

MSME(MICRO ,SMALL & MEDIUM) ENTERPRISES

-MEANING, REGISTRATION & BENEFITS

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-For  **Ruchi Anand
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WHAT IS MSME?

ENTERPRISES

MANUFACTURE
Investment in Plant &
Machinery

SERVICES
Investment in
Equipments

Upto Rs.25 Lakhs

MICRO

Upto Rs.10 Lakhs

More than Rs.25 Lakhs
Less than Rs. 5 Crore

SMALL

More than Rs.10 Lakhs
Less than Rs. 2 Crore

More than Rs.5 Crores
Less than Rs.10 Crore

MEDIUM

More than Rs.2 Crores
Less than Rs. 5 Crore

REGISTRATION PROCESS

- The SME (Small and Medium Scale Enterprises) owner needs to fill a one-page form(UDHYOG ADHAAR MEMORANDUM) that he can do either online or offline. For online registration, the applicant should visit the official website: www.msme.gov.in
- In this form, the MSME has to self-certify its existence, details of the business activity, bank account, ownership and employment details and other information
- no registration fees are required to be paid for this process
- After filling the details and uploading the same, the registration number would be generated and the same would be mailed to the email address given in the UAM(UDHYOG ADHAAR MEMORANDUM) which should contain unique UAN (Udyog Aadhaar Number)

BENEFITS OF MSME REGISTRATION

Registration is NOT yet made mandatory by the Government but it is beneficial to get one's business registered under this because it provides a lot of benefits in terms of taxation, setting up the business, credit facilities, loans etc.

Following are the benefits of Registration of MSME:-

- FINANCIALS BENEFITS:-

1. After registering MSME, the applicant will receive the benefits of all the government schemes such as an easy loan, loan without guarantee, loans with subsidized rates of interest etc.
2. The applicant will receive financial support for participating in foreign expos to showcase their products
3. MSMEs there are no requirements of security money, earnest money, turnover requirement etc in the government tenders
4. A hefty 50% subsidy on Patent registration

- **STATUTORY SUPPORT:**

1.As per section 15 of MSME Act,2006 Buyer from Micro & Small Enterprises(MSE) shall make payment within the period agreed upon(not more than 45 days).Also as per section 16,if buyer fails to make payment to MSE as required in section 15 ,buyer shall be liable to pay compound interest with monthly rest to supplier from the date agreed upon at 3 Times of bank rate notified by the The RBI.

2.RESERVATION POLICY: Reservation of products for exclusive manufacture in the small scale sector

- **TAXATION BENEFITS:-**

1.Excise Exemption Scheme(Depending on business)

2. Presumptive taxation scheme under section 44AD of the Income Tax Act

3. A small-scale unit established in a backward area, under Section 80-HH, is allowed a deduction of 20 per cent on its profits and gains subject to some conditions.

Some of the MSME schemes launched by the Government are:

- Performance and Credit Rating Scheme

The purpose of rating scheme is to provide a trusted third party opinion on the capabilities and creditworthiness of the micro & small enterprises (MSEs) so as to create awareness amongst MSEs about the strengths and weakness of their existing operations. Rating fee payable by the MSEs is subsidized by the Government to the extent of 75% subject to maximum ceiling of Rs. 40000/-based on the turnover of the unit.

- **Credit Guarantee Trust Fund for Micro & Small Enterprises (CGT SME)**

Ministry of Micro, Small and Medium Enterprises and Small Industries Development Bank of India (SIDBI) jointly established a Trust named Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) in order to implement Credit Guarantee Scheme for Micro and Small Enterprises. The corpus of CGTMSE is contributed by Government of India and SIDBI. 75% of the loan amount to the bank is guaranteed by the Trust Fund. Collateral free loan up to a limit of ₹ 100 lakh is available for individual MSE on payment of guarantee fee to bank by the MSE.

- **Credit Linked Capital Subsidy for Technology Upgradation (CLCSS)**

CLCSS provides 15% subsidy for additional investment up to ₹ 1 cr for technology upgradation by MSEs. Technology upgradation would ordinarily mean induction of state-of-the-art or near state-of-the-art technology. In the varying mosaic of technology covering more than 7,500 products in the Indian small scale sector

- **Export Market Promotion (EMP)**

Coir Board is implementing Export Market Promotion with a view to improve the export performance of Indian Coir Sector through various export market promotion activities such as sponsoring delegations; participation in seminars and conferences; organising participation in international fairs; undertaking generic publicity abroad; extending financial assistance to Micro, Small and Medium Enterprises and Exporters; presenting Coir Industry Awards on an annual basis to recognize the outstanding performance in the areas of export; domestic trade; R&D and functioning of units and societies.

- **Bank Credit Facilitation-Schemes of National Small Industries Corporation (NSIC)**

To meet the credit requirements of MSME units, NSIC has entered into a Memorandum of Understanding with various Nationalized and Private Sector Banks. Through syndication with these banks, NSIC facilitates MSME in accessing credit support (fund based or non-fund based limits) from the banks. NSIC assists MSMEs in completion of the documentation for submitting the proposals to the banks and also does the follow up with the banks. These handholding support are provided by NSIC without any cost to the MSMEs

- **Statutory Compliance requirement After Registering as MSME:-**

There is no such separate Statutory compliance to be fulfilled by Enterprises Registering as MSME.

- **Renewal of Certificate for registering as MSME:-**

There is no renewal requirement of certificate received for registering as MSME.

Thank you...

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