

Applicability of MSME Form-I

Kindly note that pursuant to the MCA Notification dated November 02, 2018, all Companies receiving supplies of goods or services from Micro and Small enterprises and whose payments to Micro and Small enterprise suppliers exceed forty five days from the date of acceptance or the date of deemed acceptance of the goods and services as per the provisions of Section 9 of the Micro, Small and Medium Enterprises Development Act, 2006, (herein referred to as “Specified Companies” shall submit a half-yearly return to the Ministry of Corporate Affairs stating the following:

- (a) The amount of payment due
- (b) The reasons of delay

And whereas, in exercise of power under section 405 of the Companies Act, 2013, (18 of 2013) the Central Government, considers it necessary to require “Specified Companies” to furnish above information under said section of the Act.

For the half year ended 31st March 2023 Specified Companies shall file a return, electronically, in MSME FORM 1.

I. Micro and Small Companies Meaning:

As per to Section 7(1) of the Micro, Small and Medium Enterprises Development Act, 2006:

- (a). In the case of the enterprises engaged in the manufacture or production of goods:
 - (i). A micro enterprise– where the investment in plant and machinery does not exceed Rs. 25 Lakhs;
 - (ii) A small enterprise– where the investment in plant and machinery is more than Rs. 25 Lakhs but does not exceed Rs. 5 Cr.
- (b). In the case of the enterprises engaged in providing or rendering of services as:
 - (i). A micro enterprise– where the investment in equipment does not exceed Rs. 10 Lakhs;
 - (ii). A small enterprise– where the investment in equipment is more than Rs. 10 Lakhs but does not exceed Rs. 2 Cr.

Filing Form MSME-1:

is applicable only for the Companies (including the MSME, OPC, PVT, Unlisted Public, Listed, Producer, Section 8) who get supplies of goods or services from micro and small Enterprises (the Micro and Small enterprises can be other than companies also) and Payments to such micro and small enterprise suppliers is exceed 45 days from the date of acceptance or the date of deemed acceptance of the goods or services

The supplier of the Goods or Services can be proprietorship, Hindu Undivided Family, Association of Persons, Co-operative Society, Partnership Firm, Company or undertaking, by whatever name called registered under Micro, Small and Medium Enterprises Development Act, 2006 as Micro or Small Company.

The date of acceptance means:

1. The day of the actual delivery of goods or the rendering of services; or
2. 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;

The 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 the actual delivery of goods or the rendering of services;

Steps to be followed by the Companies to determine the applicability:

Check that the Company has any dues to the Suppliers/Creditors as on 22.01.2019 or 31.03.2019	If yes: check the below Conditions If no: Not required to file this Form
Check that the Company has any dues to the Suppliers/Creditors which was exceeding 45 days during the period from 1 st October, 2022 to 31 st March, 2023	If yes: check the below Conditions If no: Not required to file this Form
Check with such Suppliers/Creditors whether they are covered under Micro or Small Enterprises or not	If yes by any one or more Suppliers/Creditors, then form MSME-1 is required to be filed; If no: Not required to file this Form
If the all the above conditions are satisfied with any one or more Suppliers/Creditors of the Company, otherwise the Companies are exempted from filing this Form	

Details Required for filing of MSME Form-I:

For regular half yearly return for a period from 01st October 2022 to 31st March 2023:

1. Permanent Account Number (PAN) of the Company;
2. Total Outstanding amount due for the period 01st October 2022 to 31st March 2023;
3. Reasons for Delay in amount of payments due: The reason should be given entry wise;
4. Details of Outstanding amount as mentioned in point no.

Name of Supplier	PAN of Supplier	Amount Due	Date from which amount is due

Penalty for non-compliance:

<p>Since this order is issued under Section 405 of the Companies Act, 2013 if any company fails:</p> <ol style="list-style-type: none"> 1. To comply with an order or 2. Knowingly furnishes any information or statistics which is incorrect or incomplete in any material respect. 	<p>In case the company fails to file MSME Form-1, then it shall be liable for a penalty under Section 405(4) of the Companies Act, 2013. As per Section 405(4), the company and every company that is in default shall be liable to a penalty of Rs. 20,000 and in case of continuing failure, a further penalty of Rs. 1000 per day after the first day during which such failure continues, subject to a maximum of Rs. 3,00,000.</p>
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Exemption to the Rule:

- 1) Form MSME-1 is not applicable in the case of Medium Enterprises Particulars Manufacturing Service Sector (Investment in plant & machinery) Sector (Investment in equipment) Medium

Enterprises More than Rs. 5 Crore but does not exceed Rs. 10 Crore More than Rs. 2 Crore but does not exceed Rs. 5 Crore

- 2) Application only for those specified companies whose payment to micro & Small Enterprises exceed 45 days from the date of acceptance or the date of deemed acceptance of the goods or services as per the provisions of section 9 of the MSME Development Act, 2006;
- 3) If payment Exceed 45 days but supplier/Creditors given a declaration that they do not fall under Micro or small Enterprises.