

Benefit of MSME Registration to Hospitals

1. Due to the MSME registration, the bank loans become cheaper as the interest rate is very low around ~ 1 to 1.5% less P.A. compounded annually. Much lower than interest on regular loans.
2. They get easy access to credit.

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.

Facilitating technology up-gradation by providing 15% upfront capital subsidy upto a maximum of Rs. 15 lakhs (i.e., maximum investment in approved machinery is Rs. 1 crore) to MSE units

Subsidy to MSE units on institutional finance availed for induction of state-of-the-art technology .

Facilitates subsidy to 51 sub-sectors/products.

Implemented by 12 nodal banks/agencies including SIDBI and NABARD.

Linked with term loans availed by MSEs from Banks or Financial Institutions.

Not applicable for Replacement of existing equipment/technology with same equipment/technology

Upgrading with second hand machinery.

Credit Guarantee Fund for Micro and Small Enterprises

Credit to Micro and Small Enterprises for loans up to

Rs. 2 Crore without collateral/ third party guarantees

Collateral-free loans for Term loan & Working capital facility for new or existing MSEs

75% Guarantee cover of credit facility upto Rs. 50 lakh

80% Guarantee cover - For Women owned/ operated MSEs

85% Guarantee cover - Loans up to Rs. 5 lakh for micro enterprises.

Uniform guarantee at 50% - For entire amount if credit exposure is above Rs.50 lakh & up to Rs. 1 Crore

CLUSTER **Micro and Small Enterprises Cluster Development Programme (MSE-CDP)**



Creating & developing clusters with group of MSEs for facilitating common infrastructure, common facilities, R&D



Detailed Project Report (DPR)

★ If DPR is finally approved, Rs.10 lakh considered as a contribution by Special Purpose Vehicle (SPV) towards project.



Hard Interventions - Setting up of Common Facility Centers (CFCs)

- ★ 70% grant of project cost
- ★ 90% - For CFCs in Clusters with > 50% micro/village/women owned/SC/ST units
- ★ Maximum **Rs. 20 crore**



Infrastructure Development (Excluding Cost of Land)

- ★ 60% grant of project cost
- ★ 80% - For Clusters with > 50% micro/village/women owned/SC/ST units
- ★ Maximum **Rs. 15 crore**



Clusters in Karnataka

Total no. of clusters - 12

No. of Common Facility Centres Under progress - 9

No. of Common Facility Centres completed - 3

Details of Implemented & Functioning Clusters

S.No	Name of the cluster	Total Project cost (Rs. in Lakhs)
1	Food Processing Cluster, Gulbarga	23
2	Readymade Garment Cluster, Hubli	122.24
3	Auto component Cluster, Hubli	485



Details of Cluster (Common Facility Centres)

S. No.	Name of the cluster	Total Project cost (Rs. in Lakhs)	Current Status
1	Athani Raisin Processing cluster, Athani Belguam	1494.57	Functioning
2	Auto Cluster, Bidar	745.21	Functioning
3	Women Entrepreneur park, Harohalli	3680.98	Ready and plot to be allotted
4	Printing Cluster, Chamrajpet, Bangalore	1449.81	Functioning
5	Rasin Cluster, Bijapur	1447.20	Functioning
6	Heat treatment and Engineering cluster Hubli, Dharwad	455	Functioning
7	ELCIA, Bangalore	1441.02	Functioning
8	Global puffed rice cluster, Chitradurga	717	Technical Appraisal Report – completed.
9	Uthopia Cashew cluster , Karwar	1467	Technical appraisal Report-Completed



PPP
MSME

Public Procurement Policy for Micro and Small Enterprises (MSEs)



25% target of annual procurement mandatory from MSE Sector by Every Central Ministry /Department / CPSUs. 4% (out of 25% target of annual procurement) earmarked for procurement from MSEs owned by SC/ST entrepreneurs.



- Every Central Ministry /Department / PSUs - annual target for **25% procurement from MSEs.**
- Sub-target of **4%** out of 25% target of annual procurement earmarked for procurement from MSEs owned by **SC/ST entrepreneurs.** (3 % reserved from MSEs owned women entrepreneurs)
- **358 items** reserved for exclusive procurement from MSEs.
- MSEs quoting price within price band L-1 + 15%, when L1 is from someone other than MSE, shall be allowed to supply at least 20% of tendered value at L-1 subject to lowering of price by MSEs to L-1.





Quality Management Standards & Quality Technology Tools (QMS/QTT)

Improving quality of products in MSE sector by implementing QMS - ISO 9000/18000/22000 & QTT - 6 Sigma, TQM, TPM etc.



Organising Competition-watch (C-watch)

- **Conduct 'Professional Study' of 'threatened product' - Rs. 2.5 lakh**
- **Technical exposure visit by representatives of 'threatened product' – Rs. 7.5 lakh**
- **Procurement of samples & technical details - Rs. 2.5 lakh**
- **Product development by technical bodies- Rs. 5 lakh**
- **Popularization of improved product - Rs.1.5 lakh**



Implementation of QMS/QTT in selected MSEs

- **Rs. 2.5 lakh per unit (for 100 MSEs) - For Diagnostic Study & QMS/QTT implementation**

Monitoring international study missions

- **Rs.2.5 lakh /MSE (Two delegations /year to International Events)adopt latest QMS/QTT**



Technology and Quality Upgradation (TEQUP) Support to MSMEs



Sensitize manufacturing MSME sector to use of Energy Efficient Technologies, Encourage MSMEs to acquire Product Certification/Licences from National/International bodies

Capacity Building of MSME Clusters for Energy Efficiency/Clean Development Mechanism

- 75% of expenditure-Rs. 9 lakh per cluster** for conducting cluster level energy audits & model DPRs
- 50% of expenditure - Maximum Rs.1.5 lakh** for Preparation of DPRs for MSMEs on EET projects

Implementation of Energy Efficient Technologies (EET) in MSMEs

- 25% of project cost - Maximum Rs.10 lakh** for implementation of EET



Setting Up of Carbon Credit Aggregation Centres (CCA)

- 75% of expenditure - Maximum Rs.15 lakh** per CCA centre.

Encouraging MSMEs to Acquire Product Certification Licenses from National/ International Bodies

- 75% of expenditure, towards licensing of product to National/ International Standard**

Maximum Rs.1.5 lakh for National certification (BIS,BEE,etc.)

Maximum Rs. 2 lakh for International certification (CE,UL,ANSI,Energy star, etc.)





ICT
MSME

Information & Communication
Technology (ICT)

Sensitize & encourage MSMEs towards **CLOUD COMPUTING** for ICT adoption.

Cloud Computing: Subsidy of Rs. 3 lakh (maximum) per unit, for user charges for a period of **maximum three years**



Category	Subsidy %		
	1 st Year	2 nd Year	3 rd Year
Micro	85%	75%	70%
Small	75%	70%	65%
Medium	60%	55%	50%
Women/NER	85%	75%	70%



Udyog Aadhar ---MSME

MSME DEFINITION

Criteria to define an MSME

Classification	Micro	Small	Medium
Investment Criteria	Less than Rs.1 Crore	Less than Rs.10 Crores	Less than Rs. 20 Crores
Turnover Criteria	Less than Rs.5 Crores	Less than Rs. 50 Crores	Less than Rs.250 Crores

On 13/05/2020, Finance Minister issued a new definition of Micro, Small and Medium Enterprises in line with International Standards.

Earlier the criteria was only on investments to define MSME. Now, turn over included along with investments. Manufacturing and services merged into one Homogeneous solution.

Ministry of MSME has launched a registration process by name UAM which is a unique identification number built on the lines of UIDAI, that identifies the MSME business.

UAM number is a 12 digit UIN provided by the MSME ministry. By having UAM number, businesses can claim various benefits .

Benefits of Udyog Aadhar

- 1) Protection against delay in payment.
- 2) Collateral free loans from Bank. CGTMSE, PMEGP,
- 3) Concession in Electricity bills.
- 4) Reimbursement of payment for obtaining ISO certification.
- 5) Exclusive consideration for participating in International trade fair/ Domestic fair/Regional fair.
- 6) Reservation of products for exclusive manufacturing.
- 7) 25 % Reservation for MSMEs in Public Procurement Policy.
- 8) Reimbursement of fund from central and state govt. schemes
- 9) Exemption of participation fees in Tender and preference in allocation of govt.orders
- 10) Testing centers for MSMEs.

WWW.UDYAMREGISTRATION.GOV.IN

Bank Loans (Collateral Free)

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.

CGTMSE

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		

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

Overdraft Interest Rate Exemption

Businesses or enterprises registered under MSME can avail a benefit of 1% p.a. interest on the Over Draft as mentioned in a scheme that differs from bank to bank.

Protection against Payments (Delayed Payments)

At times, the buyers of services or products from the MSME's or SSIs tend to delay the payment. The Ministry of Micro, Small and Medium Enterprise lend a helping hand to such enterprises by giving them the right to collect interest on the payments that are delayed from the buyer's side. The settlement of such disputes must be done in minimum time through conciliation and arbitration.

In case, if any MSME registered enterprise supplies any goods or services to a buyer then the buyer is required to make the payment on or before the agreed date of payment or within 15 days from the day

they had accepted the goods and services from MSME or SCI registered business (if there is no mention of the date of payment).

If the buyer delays the payment for more than 45 days after accepting the products or services then the buyer has to pay compound interest along with interests (monthly) on the amount that was agreed to be paid. The interest rate is three times the rate that is notified by the Reserve Bank of India.

Further, Government has been continuously monitoring settlement of dues to MSME Vendors from government And Central Public Sector Undertakings

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.




ISO Certification Charges Reimbursement

The registered MSME enterprises can claim the reimbursement of the expenses that were spent for the ISO certification.

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.


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Marketing Assistance and Technology Upgradation (MATU)

Encourage manufacturing Micro and Small Enterprises (MSEs) to tap & develop domestic / overseas market opportunities.

Domestic Fairs / Exhibitions

80% Space Rent reimbursement (100% for SC/ST/Women/PH units) Maximum Rs.125000/-

100% Contingency Expenditure reimbursement (Travel, Publicity, Freight) Maximum Rs.15000/-

International Trade Fairs / Exhibitions:

80% space rent reimbursement (100% for SC/ST/Women units) Maximum Rs.1 lakh

100% Economy class air fare reimbursement Maximum Rs.1.25 lakh

Vendor Development Programmes:

National Level Vendor Development Programs-cum-Exhibitions, State Level VDPs

Large scale organizations (BEL, BHEL, TELCO, BSNL, IOC, NHPC, NTPC etc.) interact with MSEs in registering potential vendors.

National Awards

National recognition of achievements of successful MSME entrepreneurs

Cash prize (1st Prize—Rs. 3 lakh, 2nd—Rs. 2 lakh, 3rd—Rs. 1.5 lakh for most categories), Certificate & trophy for award winners, Award winners are given Economy class Air fare to & fro journey

Categories

Outstanding efforts in entrepreneurship (Manufacturing)

Outstanding efforts in entrepreneurship (Service)

Innovation Efforts

Quality Products

Lean Manufacturing Techniques

Special National Award to outstanding Woman Entrepreneur

Special National Award to outstanding SC/ST Entrepreneur

Special National Award to outstanding NER Entrepreneur

For online MSME Registration

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

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