

Benefits to MSME, Registration Process and Professional Opportunities for CAs

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MSME

- MSME stands for **Micro, Small and Medium Enterprises**. In a developing country like India, MSME industries are the backbone of the economy.
- The MSME sector contributes to **45%** of India's Total Industrial Employment, **50%** of India's Total Exports and **95%** of all industrial units of the country and more than **6000** types of products are manufactured in these industries (As per msme.gov.in).
- These industries are also known as small-scale industries or SSI's.

MSME Act, 2006



New Definition of MSMEs

- Low threshold in MSME definition have created a fear among MSMEs of graduating out of the benefits and hence killing the urge to grow.
- There has been a long-pending demand for revisions.

Existing and Revised Classification

Existing MSME Classification

Criteria:	Investment in Plant & Machinery or Equipment		
Classification	Micro	Small	Medium
<u>Mfg. Enterprises</u>	Investment < Rs 25 lac	Investment < Rs 5 cr.	Investment < Rs 10 cr.
<u>Services Enterprise</u>	Investment < Rs 10 lac	Investment < Rs 2 cr.	Investment < Rs 5 Cr.

Revised MSME Classification

Composite Criteria:	Investment & Annual turnover		
Classification	Micro	Small	Medium
<u>Manufacturing & Services</u>	Investment < Rs 1 cr. & Turnover < Rs 5 Cr.	Investment < Rs 10 cr. & Turnover < Rs 50 cr.	Investment < Rs 20 cr. & Turnover < Rs 100 cr.

MSME definition further changed in cabinet meeting held on 1st June, 2020:

**Investment limit raised from Rs. 20 Crores to 50 Crores
And**

Turnover* limit raised from Rs. 100 Crores to 250 Crores

***Export Turnover will be excluded in calculation of Total Turnover**

REGISTRATION PROCESS

- To do the registration, the small and medium scale industry owner must fill a form which he/she can do **online as well as offline**.
- If a person wants to register for more than one industry, then also he/she can do individual registration.

REGISTRATION PROCESS

- To do the registration he/she has to fill a single form which is available at the website which is listed below:-
- udyogaadhaar.gov.in
- There are other private sites also which look like govt. site



भारत सरकार
सूक्ष्म , लघु और मध्यम उद्यम मंत्रालय
Government Of India
Ministry of Micro, Small & Medium Enterprises



CHAMPIONS

National Portal for Registration of Micro, Small & Medium Enterprises Update Udyog Aadhaar Officer's Login Reports Print Verify UAM



CHAMPIONS

*Our small hands to make you **LARGE***

Creation and Harmonious Application of Modern Processes for Increasing the Output and National Strength

97,38,723 Udyog Aadhaar	21,96,902 Entrepreneur Memorandum (2007-2015)	15,63,974 Small Scale Industries (upto 2006)	1,34,99,599 MSME Enterprise-Registered	2,14,424 MSME Databank Units
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UDYOG AADHAAR REGISTRATION FORM

1. Aadhaar Number/ आधार संख्या

Your Aadhaar No

2. Name of Entrepreneur / उद्यमी का नाम

Name as per Aadhaar

I, the holder of Aadhaar, hereby give my consent to Ministry of MSME, Government of India for using my Aadhaar number with UIDAI for Udyog Aadhaar Registration. NIC / Ministry of MSME, Government of India have informed me that my aadhaar data will not be stored/shared. / मैं, आधार धारक, इस प्रकार उद्योग आधार पंजीकरण के लिए यूआईडीएआई के साथ अपने आधार संख्या का उपयोग करने के लिए सू0ल0म0उ0 मंत्रालय, भारत सरकार को अपनी सहमति देता हूँ। एनआईसी / सू0ल0म0उ0 मंत्रालय, भारत सरकार ने मुझे सूचित किया है कि मेरा आधार डेटा संग्रहीत / साझा नहीं किया जाएगा।

Validate & Generate OTP

Reset

Option for Registration Without Aadhaar.

An applicant or the authorised signatory who is not yet enrolled for Aadhaar shall have to apply for Aadhaar enrolment and in case he or she is entitled to obtain Aadhaar as per section 3 of the Aadhaar Act such individual may visit any Aadhaar enrolment centre to get enrolled for Aadhaar.

Provided that till the time Aadhaar is assigned to the individual, UAM registration shall be filed by the concerned DIC or MSME-DI on behalf of such enterprise, subject to the production of the following documents as alternative and viable means of identification.

- (i) If he has enrolled, his Aadhaar Enrolment ID slip; or
 - (ii) A copy of his request made for Aadhaar enrolment,
- (b) Any of the following documents, namely:-
Bank photo passbook; or voter ID Card; or passport; or driving license; or PAN card; or employee photo identity card issued by the Government.

Guidelines for Filing the Online Udyog Aadhaar Form :-

Note:

- EM-I has been abolished. Need not file through Udyog Aadhaar.
- Udyog Aadhaar (UA) is for running units. No need to apply for upcoming units.
- New Feature Added for Search Facility of NIC Code to Avoid 3 Step Selection of NIC Activities.
- OTP on Mobile (linked with Aadhaar) at the time of registration has been implemented.

1. Aadhaar Number - 12 digit Aadhaar number issued to the applicant should be filled in the appropriate field.

2. Name of Owner- The applicant should fill his/her name strictly as mentioned on the Aadhaar Card issued by UIDAI. E.g. if Raj Pal Singh has his name as Raj P. Singh, the same should accordingly be entered if the name does not match with the Aadhaar Number, the applicant will not be able to fill the form further.

To Validate Aadhar:-

1. Validate Aadhar- The applicant must click on Validate Aadhaar button for verification of Aadhaar, after that only user can fill the form further.
2. Reset- The applicant can click on reset button to clear the field of Aadhaar No and Name of the owner for different Aadhaar.

OTP will be sent to your mobile number registered with UIDAI. If your mobile number is not registered with UIDAI, please follow instructions given on Pop up window.

3. Social Category- The Applicant may select the Social Category (General, Scheduled Caste, Scheduled Tribe or Other Backward Castes (OBC). The proof of belonging to SC, ST or OBC may be asked by appropriate authority, if and when required.

4. Gender- The Applicant can select gender of Entrepreneur

5. Physically Handicapped- The Applicant can select Physically Handicapped status of Entrepreneur

6. Name of Enterprise- The Applicant must fill the name by which his/her Enterprise is known to the customers/public and is a legal entity to conduct business. One applicant

Documents required for MSME registration

- The documents required for the registration are **Personal Aadhar number of Proprietor. For partnership and company also partner or director's Aadhaar is required.**
- **Industry name**
- **bank account details**
- **Business Address Proof**
- **PAN Number**

Documents required for MSME registration

Cont..

- Copies of **Sale Bill** and **Purchase Bill**
- **Partnership Deed/ Certificate of Incorporation & MoA and AoA**
- Copy of **Licenses** and **Bills of Machinery** Purchased, etc.
- There is **no registration fees** required for this process.
- Once the details are filled and uploaded, registration number is allotted.







MSME registration Traders

Can Trader get registration under MSME??

Registration is in two category Manufacturer and Service Provider. If trader is providing some services say designing the product he will get registration under Engineering activities but if he is only retailer MSME benefit is not available.

There is one category Warehousing and support services for transportation

MSME registration-Sample certificate

		भारत सरकार Govt. of India सूक्ष्म, लघु और मध्यम उद्यम मंत्रालय MINISTRY OF MICRO, SMALL & MEDIUM ENTERPRISES			
		उद्योग आधार			
					

E	Type of Enterprise	Micro	Small	Medium
	Manufacturing	A	B	C
	Services	D	E	F
	UAN			

Udyog Aadhaar Registration Certificate

Udyog Aadhaar Number: [REDACTED]

Name of Enterprise: [REDACTED]

Location of Plant Details

SN	Flat/Door/Block No.	Name of Premises/Building Village	Road/Street/ Lane	Area/Locality	City	Pin	State	District
1	6th floor	[REDACTED] id	[REDACTED] s road	central	mumbai	400008	MAHARASHTRA	MUMBAI SUBURBAN

Official Address of Enterprise: [REDACTED]

MUMBAI
 District: MUMBAI SUBURBAN
 Mobile No: [REDACTED] State: MAHARASHTRA PIN: 400008
 Email: [REDACTED]n

Date of commencement: [REDACTED]

Major Activity: SERVICES

Enterprise Type: Small

Previous Registration details-if any: ::

National Industry Classification Code

SN	NIC 2 Digit	NIC 4 Digit	NIC 5 Digit Code	Activity Type
1	32 - Other manufacturing	3211 - Manufacture of jewellery and related articles	32111 - Manufacture of jewellery of gold, silver and other precious or base metal metal clad with precious metals or precious or semi-precious stones, or of combinations of precious metal and precious or semi-precious stones or of other materials	Manufacturing
2	90 - Creative, arts and entertainment activities	9000 - Dramatic arts, music and other arts activities	90009 - Other creative arts and and entertainment activities	Services

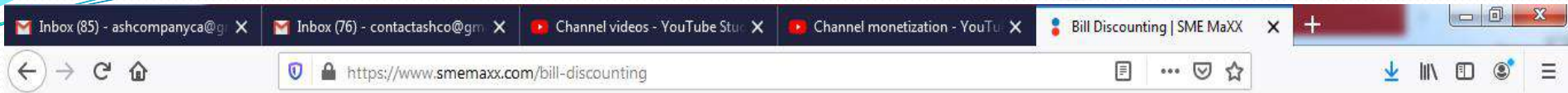
Acknowledgement: [REDACTED] Date of Filing: [REDACTED] Date of Printing: [REDACTED]

Disclaimer: This is computer generated statement, no signature required.
 Printed from udyogaadhaar.gov.in

MyMsme Mobile App (Beta Version) is available now for download. <https://play.google.com/store/apps/details?id=msme.mysmsme>

Benefits of MSME Registration

- Bank loans become cheaper as the interest rate is very low, around ~ 1 to 1.5%. They also get easy access to credit. One time restructuring allowed.
- There are various tax rebates offered to MSMEs. Like section **44AD/ 44ADA** and **in GST no HSN Code and Quarterly GSTR-1 filing.**
- Credit for minimum alternate tax (**MAT**) is allowed to be carried forward for up to 15 years instead of 10 years
- There are many government tenders which are only open to **MSME Industries.**
- Once registered the cost getting a patent done, or the cost of setting up the industry reduces as many rebates and concessions are available. **Trade Mark fee Rs. 4500/- Individual/Start up/ Small Enterprise and others Rs. 9000/-.**
- **SME Exchange for Bill Discounting.**



SME.MaXX

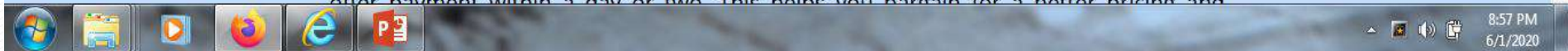
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Purchase Bill Discounting

Welcome to a great way of managing your working capital gap and getting the best deals from your suppliers. Now you can discount your suppliers' bills immediately and offer payment within a day or two. This helps you bargain for a better pricing and



Ministry of Micro Small and Medium Enterprises
(Government of India)
MSME SAMADHAAN- Delayed Payment Monitoring System

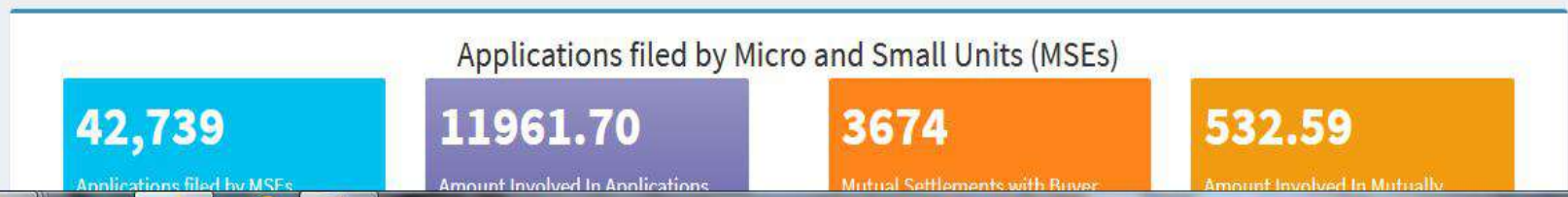
English

Case Filing for Entrepreneur/MSE Units

Check Case Status

Factsheets

Officer Login



MSME Samadhan

Related Provision

- The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 contains provisions of Delayed Payment to Micro and Small Enterprise (MSEs). (Section 15- 24). State Governments to establish Micro and Small Enterprise Facilitation Council (MSEFC) for settlement of disputes on getting references/filing on Delayed payments. (Section 20 and 21)

Nature of assistance

- MSEFC of the State after examining the case filed by MSE unit will issue directions to the buyer unit for payment of due amount along with interest as per the provisions under the MSMED Act 2006.

Who can apply

- Any Micro or small enterprise having valid Udyog Aadhar(UAM) can apply.

Salient Features

- The buyer is liable to pay compound interest with the monthly rests to the supplier on the amount at the three times of the bank rate notified by RBI in case he does not make payment to the supplier for his supplies of goods or services within 45 days of the acceptance of the goods/service rendered. (Section 16)
- State Governments to notify (i) Rules of MSEFC and (ii) Constitution of MSEFC.
- All the 36 States/UTs have constituted MSEFCs, as per provisions laid down under MSMED Act 2006.
- Every reference made to MSEFC shall be decided within a period of ninety days from the date of making such a reference as per provisions laid in the Act.
- If the Appellant (not being the supplier) wants to file an appeal, no application for setting aside any decree or award by the MSEFC shall be entertained by any court unless the appellant (not being supplier) has deposited with it, the 75% of the award amount. (Section 19)

Outstanding dues Reporting

All companies who purchase goods or avail services from Micro and Small enterprises



And whose payment to such suppliers exceed 45 days



Shall submit a half yearly return to MCA stating the outstanding amount and reasons for delay

Outstanding dues Reporting

cont..

In Balance Sheet of Company also outstanding more than 45 days from Micro and Small enterprises is to be reported



Delayed interest paid to MSME is to disclosed



Further interest due on delayed payable amount of MSME will be disclosed

Samadhan Case Study

- R&Co. (registered MSME small unit) supplied goods to U Ltd. There was Rs 1 Crore outstanding from U Ltd to R&Co. R&Co. uploaded its complaint for non payment on MSME site. Simultaneously a email copy went to Managing Director of U Ltd (MD-U Ltd). Before any action was taken by MSME authorities MD-U Ltd requested owner of R&Co. to settle the issue and withdraw the complaint. U Ltd issued one immediate cheque of Rs 25 Lacs and 3 post dated cheques of Rs 25 Lacs each and all cheques were realized.

Facilities announced by Finance Minister due to Covid-19

Rs 20,000 crores Subordinate Debt for Stressed MSMEs

- Stressed MSMEs need equity support
- GOI will facilitate provision of **Rs.20,000cr** as subordinate debt
- Functioning MSMEs which are **NPA or are stressed** will be eligible

Facilities announced by Finance Minister due to Covid-19

Rs 20,000 crores Subordinate Debt for Stressed MSMEs..cont.

- Govt. will provide a support of **Rs.4,000Cr.** To CGTMSE (Guarantee agency)
- CGTMSE will **provide partial Credit Guarantee support to Banks**
- Promoters of the MSME will be given debt by banks, which will then be infused by promoter as equity in the Unit.

Facilities announced by Finance Minister due to Covid-19

Rs50,000 cr. Equity infusion for MSMEs through Fund of Funds

- Fund of Funds with **Corpus of Rs10,000 crores** will be set up.
- Will provide equity funding for **MSMEs with growth potential and viability.**
- FoF will be operated through a **Mother Fund** and few **daughter funds**
- **Fund structure will help leverage Rs50,000 cr of funds at daughter funds level**
- Will help to expand MSME size as well as capacity.
- Will **encourage MSMEs to get listed** on main board of Stock Exchanges.

Facilities announced by Finance Minister due to Covid-19

Rs3 lakh crores Collateral-free Automatic Loans for Businesses, including MSMEs

- **Emergency Credit Line to Businesses/MSMEs from Banks and NBFCs upto 20% of entire outstanding credit as on 29.2.2020**
- **Borrowers with upto Rs.25crore outstanding and Rs.100crore turnover eligible**
- **Loans to have 4 year tenor with moratorium of 12months on Principal repayment**
- **Interest to be capped**
- **100% credit guarantee cover to Banks and NBFCs on principal and interest**
- **Scheme can be availed till 31st Oct 2020**
- **No guarantee fee, no fresh collateral**

Facilities announced by Finance Minister due to Covid-19

- Employers having up to 100 employees and whose 90% of the employees were getting wages less than 15000 are eligible to get **12%+12%** PF from govt for March to August 2020.
- For other employers **10%+10%** PF May to July 2020
- No Global Tender upto **Rs 200 crores**
- (No Condition of MSME registration in above)

Professional Opportunities

- MSME in distress due to Covid-19
- Professional can help them
- Financing
- Accounting
- Legal compliances
- Analysis
- Cost Control
- Business development or line change
- Technology support

MSME Schemes launched by the Govt.

- Zero Defect Zero Effect
- Quality Management Standards & Quality Technology Tools
- Grievance Monitoring System
- Incubation
- Credit Linked Capital Subsidy Scheme
- Women Entrepreneurship

Monday, June 1, 2020



सत्यमेव जयते

भारत सरकार
Govt. of India



Development Commissioner (MSME)
Ministry of Micro, Small & Medium Enterprises

Monday, June 1, 2020

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Schemes & Incentives

NSIC SCHEMES

Bill Financing

- Working Capital Finance
- Export Development Finance
- Equipment Leasing Scheme
- Raw Materials Procurement Support
- Marketing Assistance Programme & Exports Assistance
- Single Point Registration Scheme & other services

BILL FINANCING

Bills drawn by small scale units for the supplies made to the reputed and well established enterprises and duly accepted by them will be financed / discounted by NSIC for a maximum period of 90 days.

WORKING CAPITAL FINANCE

Finance for augmenting working capital of viable and well managed units, on selective basis in case of emergent requirements, to enable them to payoff their purchases of consumable stores and spares and production related overheads particularly electricity bills, statutory dues, etc.

EXPORT DEVELOPMENT FINANCE

Finance for export development to export oriented units for meeting their emergent requirements. Pre and post shipment finance shall also be provided to such units at usual terms & conditions.

THE EQUIPMENT LEASING SCHEME

The object of the Leasing Scheme is to assist SSI Units to procure industrial equipment for modernisation, expansion and diversification of their industries.

Zero defect Zero effect

- In this model, goods that are manufactured for export have to adhere to a certain standard so that they are not rejected or sent back to India.
- To achieve this the government has launched this scheme.
- In this, the unit is rated/assessed for Zero defect production by rating agency and substantial part of rating fee is born by Govt.

Quality Management Standards & Quality Technology Tools

- Registering in this scheme helps the micro, small and medium enterprises to understand and implement the quality standards that are required to be maintained along with the new technology.
- In this scheme, activities are conducted to sensitize the businesses about the new technology available through various seminars, campaigns, activities etc.
- **QMS like ISO 9000/18000/22000 and QTT like: 6 - Sigma, TQM, TPM etc. are implemented, where part of cost is born by Govt.**

Grievance Monitoring System

- Registering under this scheme is beneficial in terms of getting the complaints of the business owners addressed.
- The business owners can check the status of their complaints
- If not satisfied they can open complaint again.

Incubation

- This scheme helps innovators with the implementation of their new design, ideas or products.
- Under this from 75% to 80% of the project cost can be financed by the government. This scheme promotes new ideas, designs, products etc.

Credit Linked Capital Subsidy Scheme

- Under this scheme, new technology is provided to the business owners to replace their old and obsolete technology.
- A capital subsidy is given to the business to upgrade and have better means to do their business.
- These small, micro and medium enterprises can directly approach the banks for these subsidies.

Women Entrepreneur

- This scheme has been especially started for women who want to start their own business.
- The government provides capital, counseling, training and delivery techniques to these women so that they manage their business and expand it.
- The government has launched several schemes and support system for these enterprises.



Thank You
For Your Attention