



## MSME Compliance by Companies:

The Ministry of Micro, Small and Medium Enterprises issued a notification on **November 2, 2018**, which prescribe half-yearly reporting to **Ministry of Corporate Affairs (MCA)** for the Companies :

- a) which receives services or goods from micro or small enterprises and
- b) whose payments to micro and small enterprises suppliers exceed 45 days.

Accordingly, the **Ministry of Corporate Affairs** by Notification dated 22<sup>nd</sup> January, 2019 implemented **reporting system** by **all the Companies**:

- a) who get supplies of goods or services from micro and small enterprises (MSME) and
- b) whose payments to MSME suppliers exceed **45 (Forty Five) days from the date of acceptance or the date of deemed acceptance of the goods or services.**

**Let us understand to whom it is applicablce, who is MSME, what details to submit, when to submit and what is the consequence of non- compliance of it:**

### **A) Applicability:**

- 1) Every Company
- 2) who Receives Goods or any Services from MSME and
- 3) whose payment **is due and not paid** within **45 (Forty Five) Days**



**B) Who is Micro and Small Enterprise (MSME):**

Type of Enterprise	Supplier of Goods	Service Provider
Micro Enterprise	Investment in Plant and Machinery does not exceed <b>Rs. 25.00 Lakhs</b>	Investment in Equipment does not exceed <b>Rs. 10.00 Lakhs</b>
Small Enterprise	Investment in Plant and Machinery exceeds <b>Rs. 25.00 Lakhs but does not exceed Rs. 5.00 Crore</b>	Investment in Equipment exceed <b>Rs. 10.00 Lakhs but does not exceed Rs. 2.00 Crore</b>

Enterprise covers all class of Enterprise to which Dues are pending viz.

- 1) Proprietorship Concern
- 2) Partnership Firm
- 3) HUF
- 4) Association of Person
- 5) Co-operative Society
- 6) Company etc.

**C) What details to submit:**

All the Companies Required to furnish following information through E Form MSME-1 with Ministry of Corporate Affairs:

Total Outstanding dues to Micro or Small Enterprise as on 22 <sup>nd</sup> January, 2019				Rs.
Financial Years/Particulars	Name of Suppliers	PAN of Suppliers	Amount Due	Specify the date from which amount due

Every Company required furnishing information in aforesaid format either in Excel or Word File



**D) When to submit:**

All the Companies shall file returns with Ministry of Corporate Affairs as follows:

First time return	On or Before 21.02.2019
Half yearly Return from April September - Every year	On or before 31 <sup>st</sup> October
Half yearly Return from October to March - every year	On or before 30 <sup>th</sup> April

**E) Consequences of non Compliance:**

Non-compliance with regards to the same may lead to :

- a) punishment to the Company with fine which may extend to **twenty-five thousand rupees** and
- b) every officer of the Company who is in default, shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than twenty-five thousand rupees which may extend to three lakh rupees, or with both.

**F) What to do on your part**

**Step-1 Analyse the trial balance as on 22.01.2019**

**Step-2 Determine the Creditors for goods as well as expenses which are outstanding more than 45 days.**

**Step-3 Ask them whether they are covered under MSME Act or not**

**Step-4 If they are covered obtain their confirmation with PAN card. ( If PAN not available – from GST no. you can get PAN**

**Step-5 Give us the details in the table above mentioned along with challan fees.**