Chapter V - Delayed Payments and MSEFC

Control due date, statutory interest, MSEFC reference, pre-deposit, disclosures, tax disallowance and overriding effect.

Chapter in 2 Minutes

- Identify the legal trigger, responsible actor and evidence relevant to delayed payments.
- Read the Act with all effective Rules, regulations, notifications, directions, guidelines and forum procedure as at the event date.
- Separate substantive obligation, operational workflow, filing or reporting, enforcement consequence, remedy, appeal and limitation.
- Maintain a reproducible source pack, decision memo, approval trail and transaction-level evidence.
- Apply connected company, contract, tax, accounting, data, competition, consumer, insolvency and sector-law overlays independently.

Provision / instrument map

Provision	Subject / control
S. 15	Liability of buyer to make payment
S. 16	Date from which and rate at which interest payable
S. 17	Recovery of amount due
S. 18	Reference to Micro and Small Enterprises Facilitation Council
S. 19	Application for setting aside decree, award or order
S. 20	Establishment of MSE Facilitation Council
S. 21	Composition of Council
S. 22	Requirement to specify unpaid amount with interest in annual statement of accounts
S. 23	Interest not deductible from income
S. 24	Overriding effect

Implementation and practical application

A business decision raises delayed payments. The team should freeze the relevant chronology, identify every actor and legal relationship, map the current provision and delegated instrument, preserve system and communication evidence, quantify exposure, and choose cure, filing, response, settlement or litigation only after checking jurisdiction and limitation.

Control checklist

Classify facts and role; capture current source; map approvals and evidence; calculate threshold/time/exposure; implement system gate; preserve filing and delivery proof; verify forum and limitation.

Cross-law overlays

Contract, company/LLP, tax/accounting, data/cyber, consumer, competition, MSMED, RERA, FEMA, IBC, sector law and evidence rules must be applied separately.

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