**What is MSME Registration ?**

**MSME Registration** is playing very important role for the small and medium business across India.Numerous surveys show that country’s true economic growth reckoned not just on its large-scale industries and foreign investments but also on its small and medium level industries that also includes various cottage industries operating in India. By looking towards the developing country like India whose economy is basically dependent on agriculture and small-scale industries, applying for MSME registration or SSI Registration could be considered as its backbone.  
  
In India, every state has its own tradition and culture which they follow and become eminent in that kind of industry. No doubt that India is a country with its huge stock of natural resources with intense climate variations, so promoting and working in such type of industries on a very large scale is very common among the traders.  
  
So **Ultimately MSME Registration are a certification** which is issued by respective state government department to **avail to benefits under the MSME Act**. Now from the 2015 government modified the MSME or SSI Registration and its has been changed into the [**Udyog Aadhar Registration**](https://legaladda.myonlineca.in/online-udyog-aadhaar-registration/).

**Why MSME Registration are Important for Small Business ?**

​MSME registration is really important for developing the transparency and accountability of the above-mentioned industries, Government of India has basically categorized these industries which is known as MSME- Micro, Small and Medium Enterprises. MSME is actually an authorized body that helps in promoting these industries throughout the country with the help of officially legalized Act. One of the unique advantage of MSME registration is that it authorizes numerous incentives and incentives to industries included under MSMED Act. In order to subscribe under MSME, a MSME registration procedure is mandatory. Apart from the enterprises as mentioned  above, some  firms, or [shop registration](https://www.myonlineca.in/shopregistration.html) or public  and private limited companies, LLPs are also eligible to apply for registration under MSME to avail its benefits.

**Classification under MSME Registration**

​An industry owner before applying for the registration for MSME should know the requisites to classify his company and must file his application in that category only in order to avoid any cumbersome technicalities. As a result of this, Government of India has come up with a set of rules and regulations for the industries in order to classify them. The classification is mentioned below:

* **Micro industries-** In applying for registration of these kinds of industries your investment shall not exceed 25 lakhs for companies in the manufacturing sectors and 10 lakhs for the service sector.
* **Small industries-**  In small scale industries the investment shall not exceed 5 crores for companies in the manufacturing sectors and 2 crores for the service sector.
* **Medium industries-** when applying for medium industries your investment shall not exceed 10 crores for companies in the manufacturing sectors and 5 crores for the service sector.

**MSME Registration Process :**

MSME Registration process is completely online but you have to require the professional to fill-up your application and getting approval from the department. ​MSMED Act is not compulsory for the companies but it is always suggested for them in order to have Government backing up their company. As a result, numerous medium and small-scale industries are stepping forward to register their company. The whole process of registration is given below:

* The registration process simply requires you an application for the MSME registration that has to be prepared and submitted to the respective government office according to the latest rules and regulations.
* In addition to it, one has to file its personal details of the kind of the industry they want to run and some of the respective documents as mentioned below:
* Your Aadhaar Number.
* Name of Applicant.
* Social Category.
* Gender
* Name of Enterprise / Business.
* Type of Organization you are opting for.
* Your PAN number.
* Location of Plant you are setting up in a place.
* Your current office Address.
* Mobile Number.
* Your E- Mail ID.
* Date of Commencement of Business.
* Your Bank Account Number.
* Bank IFS Code.
* Main Business Activity of Enterprise
* NIC 2 Digit Code.
* Additional details about Business.
* Number of employees
* Investment in Plant & Machinery / Equipment
* Attachment of your scan copy of Aadhaar card
* The usual time is between 2-3 days to complete all the documentation of the registration.

In spite of the fact that registration process is really hassle free, some industry owners still feels necessary to complete all the formalities in order to avoid any type of difficulties thereafter.

**Benefits under MSME Registration Online :**

MSME Registration provides to you right to get avail benefits under the MSME Scheme of the government's. ​One of the outstanding advantage of registration is that the Government will include your company or business in the the Central and State Government schemes so one must get the complete advantage of the schemes. It will lead into superior awareness about the much-arrived schemes and complete transparency of the government working process. Numerous benchmark benefits include simple ingress to various government subsidies and bank loans. Ability to apply for different Government’s beneficial schemes and clarity in various laws such as exercise, banking direct taxes and much more. Below are the some important MSME Scheme Benefits under the Registration :-  
  
**Easy Bank Loans** -  All the business which are registered under the MSME can avail the benefits regarding the bank loans. Banks are provide the collateral free loans where your property is not pledge with the Banks. Govt and SIDBI both create a separate legal entity which work to implement this scheme on the all small and medium business enterprises.  
  
**​Reservation Benefits** - Government also amend the industrial act where every small business which are registered under the MSME can avail the this scheme where you can increase your production of the goods and employment opportunities in the country.  
  
**Easy to open business bank account or any other license registration** - MSME Registration Certificate treat as legal entity proof of the business so you can easily open a current bank account or mentioned your registration while making another license like [GST Registration](https://www.myonlineca.in/gst-registration.html) etc.  
  
**Participate in the International Trade Fairs** - All the small business have to expand their business across the India or on international level which is required to exposure and support from the government. Govts provide benefits to participate and special consideration in the international and national trade fairs which is organised by the MSME Department.  
  
**Octroi Benefits under MSME** :- Small enterprise have to pay the octroi on the goods and services which is delivered by them so its increase the unnecessary cost sometime. In this scheme govt provides the refund of the octroi which is imposed on the goods and services.  
  
**Stamp Duty and Registration Charges Waived off** - Previously all the enterprise which are expand their business in the IT Park or SEZ they avail the benefits under the Stamp Act but now all the small enterprise also can avail these benefits.  
  
**Exemption under the Income Tax as Direct tax** - All the small business which are doing some really innovative or towards the society improvement then they can take the benefits of the income tax in the initial years. even under the startup india scheme same benefits are introduce by the government.  
  
**Get Reimbursement under the Bar Code Registration** - Small Enterprise have requried lot of the mandatory register to run their product based business so all the manufacturing units requried the barcode registration. Under this scheme you are eligible for the subsidy under the bar code registration.  
  
**Various Subsidy on the NSIC Performance and Credit Rating** :- Under this scheme all the small enterprise can avail the benefits of the subsidy on various expenses through NSIC Performance.  
  
**Industrial Promotion Subsidy** - Under this scheme govt wants to promote the small enterprise so they provide benefits regarding industrial promotion in terms of subsidy.  
  
**Protection in the Delay**- Payments from Buyers - This is most common problem for the small business. Buyers are always dealy in the payments to the small business but under this scheme all the enterprise are protected and can file case against the buyer & settlement of the dispute in the minimum time.  
  
**Reduction in rate of the Interest by the major banks** - Under this scheme all the major banks have some policy regarding the banks loan for the MSME which are following -  
1. 40% of the total advances must go to micro and small enterprises involved which are in manufacturing having investment in plant and machinery up to Rs.10 lakh and for service enterprises having investment in equipment up to Rs.4 lakh.  
  
2. 20% of the total advance to micro and small enterprises should go to manufacturing enterprises that have above Rs.10 lakh till Rs.25 lakh investment in the plant and machinery and for service enterprises that have investments in equipment above Rs.4  
3. To simplify, 60% of the advances must go to micro enterprises.  
  
**Get Capital Subsidy** - Under this scheme all the enterprise got the 15% capital subsidy so they can purchase the plan and machinery for the same.  
  
**Security Deposit Waived off** :- Small Enterprise have very small amount of the working capital to run their business but in the some registration they have to deposit the security money so under this scheme its has been waived off for the msme registration enterprises.  
  
**Concession in the Electricity Bills** - All the small enterprise which have MSME Udyog aadhar Certificate can avail the concession in the electricity bills in the particular areas.  
  
**Got the benefits in ISO Certificate** - Small enterprise while apply for the big projects, they have to show their credibility which requried the ISO Certification. In this scheme you got the subsidy for the ISO Certification.  
  
**Preference in the Government Tenders** - MSME certified enterprise are prefered in the government tenders during the bid. so this is one of the most important advantage to win the big tenders.  
  
**​Got the Subsidy on the Patent Registration** - There are lot of the innovative small firms which are doing some innovative things & required a patent registration which is really expensive. Under this scheme you got the 50% waived off in the patent government registration fee.

**Where MSME Registration has been registered with the government**

MSME Registration is done online but each state have a separate DIC (District Industries Centre) department. these authorities approved the MSME Registration Certificate with the MSME Number. Even if you want to avail the scheme or benefits under the msme then you have to contact to your nearby DIC Department for the same.

**Documents Required for the MSME Registration**

MSME Registration required very less documents from the business prospective. Its requried the following documents -  
a) Aadhar Card Copy - Aadhar is the mandatory now for the MSME Registration Online. without aadhar card you can'nt register for the MSME Registration. In the case of the [private limited company registration](https://www.myonlineca.in/private-limited-company-registration.html) or [partnership](https://www.myonlineca.in/partnership-firm.html) etc Partners aadhar card is worked because there is no aadhar card on company name.  
  
b) Mobile Number linking with the aadhar card - MSME Registration is online so you have to required to link your mobile number with the aadhar card. If number is not linked with the aadhar card then you have to required the alternative documents like pan card copy etc.