



MSME AND BENEFITS GIVEN TO MSME

1-What is MSME?

Classification of MSME on the basis of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006:

a-Micro Enterprises: Enterprises with investment in plant and machinery or equipment up to ₹1 crore and turnover up to ₹5 crore

b-Small Enterprises: Enterprises with investment in plant and machinery or equipment up to ₹10 crore and turnover up to ₹50 crore

c-Medium Enterprises: Enterprises with investment in plant and machinery or equipment up to ₹50 crore and turnover up to ₹250 crore

2-What is the procedure to register an entity with MSME?

MSME registration process is a self-declaration based online process, now also known as Udyam Registration. You can register online with Udyam Registration portal.

To register, you will need the following details:

- Aadhaar card number (in case of proprietor)
- in case of an entity, PAN number.
- Name of an entity, nature of business, unit address
- GSTIN (if any)/ Bank details,
- No. of Employees and Plant & Machinery details.

No supporting documents need to be attached, It is a totally paperless process on the basis of self declaration. You will get Udyam Registration on the same day after registration. Retailer, Trader can also apply for the Udyam Registration.



3-Is it mandatory for a business entity to register for Udyam?

If an entity wants to avail benefits given to MSME by Government, Entity need to enroll for Udyam Registration.

4-What is MSME Samadhan?

MSME enterprises mainly face financial issues due to delay in payments from their customers. In order to address this issue, the government has introduced the Samadhan portal, for Non - payment by Buyer or for charging an interest for Payment by buyer after 45 days.

5-Which enterprises are allowed to take benefits of MSME Samadhan?

Micro & Small Enterprises with Valid Udyam take benefits of the MSME Samadhan.

6-What are the Key Features of MSME Samadhan :

- Legal notice / Reminder Notice to Buyer for recovery of payment is not required
- Work Order / Purchase Order is required. If it is verbal, need to submit an Affidavit
- Documents to be uploaded: Work Order / Purchase Order (or Affidavit), Sales Invoice, Delivery Challan
- Rejection of Goods is a genuine reason for non-payment. Recipient needs to communicate the same to the supplier within 15 days from the receipt of goods.
- If the payment to supplier is delayed by more than 45 days then the supplier is eligible for compounded interest at the rate of 3 times of Bank Rate (SBI)
- There is no Penalty on supplier for whatsoever reason
- If buyer wants to challenge MSME Samadhan order to higher authority, then 75% of the order amount to be paid as pre-deposit with Court



7-What are the key benefits available to MSME?

- Collateral Free loans under CGTMSE available to MSME. Recently limit being increased to Rs. 5 Crore. Also, a minor reduction in interest rate is available to MSME units.
- Government has started an online 'GeM' - Government e-Marketplace for MSME sellers to promote their products & services for procurement by the Government. Also, Government has ensured that some tenders are allotted only to MSME sellers on GeM.
- There is a concession on statutory fees paid by MSME on Trademarks and Patents

8-Are the State and Central Government giving any subsidy to MSME Manufacturing Unit?

- Various subsidies given by State Governments, on the basis of Zones, in the form of Reimbursement to promote industry in backward / developing Zones. Also State Governments offer subsidies to manufacturing units who are in expansion stage on the purchase of Plant & Machinery. Central Government also offers subsidy to promote Manufacturing set up from time to time.

9-Are any subsidies available to MSME units for taking part in Trade Fairs / Exhibitions across the country?

- Yes, subsidy is available on the rent paid for stall taken by MSME unit. Subsidy is available on the basis of the location where the exhibition has been conducted. Subsidy benefit can be claimed, twice in a year, to the extent of maximum of Rs. 80,000/- to 1,50,000/-.

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