

*Micro, Small and Medium Enterprises*

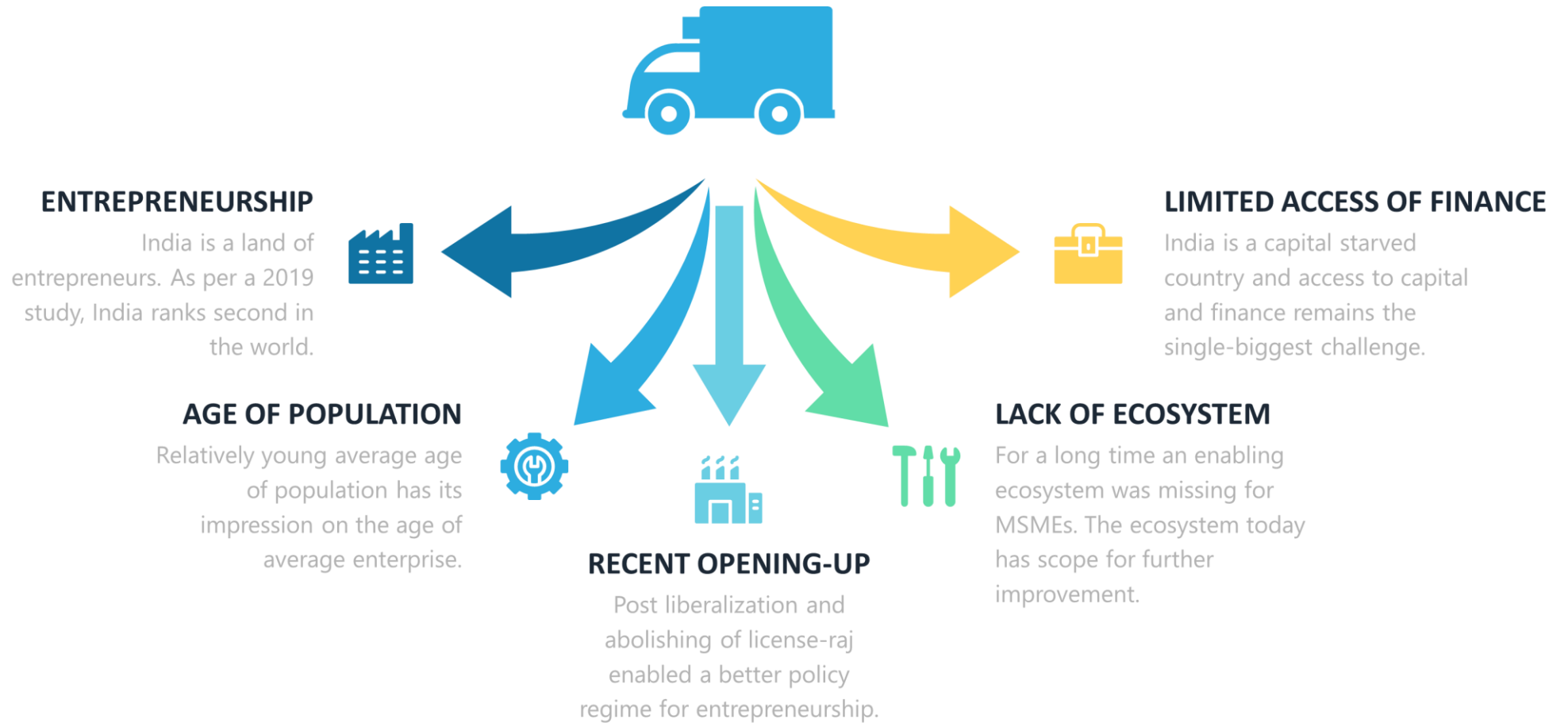
Context, Scope and Benefits

## *Some facts about MSMEs*

- As per 2016 survey there are a staggering **6.3 crore** MSMEs in India, with an almost equal distribution in Manufacturing, Services and Trading.
- As per 2016 survey, MSMEs created **11 crore** jobs, again with an almost equal distribution in Manufacturing, Services and Trading.
- MSMEs contribute **30%** to India's GDP.
- MSMEs contribute to a whopping almost **50%** of the total exports from India.
- Until April 2020 **1.33 crore** MSMEs have registered themselves under MSMEEDA 2006. Significant jump in last 12 months.
- Uttar Pradesh and West Bengal have the highest number of MSME enterprises with Maharashtra being the fourth.

**Micro, Small and Medium Enterprises (MSMEs) are amongst the strongest drivers of economic development, innovation and employment in India.**

## *Why does India have such large number of MSMEs?*



**Every large corporation, was once a MSME**

*How does law define MSMEs?*

<b>Existing MSME Classification</b>			
<b>Criteria : Investment in Plant &amp; Machinery or Equipment</b>			
<b>Classification</b>	<b>Micro</b>	<b>Small</b>	<b>Medium</b>
<b>Mfg. Enterprises</b>	<b>Investment &lt; Rs. 25 lac</b>	<b>Investment &lt; Rs. 5 cr.</b>	<b>Investment &lt; Rs. 10 cr.</b>
<b>Services Enterprise</b>	<b>Investment &lt; Rs. 10 lac</b>	<b>Investment &lt; Rs. 2 cr.</b>	<b>Investment &lt; Rs. 5 cr.</b>
<b>Revised MSME Classification</b>			
<b>Composite Criteria : Investment And Annual Turnover</b>			
<b>Classification</b>	<b>Micro</b>	<b>Small</b>	<b>Medium</b>
<b>Manufacturing &amp; Services</b>	<b>Investment &lt; Rs. 1 cr. and Turnover &lt; Rs.5 cr.</b>	<b>Investment &lt; Rs. 10 cr. and Turnover &lt; Rs.50 cr.</b>	<b>Investment &lt; Rs. 20 cr. and Turnover &lt; Rs.100 cr.</b>

## How does one register for a MSME?

भारत सरकार  
स्वच्छ , लघु और मध्यम उद्यम मंत्रालय  
Government Of India  
Ministry of Micro, Small & Medium Enterprises

National Portal for Registration of Micro, Small & Medium Enterprises

Update Udyog Aadhaar Officer's Login Reports Print Verify UAM

# Udyog Aadhaar

Makes the registration process easier for the small business sector

**95,63,532**  
Udyog Aadhaar  
(From Sept 2015)

**21,96,902**  
Entrepreneur Memorandum  
(2007-2015)

**15,63,974**  
Small Scale Industries  
(upto 2006)

**1,33,24,408**  
MSME Enterprise-  
Registered

**1,61,181**  
MSME Databank  
Units

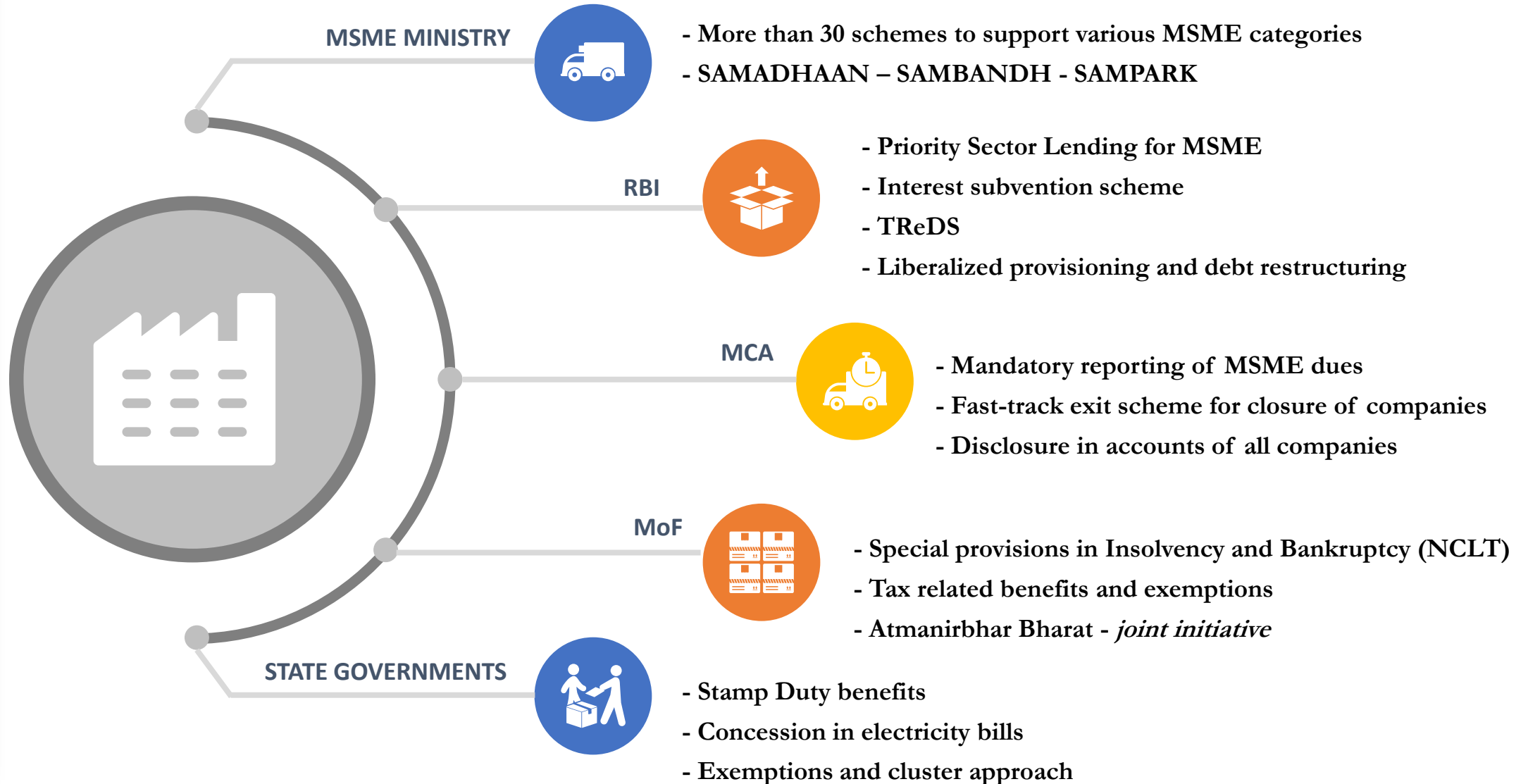
OTP on Mobile(linked with Aadhaar) will be sent for confirmation. Keep your Mobile with you during registration.

ered under MSMED Act, 2006 for registration of Udyog Aadhaar Memorandum(UAM)

- Register with or without your Aadhaar card
- PAN mandatory for companies and LLPs
- Self-declaration with no certification requirement
- Receive Udyog Aadhaar instantly no later than 2 days generally
- No supporting documents
- No Fee
- No physical signature

Simple, hassle-free, self-declaration, online, automated process.  
Do it yourself at [www.udyogaadhaar.gov.in](http://www.udyogaadhaar.gov.in)

## What benefits are available to a MSME?



## *What benefits are available to a MSME?*

1 Prime Minister Employment Generation Programme	17 Promoting Innovation, Rural Industry & Entrepreneurship
2 Performance and Credit Rating Scheme	18 National Manufacturing Competitiveness Programme
3 Credit Guarantee Trust Fund for Micro & Small Enterprises	19 Credit Linked Capital Subsidy for Technology Upgradation
4 Interest Subsidy Eligibility Certificate	20 ISO 9000/ISO 14001 Certification Reimbursement
5 Science and Technology Scheme	21 Marketing Support/Assistance to MSMEs
6 Market Promotion & Development Scheme	22 Lean Manufacturing Competitiveness for MSMEs
7 Revamped Scheme Of Fund for Regeneration Of Traditional Industries	23 Design Clinic for Design Expertise to MSMEs
8 Coir Vikas Yojana	24 Technology and Quality Upgradation Support to MSMEs
9 Coir Industry Technology Upgradation Scheme	25 Entrepreneurial and Managerial Development
10 Science and Technology (S&T) for Coir	26 Enabling Manufacturing Sector to be Competitive
11 Skill Upgradation & Mahila Coir Yojana	27 Building Awareness on Intellectual Property Rights
12 Export Market Promotion	28 International Cooperation
13 Domestic Market Promotion Scheme	29 Marketing Assistance Scheme
14 Trade and Industry Related Functional Support Services	30 Procurement and Marketing Support Scheme
15 Welfare Measures (Pradhan Mantri Suraksha Bima Yojana)	31 Assistance to Training Institutions
16 Financial Support to MSMEs in ZED Certification Scheme	32 Micro & Small Enterprises Cluster Development

All schemes details available on:

[www.msme.gov.in](http://www.msme.gov.in)

Also visit:

[www.dcmsme.gov.in](http://www.dcmsme.gov.in)

## *Certain Key Initiatives already available*

### **SAMADHAAN**

- Conciliation and Arbitration
- Delayed Payment Monitoring and Recoveries within 90 days

### **SAMBANDH**

- Portal for procurement from MSME
- 20% of CPSE purchases to be through MSME

**SAMPARK** – MSME Job Portal

**SIDBI** – Equity investment in MSMEs

**CLCS Scheme** – Credit Linked Capital Subsidy Scheme

### **Credit Guarantee Trust Fund**

- Collateral Free Loan for up to 1 crore
- 1% interest benefit on overdraft facilities of MSME

### **Intellectual Property & International Marketing**

- 50% subsidy for patent registration
- Reimbursement of participation costs in international trade fairs



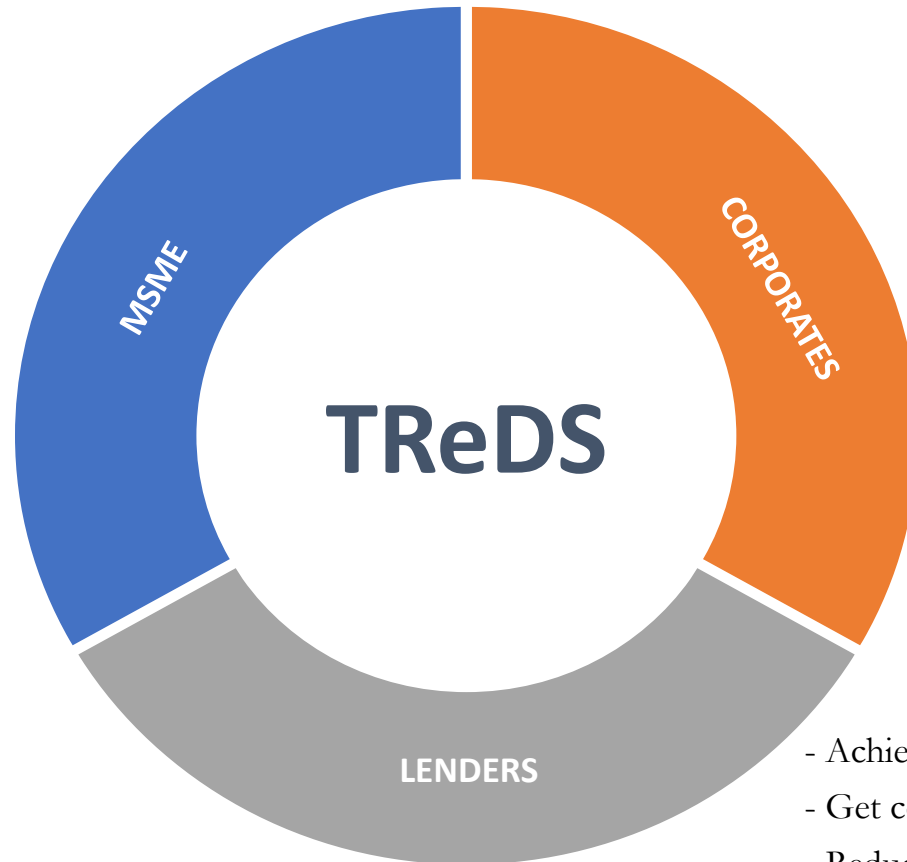
## Certain Key Initiatives already available

### TReDS - Trade receivable financing of MSMEs

- All CPSEs and companies with more than 500 cr. of turnover to mandatorily register.



- Without recourse Receivable Discounting
  - Lower rate of interest
- Unsecured and no facility documentation



- Save on procurement costs
- No borrowing in the books
- Better working capital cycle for extended time

- Achieve PSL limits
- Get corporate security profile for MSME borrower
- Reduce operational costs

**TReDS + GeM coming soon!**

## ***Benefits through Atmanirbhar Bharat***

**New definition of MSME to cover a larger gamut**

**Emergency Credit Line to MSMEs for INR 3 lac crores**

- 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 at 9.25% for banks and 14% of NBFCs
- 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

**Subordinate Debt to NPA\Stresses MSME – INR 20,000 crores**

**Equity infusion from Funds-of-Funds – INR 50,000 crore**

**Global Tenders being disallowed for order up to INR 200 crores**

**MSME receivables from Gov and CPSEs to be released in 45 days**

**Insolvency and Bankruptcy Code amendment**

---

## *Some FAQs*

**Q. Is it necessary to do any regular filings for Udyog Aadhaar?**

**Q. How is investment value to be calculated incase assets are purchased on multiple tranches?**

**Q. Are pure trading entities allowed to be registered under Udyog Aadhaar?**

**Q. Can professionals like Chartered Accountants, Lawyers and Company Secretaries register as MSME?**

**Q. Is registration a must for availing the benefits available to MSME?**

**Q. Is there any downside or costs for registration for Udyog Aadhaar?**



# Thank You