



BENEFITS TO MICRO, SMALL & MEDIUM ENTERPRISES



AAUM & CO.

CHARTERED ACCOUNTANTS

MSME UNITS

MSME IS THE GROWTH ENGINE OF NEW INDIA



The overriding reason for anyone to think of establishing a MSME unit can be summarized in one word
“OPPORTUNITY”

- Instant Registration Certificate of MSME through online application
- MSME Classification based on Investment in Plant & Machinery / Equipments at Book Value
- New as well as Existing Business can apply, but must fall under MSME registration category

“Try not to become a man of success.
Rather become a man of value.” – Albert Einstein

CREDIT GUARANTEE FUND TRUST FOR MICRO & SMALL ENTERPRISES (CGTMSE)

- Collateral free loan upto a limit of Rs. 100 lakhs available for individual MSE on payment of guarantee fee to bank
- 75% of the loan amount to the bank is guaranteed by the Trust Fund
- New as well as existing Micro & Small Enterprises can apply
- Approach eligible Banks / Financial Institutions / Regional Rural Banks / NBFCs

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TReDS PLATFORM: TRADE RECEIVABLE FINANCING FOR MSMEs

- To address the financing related issues faced by MSMEs in India, RBI in 2014 introduced the concept of TReDS, a mechanism of trade receivables financing for MSMEs on a secure digital platform.
- Invoice discounting on TReDS involves 3 participants MSME Supplier, Corporate Buyer and Financier.
 - The invoice is uploaded by either buyer / supplier depending on the method of discounting and is approved by the other party.
 - Once the invoice is approved the financiers on the platform start to bid on the invoice.
 - The supplier accepts the bid and the discounted amount is credited in its account in T+1 day, where T is the day of acceptance.
- M1xchange (*RBI approved*) is the **first trade receivable exchange in India**, digitally transforming the process of gaining access to working capital for MSMEs via invoice discounting through multiple financiers.

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MSME SAMADHAAN PORTAL

- As per the provisions of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, **the buyer is liable to pay compound interest with monthly rests to the supplier on the amount at 3 times of the bank rate notified by RBI in case he does not make payment to the supplier for the supplies of goods / services within 45 days of the day of acceptance or the deemed day of acceptance.**
- Such MSEs can also register their cases relating to delayed payments by Central Ministries/Departments/CPSEs/State Governments
- **Delayed Payment Portal - MSME Samadhaan (<https://samadhaan.msme.gov.in>)**

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CREDIT LINKED CAPITAL SUBSIDY SCHEME FOR TECHNOLOGY UPGRADATION (CLCSS)

- To facilitate technology to Micro & Small Enterprises (MSEs) through institutional finance for induction of well established and proven technologies in the specific sub-sector / products approved under the scheme
- **Upfront subsidy of 15% on institutional Credit upto Rs. 1.0 Crore (i.e. subsidy cap of Rs. 15.00 lakhs) for identified sectors/ subsectors/ technologies**
- Eligible Units may approach 11 Nodal Banks / Agencies - **SIDBI, NABARD, SBI, BoB, PNB, BOI, TIIC, Andhra Bank, Corporation Bank, Canara Bank and Indian Bank**

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2% INTEREST SUBVENTION FOR INCREMENTAL LOANS OF RS. 1 CRORES UNDER THE MSME CREDIT SCHEME

- The scheme, operational over FY 2018-19 and FY 2019-20, aims at encouraging both manufacturing and service enterprises to increase productivity and provides incentives to MSMEs for on boarding on GST platform, which helps in formalization of economy while reducing the cost of credit.

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LEAN MANUFACTURING COMPETITIVENESS SCHEME (LMCS)

- To enhance the manufacturing competitiveness in MSMEs through the application of various Lean Techniques by reducing waste, increase productivity, imbibing a culture of continuous improvements, etc.
- Financial assistance to MSMEs \leq Rs. 36 Lakhs per mini cluster of 10 units for a period of 18 months or till completion (GoI : Units = 80:20 i.e. Rs. 28.8 Lakhs: Rs. 7.2 Lakhs).
- All registered MSMEs, having valid Udyog Aadhaar Memorandum and engaged in manufacturing activities are eligible
- To avail the benefit of LMCS, approach eligible Banks / Financial Institutions / Regional Rural Banks / NBFCs

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FINANCIAL SUPPORT TO MSMEs IN ZED CERTIFICATION SCHEME

- Promotion of Zero Defect and Zero Effect (ZED) manufacturing amongst MSMEs to promote adaptation of Quality tools / systems & Energy Efficient manufacturing, to encourage to constantly upgrade quality standards in products & processes, to drive manufacturing with adoption of ZED production processes and without impacting the environment
- Subsidy for Micro, Small & Medium Enterprises will be 80%, 60% & 50% respectively.
- The ZED Certification Scheme is a 4-step process:
 1. Register free on the online portal of ZED (www.zed.org.in) using the following link using the valid (Indian) mobile number and email address:
http://assessment.zed.org.in/Assessment/Assessment_BeforeLogin.aspx
 2. Online self-assessment on the ZED parameters followed by Desktop Assessment
 3. Site-assessment, if selected on the basis of Desktop Assessment
 4. After desktop assessment, MSMEs will have the option to avail the service of an authorized ZED consultant for gap-analysis and handholding.

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BUILDING AWARENESS ON INTELLECTUAL PROPERTY RIGHTS (IPRs)

- To enhance awareness of MSMEs about Intellectual Property Rights (IPRs) and to take measure for the protecting their ideas and business strategies
- Objectives are fulfilled through various activities under the scheme like awareness programmes/Seminars, workshops, Reimbursement for registration of IP, International Co-operation & setting-up IP facilitation centre across the country
- Reimbursement for Patent /GI Registration/Trademarks, for setting up of IP Facilitation Centers, interactive Seminars /Workshops/Exhibitions and Awareness Programmes
- MSME units having valid Udyog Aadhaar Memorandum (UAM) can apply online at www.my.msme.gov.in and initiatives are being implemented through various eligible implementing agencies prescribed in the scheme guidelines.

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PROCUREMENT AND MARKETING SUPPORT (PMS) SCHEME

- Assistance available for following scheme components
 - A. Participation of Individual MSEs in domestic trade fairs / exhibition across the country
 - B. Organizing / Participation in trade fairs / exhibitions (Regional/ National / International) by the Ministry/ Office of DC (MSME) / Government organizations
 - C. Capacity building of MSMEs in modern packaging technique
 - D. Development of Marketing Haats
 - E. International / National Workshops / Seminars
 - F. Vendor Development Programmes: State Level Vendor Development Programmes (SLVDP) and National Level Vender Development Programme (NLVDP)
 - G. Awareness Programmes
- Individual Manufacturing / Service MSEs can apply online at <https://my.msme.gov.in>

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PROCUREMENT FROM MICRO AND SMALL ENTERPRISES (MSEs)

- The Public Procurement Policy for Micro and Small Enterprises (MSEs) has mandated that every Central Ministry / Department / PSU shall set an annual goal of minimum 25% of the total annual purchases from the products or services produced or rendered by MSEs. (Out of this 3% earmarked for procurement from MSEs owned by women & 4% earmarked for procurement from MSEs owned by SC/ST Entrepreneurs)
- MSME Sambandh portal has been launched to monitor the progress of procurement from MSEs

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OTHER PERTINENT BENEFITS

Waiver in Security Deposits to Governments

Following benefits to enterprises that has MSME Registration while making application for Government Tenders:

- Issue of tender sets free of cost
- Exemption from payment of Earnest Money
- Waiver of Security Deposit upto the Monetary Limit for which at the unit is registered

Concession In Electricity Bills

- Avail Concession on electricity bill by making application to electricity department along with MSME Registration Certificate

Reimbursement of ISO Certification charges

- Enterprises that have MSME Registration Certificate can claim reimbursement of ISO Certification expenses by making application to respective authority

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Thank You



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