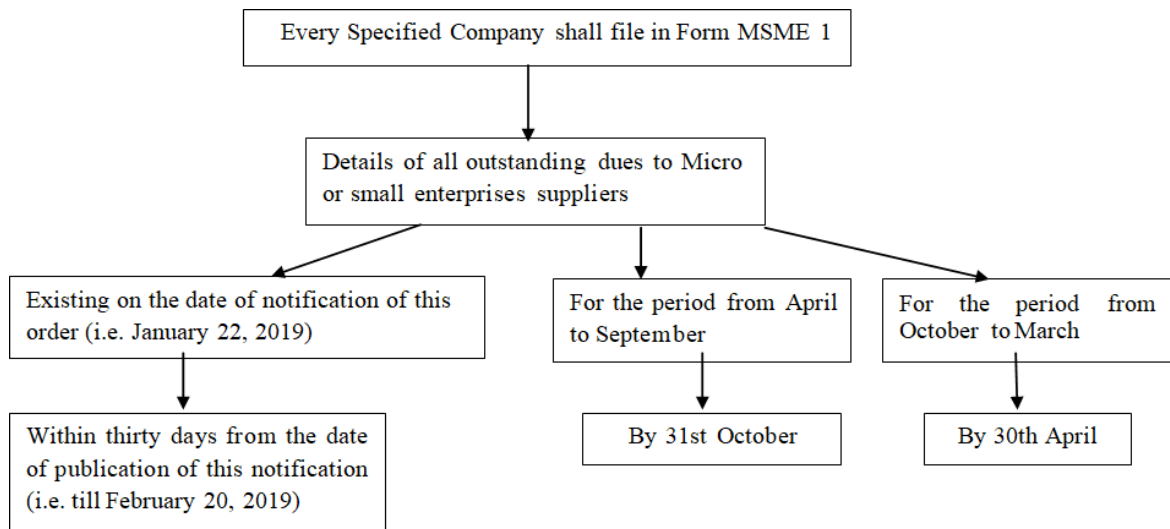
**SPECIFIED**

**COMPANIES**



**SPECIFIED COMPANIES MENTIONED ABOVE REFERS TO – ALL COMPANIES WHO GET SUPPLIES OF GOODS AND SERVICES FROM MICRO AND SMALL ENTERPRISES AND WHOSE PAYMENTS TO MICRO AND SMALL ENTERPRISE SUPPLIERS EXCEED FORTY FIVE (45) DAYS FROM THE DATE OF ACCEPTANCE OR DEEMED ACCEPTANCE OF THE GOODS AND SERVICES .**

## **WHEN TO FILE MSME 1 – RETURN OF ALL OUTSTANDING DUES TO MICRO OR SMALL ENTERPRISES SUPPLIERS**



### **DEFINITIONS -**

#### **MICRO, SMALL AND MEDIUM ENTERPRISES (MSME)**

In accordance with the provision of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006, MSMEs are classified in two Classes:

##### **(a) MANUFACTURING ENTERPRISES**

The enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the IDRA or employing plant and machinery in the process of value addition to the final product having a distinct name or character or use. The Manufacturing Enterprise is defined in terms of investment in Plant & Machinery.

##### **(b) SERVICE ENTERPRISES**

The enterprises engaged in providing or rendering of services and are defined in terms of Investment in equipment.

**The limit for investment in plant and machinery/equipment for manufacturing / service enterprises are as under:-**

<b><u>ENTERPRISES</u></b>	<b><u>MANUFACTURING</u></b>	<b><u>SERVICE</u></b>
	<u>Investment in plant &amp; machinery</u>	<u>Investment in equipment</u>
<b><u>MICRO</u></b>	Does not exceed 25 lakh rupees	Does not exceed 10 lakh rupees
<b><u>SMALL</u></b>	More than 25 lakh rupees but does not exceed 5 crore rupees	More than 10 lakh rupees but does not exceed 2 crore rupees
<b><u>MEDIUM</u></b>	More than 5 crore rupees but does not exceed 10 crore rupees	More than 2 crore rupees but does not exceed 5 crore rupees

**DAY OF ACCEPTANCE MEANS –**

- (a) The day of the actual delivery of goods or the rendering of services; or
- (b) Where any objection is made in writing by the buyer regarding acceptance of goods or services within fifteen days from the day of the delivery of goods or the rendering of services, the day on which such objection is removed by the supplier. \_

**DAY OF DEEMED ACCEPTANCE MEANS-**

where no objection is made in writing by the buyer regarding acceptance of goods or services within fifteen days from the day of the delivery of goods or the rendering of services, the day of the actual delivery of goods or the rendering of service.

**DISCLAIMER-** The above information is my personal interpretation of notifications issued by MCA for general guidance and academic point of view and is true to the best of my knowledge and experience .