

MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

NOTIFICATION S.O. 5621(E)- INSTRUCTION TO COMPANIES WITH TURNOVER OF MORE THAN INR 500 CRORE AND ALL CENTRAL PUBLIC SECTOR ENTERPRISES TO GET ON BOARD ON THE TRADE RECEIVABLES DISCOUNTING SYSTEM

The Ministry of Micro, Small and Medium Enterprises vide its Notification on November 2, 2018 has issued instructions to all companies registered under the Companies Act, 2013, having a turnover greater than INR 500 crore (Rupees five hundred crore) and Central Public Sector Enterprises (CPSE) to get onboard with TReDS.

The key highlights of the notification are as follows:

1. Trade Receivable e-Discounting System (TReDS) is a platform for MSME seller to get invoices or bills of exchange issued by buyers, discounted and paid off by financiers who bid for such invoices and bills of exchange.
2. Previously, it was optional for companies and CPSE to participate on a TReDS platform.
3. All companies with turnover greater than INR 500 crore (Rupees five hundred crore) and Central Public Sector Enterprises have been instructed to get onboard with TReDS platform set up as per the guidelines of Reserve Bank of India.
4. Registrar of Companies in each state and Department of Public Enterprises have been made the competent authority for monitoring compliance by companies and Central Public Sector Enterprises respectively.

<http://dcmsme.gov.in/publications/circulars/Notification1.pdf>

MINISTRY OF CORPORATE AFFAIRS

NOTIFICATION S.O. 368(E)- SPECIFIED COMPANIES (FURNISHING OF INFORMATION ABOUT PAYMENT TO MICRO AND SMALL ENTERPRISE SUPPLIERS) ORDER, 2019

The Ministry of Corporate Affairs vide its Notification on January 22, 2019, has directed all companies receiving supply of goods or services from micro and small enterprises with payments to micro and small enterprise suppliers pending forty five days from the date of acceptance or the date of deemed acceptance of the goods or services as per Section 9 of Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter "Specified Companies") to file initial and half yearly returns of such pending payments along with reasons for such delay.

The key highlights of the notification are as follows:

1. This order has been issued to give effect to Notification S.O. 5622(E) issued by the Ministry of Micro, Small and Medium Enterprises on November 02, 2018.
2. Specified Companies have been directed to submit the following returns in MSME Form I:
 - a) Initial Return: details of all outstanding dues to Micro or small enterprises suppliers existing on the date of notification of this order i.e. January 22, 2019, within thirty days from the date of publication of this notification i.e. February 22, 2019.
 - b) Regular Return: details of all outstanding dues to Micro or small enterprises suppliers for the period from April to September by 31st October and for the period from October to March and by 30th April.
3. Non-compliance of this order, or knowingly furnishing of any materially incorrect or incomplete information or statistics, 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 punished 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.
4. Section 16 of The Micro, Small and Medium Enterprises Development Act, 2006, creates liability on buyer to pay compound interest with monthly rests at three times of bank rate notified by Reserve Bank, to the supplier on the amount from appointed date or date agreed upon.

http://www.mca.gov.in/Ministry/pdf/MSMESpecifiedCompanies_22012019.pdf

COMPANIES (ACCEPTANCE OF DEPOSITS), AMENDMENT RULES, 2019

The Ministry of Corporate Affairs (MCA) vide its notification dated January 22, 2019 has amended the Companies (Acceptance of Deposit) Rules, 2014 through Companies (Acceptance of Deposits), Amendment Rules, 2019

The amendments are as follows:

- **Rule 16:**

A periodic return in Form DPT-3 shall be filed by June 30 of every year stating details regarding deposit or particulars of transactions not considered as deposit or both as on March 31 by every company other than government company.

- **Rule 16 A:**

A onetime return with details regarding outstanding receipt of money or loan by a company but not considered as deposits, in terms of clause (c) of sub-rule 1 of rule 2 from the 01st April, 2014 to the date of publication of this notification in the Official Gazette i.e. January 22, 2018, shall be filed in Form DPT-3 within 90 days from the date of said publication of this notification by every company other than Government company.

For ease of understanding, please note the below:

1. All types of companies are required to file Form DPT-3 except Government Companies.
2. The tenure which is covered for filing one time return is from 1st April, 2014 to 22nd Jan, 2019.
3. Due date of filing of e- form DPT- 3 as per rule 16 A is 22nd April, 2019.
4. The company and every officer of the company who is in default shall be punishable with fine which may extend to five thousand rupees and where the contravention is a continuing one, with a further fine which may extend to five hundred rupees for every day after the first day during which the contravention continues.

http://www.mca.gov.in/Ministry/pdf/AcceptanceDepositsAmendmentRule_22012019.pdf