
EVERYTHING ABOUT E-FORM MSME-1

SHORT SUMMARY:

In this editorial author shall discuss about each aspect of MSME-1 form. MSME-1 form first time introduced by MCA notification dated 22 January 2019.

A. PURPOSE OF E-FORM:

Purpose of this form is to inform ROC about default in payment by Companies to their MSME (Micro and small) vendors.

B. APPLICABILITY:

If a Company (All type of companies) fulfill below mentioned check points. Then such company needs to file e-form MSME-1.

- i. Company is having ¹MSME register vendors.
- ii. Company made payment to such MSME vendor after 45 days from date of acceptance of goods/ services during the half year.

iii. TIME PERIOD:

Every company on which this form applicable shall file MSME-1 with ROC every half year.

- April to September, Due Date is 31st October
- October to March, Due Date is 30th March

¹ If a vendor not registered with MSME or not having MSME registration no. such vendor shall not get any benefit here.

*No needs to file MSME form in case of NIL transactions or no MSME delayed transactions.

iv. FEES FOR MSME-1:

There are no ROC fees for filing of this form. This form shall be file free of cost. Even if any company file this form after due date there is no additional fees prescribed for this form. Even after due date there is no consequences of additional fees.

v. ABOUT MSME-1 FORM:

In this column of article will discuss important points about e-form MSME-1:

i. Total Outstanding amount

In this column mention all the outstanding payments to MSME vendor. It's include payment made after 45 days during the half year or payment pending for payment even after expiry of 45 days at end of half year)

ii. Total Outstanding amount

- a. Financial Year
- b. Name of Supplier
- c. PAN of Supplier
- d. Amount Due
- e. Specify the date from which amount due

iii. Reason for delay in payment

In this column company have to mention the actual reason because of that they have made payment delayed more than 45 days. Reason can be followings:

- Invoice not received on time

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- There was some issue in goods/ services and disputed
 - Any technical issue from bank side. Etc.

*Maximum 99 entries can be mentioned in a MSME-1 form. If any case company have to mention more than 99 entries, then they have to file more than 1 form accordingly.

iv. CONSEQUENCES ON NON-FILING:

i. Consequence – Additional Fees

As e-form MSME-1 doesn't having any fees. Its file with ROC with NIL fees. Further, CG has not prescribed any additional fees on MSME-1. Therefore, even if company has filed its MSME-1 after due date it is not required to pay any additional fees.

ii. Consequence – Penalty

As Section 450 prescribed penalty in case of default of section 405 of Companies Act, 2013.

Penalty on Company:

A penalty of ten thousand rupees, and in case of continuing contravention, with a further penalty of one thousand rupees for each day after the first during which the contravention continues, subject to a maximum of two lakh rupees in case of a company

Penalty on Director:

Fifty thousand rupees in case of an officer who is in default or any other person

QUICK BITES:

i. How to calculate 45 days in case of MSME-1?

As per MSME Act, Company must make payment to MSME vendors within 45 days of acceptance of Good/ services. In major cases you can analyze acceptance of services/ goods from date of invoice.

ii. Whether any type of Companies is exempted from filing of e-form MSME-1?

If Company falls in the 'Applicability' mentioned above, then such company have to file MSME-1. There is no exemption on any type of Company from filing of MSME-1.

iii. If Vendor registered under MSME but in 'Medium' category. Whether Company should consider such vendor for MSME-1?

As per MCA notification, Companies must give details of only 'Micro and Small' registered vendors in MSME-1.

If a MSME vendor registered as Medium category, then there I no need to mention the same in MSME-1.

iv. If Vendor registered under MSME but in 'Medium' category. Whether Company should consider such vendor for MSME-1?

As per MCA notification, Companies must give details of only 'Micro

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