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LATEST STATUTORY SNAPSHOT

Date: November 22, 2018

Issue: 09, Volume: 04

INTRODUCTION OF HALF YEARLY RETURN FILING FOR THE DUES TO MICRO & SMALL ENTERPRISES

The Ministry of Micro, Small and Medium Enterprises vide Notification dated on 02/11/2018 has mandated all companies to submit a half yearly return stating over-dues to supplies made by Micro and Small Enterprises (MSE).

When to file?

All companies who get supplies of goods or services from MSE and whose payment to MSE suppliers exceeds 45 days from the date of acceptance or the date of deemed acceptance of the goods or services, as per the provisions of the Act, shall submit a half yearly return.

What is the definition of MSE?

MSE as per MSMED Act, 2006 are defined based

- on their investment in plant and machinery (for manufacturing enterprise) and
- on equipment for enterprises providing or rendering services.

The present ceilings on investment for enterprises to be classified as micro and small enterprises are as follows:

Classification	Manufacturing Enterprises (Investment limit in Plant & Machinery)	Service Enterprises (Investment limit in equipment)
Micro Enterprises	Rs 25,00,000	Rs 10,00,000
Small Enterprises	Rs 5,00,00,000	Rs 2,00,00,000

Who should file?

All companies as per Companies Act, 2013

What is meant by date of acceptance?

Date of Acceptance means the day of actual delivery of goods or the rendering of services or where any objection is made in writing by the buyer regarding acceptance of goods or services within fifteen days from the day of delivery of goods or the rendering of services, the day on which such objection is remedied by the supplier.

What is meant by date of deemed acceptance?

Date 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 actual delivery of goods or rendering services.

Whom to file with?

Ministry of Corporate Affairs

What information?

The amount of payments due to MSE and the reasons of the delay.

How to file?

The notification has not prescribed any form, fee to be paid, due date for filing, mode of submission of form, consequences of non-filing, authorised person to file, who will have the power to monitor this, what shall be the fine/penalty, whether any resolution to be passed for this, whether certification is needed, etc., It is expected that MCA will come up with a notification in this regard.

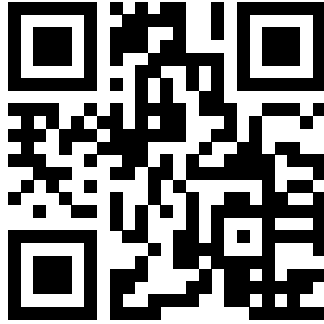
How to ascertain MSE supplier?

The MSE should have filed Entrepreneurs Memorandum (with the jurisdictional District Industries Centre) / Udyog Aadhaar Memorandum online, as the case may be, and should have received acknowledgement of having filed the same and obtained Entrepreneurs Memorandum Number (EMN)/ Udyog Aadhaar Number (UAN). Unless EMN / UAN is produced, a supplier need not be categorised as a MSE for the purpose of reporting to MCA.

What every company should do?

Ascertain the status of their supplier of goods and / or services, estimate the dues outstanding for more than 45 days and make efforts to pay them at the earliest.

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