



Indian Medical Association

Healthcare under the ambit of MSME

Benefits of MSME Registration

Proof of Legal Existence

Any MSME having Udyog Aadhar Registration is treated as a registered business entity in India. This is beneficial for Proprietorship Firms which otherwise do not have any other proof of existence in the name of proprietorship firms.

Credit Facilities through Financial Institutions at lower rate of interest

Due to the MSME registration, the Financial institutions lend money at a lower rate of Interest

Easy Availability of Finance

Finance to Micro, Small and Medium Enterprises comes under the **Priority** Sector Lending to directions issued by the Reserve Bank of India. *Thus, Banks have to achieve this target and hence lend loans to these MSME on priority.*

Collateral Free Loans

The Government of India has made collateral-free credit available to all small and micro business sectors. This initiative guarantees funds to micro and small sector enterprises. Under this scheme, both the old as well as the new enterprises can claim the benefits. A trust named The Credit Guarantee Trust Fund Scheme was introduced by the GOI (Government Of India), SIDBI (Small Industries Development Bank Of India) and the Ministry of Micro, Small and Medium Enterprise to make sure this scheme is implemented (Credit Guarantee Scheme) for all Micro and Small Enterprise.

Related Scheme	Credit Guarantee Trust Fund for Micro & Small Enterprises (CGT SME)
Description	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.
Nature of	Collateral free loan up to a limit of ₹ 100 lakh is available for individual MSE on

assistance	payment of guarantee fee to bank by the MSE.
Who can apply?	Both existing and new enterprises are eligible under the scheme.
How to apply?	Candidates meeting the eligibility criteria may approach banks / financial institutions, and select Regional Rural Banks which are eligible under the scheme. Web links are www.dcmsme.gov.in/schemes/sccrguarn.htm
Whom to contact	<p>1) CEO, CGT SME Ph: 022-61437805 Email: pradeepm[at]cgtmse[dot]in</p> <p>2) JDC, O/o DC, MSME Ph: 011-23061726 Email : deepak[dot]rao[at]nic[dot]in</p>

Any collateral / third party guarantee free credit facility (both fund as well as non fund based) extended by eligible institutions, to new as well as existing Micro and Small Enterprise, including Service Enterprises, with a maximum credit cap of Rs.200 lakhs (Rupees Two Hundred lakh only), are eligible to be covered. Recently, guarantee coverage made eligible to select NBFCs and Small Finance banks also.

Category	Maximum extent of Guarantee where credit facility is		
	Upto 5 lakh	Above 5 lakh upto 50 lakh	Above 50 lakh upto 200 lakh
Micro Enterprises	85% of the amount in default subject to a maximum of 4.25 lakh	75% of the amount in default subject to a maximum of 37.50 lakh	75% of the amount in default subject to a maximum of 150 lakh
Women entrepreneurs/ Units located in North East Region (incl. Sikkim) (other than credit facility upto 5 lakh to micro enterprises)	80% of the amount in default subject to a maximum of 40 lakh		
All other category of borrowers	75% of the amount in default subject to a maximum of 37.50 lakh		
Activity	From 10 lakh upto 100 lakh		
MSE Retail Trade	50% of the amount in default subject to a maximum of 50 lakh		

However, Guarantee fees levied by the CGTSMSE may be recovered from the Borrower.

Additional Benefit under CGTMSE due to Covid -19

- Emergency Credit Line to Businesses/MSMEs from Banks and NBFCs up to 20% of entire outstanding credit as on 29.2.2020
- Borrowers with up to Rs. 25 crore outstanding and Rs. 100 crore turnover eligible
- Loans to have 4 year tenor with moratorium of 12 months 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

Fewer Electricity Bills

This concession is available to all the Enterprises that have the MSME Registration Certificate by providing an application to the department of the electricity along with the certificate of registration by MSME, subject to conditions

Generally a concession is given by the State Government(s) in the Electricity Duty charged by them. Electricity comes under the State List, thus it is the prerogative of the State Govts to provide such benefits, subject to conditions laid by them

Certain states like Punjab and Haryana provide these benefits. in Punjab the duty has recently been hiked from 13% to 15% since electricity is a state subject, so all states have different schemes running.

Exemption from Stamp Duty

This concession is given by the State Government(s) in the Stamp Duty charged by them. Stamp comes under the State List, thus it is the prerogative of the State Govts to provide such benefits, subject to conditions laid by them

Exemption from Property Tax

This concession is given by the Local Authorities in the Property Tax charged by them. It is the prerogative of the Local Authorities to provide such benefits, subject to conditions laid by them

ISO 9000/ISO 14001 Certification Reimbursement

Related Scheme	ISO 9000/ISO 14001 Certification Reimbursement
Description	In order to enhance the competitive strength of SMEs, the scheme provides incentives to those SMEs/ancillary undertakings that have acquired ISO 9000/ISO 14001/HACCP certification. The scheme is enlarged so as to include reimbursement of expenses in the acquisition of ISO 14001 certification.
Nature of assistance	The scheme envisages reimbursement of charges incurred for acquisition of ISO-9000/ISO-14001/HACCP certification to the extent of 75% of expenditure, subject to a maximum of ₹75,000 in each case.

Who can apply?	The scheme is applicable to MSEs/ancillary/SSSB units that have already acquired ISO-9000/ISO-14001/ HACCP certification.
How to apply?	MSEs with their registration no. are required to submit their application, duly completed, to their local Director, MSME-DI, addresses given in the website: http://www.dcmsme.gov.in . weblink: www.dcmsme.gov.in/
Whom to contact	JDC, (ISO), O/o DC, MSME Ph: 011-23062680 Email : bisariya[dot]sanjay[at]nic[dot]in

Similar benefit may be demanded by the Medical Professional for accreditation by the National Accreditation Board for Hospitals & Healthcare Providers (NABH)

MSME SAMADHAAN- Delayed Payments to Micro and Small Enterprises under Micro, Small and Medium Enterprise Development (MSMED) Act, 2006

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) Authority for filing Entrepreneur Memorandum (ii) Rules of MSEFC and (iii) Constitution of MSEFC.

All States/UTs have notified Authority for Filing Entrepreneur's Memorandum, 33 States/UTs (i.e. except Arunachal Pradesh, Assam and Manipur) have Notified rules of MSEFC and 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).

There is no mention of government or private , hence this can be beneficial in settling delayed payments by ECHS, CGHS, besides TPAs

Implementation

The provisions under the Act are implemented by MSEFC chaired by Director of Industries of the State /UT having administrative control of the MSE units. State Government/UTs are requested to ensure that the MSE Facilitation Council hold meetings regularly and delayed payment cases are decided by the Councils within a period of 90 days as stipulated in the MSMED Act, 2006.

MSME Samadhaan Portal - Ease of filing application under MSEFC, an Initiative from Ministry of MSME, Govt. of India

Ministry of MSME has taken an initiative for filing online application by the supplier MSE unit against the buyer of goods/services before the concerned MSEFC of his/her State/UT. These will be viewed by MSEFC Council for their actions. These will be also visible to Concerned Central Ministries, Departments, CPSEs, State Government, etc for pro-active actions.

MSME definition

MSME Classification			
Composite Criteria : Investment And Annual Turnover			
Classification	Micro	Small	Medium
Manufacturing & Services	Investment< Rs. 1 cr. And Turnover < Rs.5 cr	Investment< Rs. 10 cr. and Turnover < Rs.50 cr	Investment< Rs. 20 cr. And Turnover < Rs.100 cr

Investment refers to investment in Plant and Machinery or Equipment

With Effect from 01.07.2020

Medium Enterprises definition has been changed to Investment< Rs. 50 cr. And Turnover < Rs.250 cr.

Frequently Asked Questions

Is MSME updated to Udyog Aadhar?

A. Yes, MSME registration has been replaced with the Udyog Aadhar registration. If any micro, small and medium industries want to start any business; they need to do the registration with MSME/Udyog Aadhar. This registration with MSME/Udyog Aadhar can be done in two ways online and offline. This facility provides the business with a lot of benefits and subsidies.

Q. Is aadhar card compulsory?

A. Yes. For registration under the Udyog Aadhar scheme, aadhar card is compulsory. In case an applicant is other than the proprietor, the Aadhar card of the partners and the directors will be required.

Q. Can existing and new businesses both apply?

A. Yes, an existing and new business can apply for MSME/Udyog Aadhar registration. Provided the existing unit is functioning and meets the threshold limits for registration.

Q. What is the validity of the certificate?

A. There is no expiry of the Udyog Aadhar Certificate. As long as the entity is ethical and financially healthy there will be no expiry of the certificate.

Q. Can trading companies register under MSME?

A. No. MSME covers only manufacturing and service industries. Trading companies are not covered by the scheme. MSME is to support startups with subsidies and benefits, trading companies are just like middlemen, a link between manufacturer and customer. Hence not covered under the scheme.

Q. Do I need multiple registrations for manufacturing plants in different cities?

A. No. The MSME/Udyog Aadhar certificate is for a single entity irrespective of multiple branches or plants. However, information about multiple branches or plants must be furnished.

Q. What are the activities specifically excluded from coverage under MSME?

A. Ministry of Micro, Small and Medium Enterprises (MSME) has clarified as per notification S.O 2576 (E) dated 18.09.2015 and subsequent notification no S.O 85(E) dated 10.1.2017, activities that would be specifically not included in the manufacturing or production of commodities or rendering of services as per Section 7 of the said Act are:

1. Forest and Logging
2. Fishing and aquaculture
3. Wholesale, retail trade and repair of motor vehicle and motorcycles
4. Wholesale trade except for motor vehicles and motorcycles.
5. Retail Trade Except of Motor Vehicles and motor cycles
6. Activities of households as employees for domestic personnel
7. Undifferentiated goods and services producing activities of private households for own
8. Activities of extraterritorial organisations and bodies

Q. What is included in cost of investment?

A. As per Notification dated 05.10.2006, the cost of which shall be excluded while calculating the investment in plant and machinery in the case of the enterprises mentioned in Section 7(1)(a) of the said Act, namely:

- i. equipment such as tools, jigs, dyes, moulds and spare parts for maintenance and the cost of consumables stores;
- ii. installation of plant and machinery;
- iii. research and development equipment and pollution controlled equipment
- iv. power generation set and extra transformer installed by the enterprise as per regulations of the State Electricity Board;
- v. bank charges and service charges paid to the National Small Industries Corporation or the State Small Industries Corporation;
- vi. procurement or installation of cables, wiring, bus bars, electrical control panels (not mounted on individual machines), oil circuit breakers or miniature circuit breakers which are necessarily to be used for providing electrical power to the plant and machinery or for safety measures;
- vii gas producers plants;
- viii. transportation charges (excluding sales-tax or value added tax and excise duty) for indigenous machinery from the place of the manufacture to the site of the enterprise;

- ix. charges paid for technical know-how for erection of plant and machinery;
- x. such storage tanks which store raw material and finished produces and are not linked with the manufacturing process; and
- xi. fire fighting equipment.

2. While calculating the investment in plant and machinery refer to paragraph 1, the original price thereof, irrespective of whether the plant and machinery are new or second handed, shall be taken into account provided that in the case of imported machinery, the following shall be included in calculating the value, namely;

- i. Import duty (excluding miscellaneous expenses such as transportation from the port to the site of the factory, demurrage paid at the port);
- ii. Shipping charges;
- iii. Customs clearance charges; and
- iv. Sales tax or value added tax.

There are no drawbacks for registering as MSME

There is no extra statutory requirements to be complied.

Under MSME Act, MSME registration number must be mentioned on the face of the invoice.

Procedure for registration under MSME

Visit <https://udyogaadhaar.gov.in/>

Enter Aadhaar number of the authorised person filling the form

Enter name of the authorised person filling the form

Validate Aadhaar number through OTP

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.

Gender- The Applicant can select gender of Entrepreneur

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

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 can have more than one enterprises doing business and each one can be registered for a separate Udyog Aadhaar and with the same Aadhaar Number as Enterprise 1 and Enterprise 2 etc. Combination of same Aadhaar Number and Enterprise Name can be added second times. Only additional details can be added or deleted at the time of editing

Type of Organization- The Applicant may select from the given list the appropriate type of the organisation for his/her enterprise. The Applicant must ensure that he/she is authorised by the legal entity (i.e. enterprise being registered for Udyog Aadhaar) to fill this online form. Only one Udyog Aadhaar number shall be issued for each enterprise.

PAN Number - The Applicant have to enter PAN Number in case of Co Operative, Private Limited, Public Limited and Limited Liability Partnership It. Will be optional in remaining type of Organisation

Location of enterprise- The Applicant may add multiple plant location in one registration by clicking Add Plant button

Official Address- The Applicant should fill in the appropriate field the complete postal address of the Enterprise including State, District, Pin code, Mobile No and Email.

Date of Commencement- The date in the past on which the business entity commenced its operations may be filled in the appropriate field.

Previous Registration Details(if any)- If the Applicant's enterprise, for which the Udyog Aadhaar is being applied, is already issued a valid EM-I/II by the concerned GM (DIC) as per the MSMED Act 2006 or the SSI registration prevailing prior to the said Act, such number may be mentioned in the appropriate place.

Bank Details- The Applicant must provide his/her bank account number used for running the Enterprise in the appropriate place. The Applicant must also provide the IFS Code of the bank's branch where his/her mentioned account exists. The IFS code is now a days printed on the Cheque Books issued by the bank. Alternatively, if the Applicant knows the name of the Bank and the branch where his/her account is there, the IFSC code can be found from website of the respective Bank.

Major Activity- The major activity i.e. either "Manufacturing" or "Service" may be chosen by the enterprise for Udyog Aadhaar. If your enterprise involves in both type of activities and if major work involves in Manufacturing and small portion of activity involves in Service sector then select your major activity type as "Manufacturing" and if major work involves in Services and small portion of activity involves in Manufacturing then select your major activity type as "Services"

National Industry Classification Code(NIC Code)- The Applicant may choose multiple National Industrial Classification-2008 (NIC) Codes to includes all their activities. Which means user can select multiple NIC code of Manufacturing and Service sector by clicking "Add More" button. If you want to add Manufacturing then select "Manufacturing" radiobutton and keep on adding by clicking "Add More" button otherwise if you want to add Service then select "Services" radiobutton and keep on

adding by clicking "Add More" button. The NIC codes are prepared by the Central Statistical Organisation (CSO) under the Ministry of Statistics and Program implementation, Government of India.

The Applicant may use National Industrial Classification-2008 (NIC) Codes searching facility to avoid 3 steps selection process.

Example: User has to write matching key word (2 or more characters) in Search text box in Column No 11 . Then all related NIC CODEs will be listed (including Nic 2 Digit, Nic 4 Digit & Nic 5 Digit) with code and description. If User selects NIC 5 Digit code, then automatically all the related fields(like NIC 2 Digit, 4 Digit, 5 Digit & Enterprise Type) at column 11 will be automatically filled. Same way, If user selects NIC 4 digit, then related field of 2 digit NIC Code will filled, but user has to select NIC 5 digit from drop down(In this case 2 steps are required).

Person employed- The total number of people who are directly been paid salary/ wages by the enterprise may be mentioned in the appropriate field.

Investment in Plant & Machinery / Equipment- While computing the total investment , the original investment (purchase value of items) is to be taken into account excluding tho cost of pollution control, research and development, industrial safety devices, and such other items as may be specified, by notification of RBI. If an enterprise started with a set of plant and machinery purchased in 2008 worth Rs. 70.00 lakh has procured additional plant and machinery in the year 2013 worth Rs. 65.00 lakh, then the total investment in Plant & Machinery may be treated as Rs. 135.00 lakh.

DIC- The Applicant, based on the location of the Enterprise, has to fill in location of DIC. This Column will be active and show option only when there are more than one DIC in the district. In fact if there is only one DIC in the district system will automatically register you in the same DIC.

Submit- The Applicant must click on Submit button to generate OTP which will be sent to email id mentioned for registration

The Applicant have to enter OTP received on mobile (linked with Aadhaar) second time.

Enter Captcha- The Applicant must enter Captcha before clicking Final Submit button.

Certificate shall be received via-email