## **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.

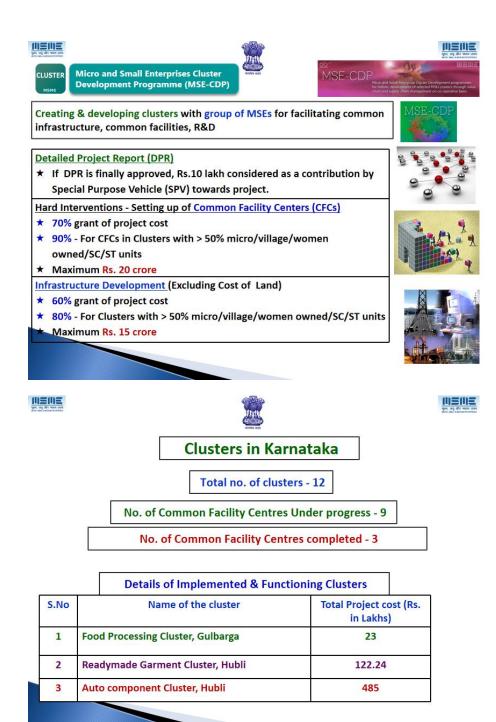
Not applicable for Replacement of existing equipment/technology with same equipment/technology Upgrading with second hand machinery.

#### 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



MSME

			-
	Details of	Cluster (Comm	oon 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

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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



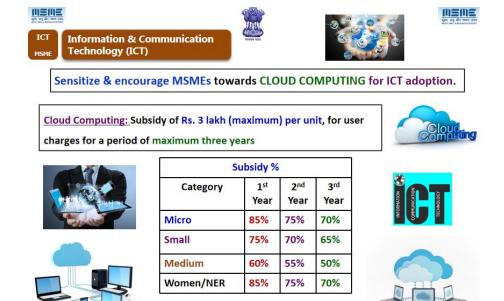
Implementation of QMS/QTT in selected MSEs

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





# Udyog Aadhar ---MSME

# MSME DEFINITION Criteria to define an MSME

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

С

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 75% of the amount in subject to a default subject to a maximum of 4.25 maximum of 37.50 lakh lakh		
Women entrepreneurs/ Units located in North East Region (incl. Sikkim) (other than credit facility upto 5 lakh to micro enterprises)			75% of the amount in default subject to a maximum of 150 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	o 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.

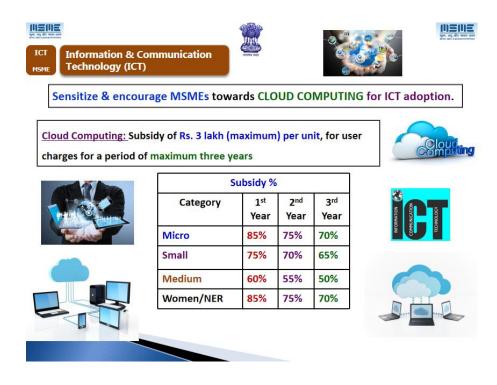
#### **ISO Certification Charges Reimbursement**

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.



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 recognization 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/

Dr Rajan Sharma

Dr R V Asokan

Dr Ramneek Singh Bedi

National President IMA

Hony Secretary General IMA

National Coordinator MSME