

## **The Micro, Small and Medium Enterprises Development Act, 2006**

### **Chapter-V**

#### **Delayed Payments to Micro and Small Enterprises**

##### **Section 16: Date from which and rate at which interest is payable.**

**16.** Where any buyer fails to make payment of the amount to the supplier, as required under section 15, the buyer shall, notwithstanding anything contained in any agreement between the buyer and the supplier or in any law for the time being in force, be liable to pay compound interest with monthly rests to the supplier on that amount from the appointed day or, as the case may be, from the date immediately following the date agreed upon, at three times of the bank rate notified by the Reserve Bank.

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