**MSME REGISTRATION**

**Simple Steps for MSME / SSI Registration**



**Basics** :

Aadhar number issued for Business Unit is known as Udyog Aadhaar. Indian government has provided many benefits for small scale units or medium small and micro enterprises (MSME). In order to be eligible to get these benefits, any entity should register itself as MSME/SSI enterprise under MSMED Act.

**Advantages :**

1. Gets preference in procuring Government Tenders.
2. Collateral free loans from Banks and financial institution.
3. 1% exemption on interest rate on overdraft.
4. Eligible for Industrial Promotion subsidy.
5. 50% subsidy on Patent registration.
6. Right of interest on delayed payments from buyer.
7. Time bound resolution of disputes with buyers through Arbitration and Conciliation.
8. Concession in Electricity Bills.
9. Reimbursement of ISO Certification charges.

**Documents Copy Required :**

No physical documents required to be submitted for MSME/SSI Registration. Information provided in Online Application Form is sufficient.

**Please be ready with following documents at the time of filing application form for MSME / SSI Registration :**

1. PAN of Proprietor/Business
2. Aadhar Card
3. Email ID & Mobile Number for Authorised Person of Business
4. Copies of Sale Bill and Purchase Bill.
5. Shop Act/Certification of Incorporation/any other registration certificate of business.
6. **Proof of Place of Business**-

*For Self Owned premise* – Allotment letter, possession letter, lease deed or property tax receipt.

*For Rented premise* -Electric Bill/Rent Agreement OR Rent Receipt with NOC/Legal Ownership Document of Landlord like Index II OR Property Tax Receipt.

1. Industrial License received from Government of India.
2. Details of all plants of the business (Locations address).
3. Bank Details –Cancelled Cheque/Bank Account Number + IFSC.
4. Copy of Authorization Letter including Resolution passed by Board of Directors & Acceptance Letter.

**Quotation :**

CONSULTATION FEES Rs.1,250/-

**Form to be filled in ref.below website :**

<http://www.msmeregistration.org>

**FAQs :**

1. **Who can apply for MSME Registration ?**

**Ans** : Any entrepreneur having valid Aadhaar Number can apply for Online MSME Registration.

1. **What are the documents required for MSME Registration ?**

**Ans** : No document required for MSME Registration / SSI Registration. Only information provided in Online Application Form is sufficient.

1. **What is the difference between MSME Registration and SSI Registration?**

**Ans :** MSME Registration and SSI Registration are the same. Earlier MSME Registration was know as SSI Registration.

1. **How much time it takes to Register for MSME/SSI ?**

**Ans** : Usually it takes 1 or 2 days subject to complete documentation from applicant.

1. **Whether Physical Copy of Certificate will be issued ?**

**Ans :** As Go Green Initiative by Government, no physical copy issued. MSME Certificate issued in Soft Copy. Click on **Sample Certificate** to view Sample Certificate.

1. **Whether Aadhaar Number is mandatory for online MSME Registration ?**

**Ans** : At present Aadhaar Number is mandatory.

1. **What do you mean by MSME ?**

**Ans :** As per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 enacted by Government of India, MSME Means :

FOR MANUFACTURERS engaged in the manufacture or production, processing or preservation of goods as specified below:

A micro enterprise is an enterprise where investment in plant and machinery does not exceed Rs. 25 lakh;

A small enterprise is an enterprise where the investment in plant and machinery is more than Rs. 25 lakh but does not exceed Rs. 5 crore;

A medium enterprise is an enterprise where the investment in plant and machinery is more than Rs.5 crore but does not exceed Rs.10 crore.

For SERVICE PROVIDERS :

A micro enterprise is an enterprise where the investment in equipment does not exceed Rs. 10 lakh;

A small enterprise is an enterprise where the investment in equipment is more than Rs.10 lakh but does not exceed Rs. 2 crore;

A medium enterprise is an enterprise where the investment in equipment is more than Rs. 2 crore but does not exceed Rs. 5 crore.

1. **What is the implication of non registration of MSME ?**

**Ans** : No Penalty but to avail Government Scheme Benefits, it is beneficial to register as MSME. MSME registration has huge benefits eg. Subsidy from Government, Protection against delayed payments etc.

1. **Is there any provision for grant of composite loans by banks?**

**Ans :** A composite loan limit of Rs.1crore can be sanctioned by banks to enable the MSME entrepreneurs to avail of their working capital and term loan requirement through Single Window in terms of RBI Master Circular on lending to the MSME sector dated July 1, 2010. All scheduled commercial banks have been advised by circular RPCD.SME&NFS. BC.No.102/06.04.01/2008-09 on May 4, 2009 that the banks which have sanctioned term loan singly or jointly must also sanction working capital (WC) limit singly (or jointly) to avoid delay in commencement of commercial production thereby ensuring that there are no cases where term loan has been sanctioned and working capital facilities are yet to be sanctioned. These instructions have been reiterated to schedule commercial banks on March 11, 2010.

1. **What support is provided by the Ministry to improve quality of products produced in MSME sector?**

**Ans :** The main objective of TEQUP scheme is to encourage MSMEs to Acquire Product Certification Licenses from National / International Bodies, thereby improving their competitiveness. The primary objective of this activity is to provide subsidy to MSME units towards the expenditure incurred by them for obtaining product certification licenses from National / International standardization Bodies. Under this Activity, MSME manufacturing units will be provided subsidy to the extent of 75% of the actual expenditure, towards licensing of product to National/International Standards. The maximum GOI assistance allowed per MSME is Rs.1.5 lakh for obtaining product licensing /Marking to National Standards and Rs. 2.0 lakh for obtaining product licensing /Marking to International standards. There is a limit that One MSME unit can apply only once under the scheme period.

1. **Whether there is any scheme for assisting MSMEs for Intellectual Property Rights?**

**Ans :** As per the National Manufacturing Competitiveness Programme (NMCP) to enhance the competitiveness of the SMEs sector, O/o DC(MSME) is implementing a scheme “Building Awareness on Intellectual Property Rights (IPR)” for the MSME. The objective of the scheme is to enhance awareness of MSME about Intellectual Property Rights (IPRs) to take steps for protecting their ideas and business strategies. Accordingly, to enable the MSMEs to face the challenges of liberalisation, multiple activities on IPR are being implemented under this scheme.

1. **What support is provided by the Ministry for enabling MSMEs to get credit rating?**

**Ans :** The Ministry is implementing the Performance & Credit Rating Scheme, the main objective of the which is to provide a trusted third party opinion on the capabilities and creditworthiness of the MSMEs so as to create awareness amongst them about the strengths and weakness of their existing operations. This is to provide them an opportunity to improve and enhance their organizational strengths and credit worthiness, so that they can access credit at cheaper rates and on easy terms. NSIC was appointed as nodal agency to implement the scheme on behalf of the Government. Rating under the scheme is being carried out through empanelled rating agencies i.e. Credit Rating Information Services of India Limited (CRISIL), Credit Analysis & Research Limited (CARE), Onicra Credit Rating Agency of India Ltd. (ONICRA), Small and Medium Enterprises Rating Agency of India Ltd. (SMERA), ICRA limited and Brickwork India Ratings. Under this Scheme, rating fee payable by the MSEs are subsidized for the first year only and that is subject to maximum of 75% of the fee or Rs. 40,000/- whichever is less.

1. **What are the guidelines for delayed payment of dues to the MSE borrowers?**

**Ans :** As per Micro, Small and Medium Enterprises Development (MSMED), Act 2006, for the goods and services supplied by MSME units, payments have to be made by the buyers as under: The buyer is to make payment on or before the date agreed on between him and the supplier in writing or, in case of no agreement, before the appointed day. The agreement between seller and buyer shall not exceed more than 45 days. If the buyer makes default in payment to the supplier, he shall be liable to pay compound interest with monthly rests to the supplier on the amount from the appointed day or, on the date agreed on, at three times of the Bank Rate notified by Reserve Bank. For any goods supplied or services rendered by the supplier, the buyer shall be liable to pay the interest as advised at above. In case of dispute with regard to any amount due, a reference shall be made to the Micro and Small Enterprises Facilitation Council, constituted by the respective State Government. To take care of the payment obligations of large corporate borrowers to MSEs, banks have been advised that while sanctioning/renewing credit limits to their large corporate borrowers (i.e. borrowers enjoying working capital limits of Rs. 10 crore and above from the banking system), to fix separate sub-limits, within the overall limits, specifically for meeting payment obligations in respect of purchases from MSEs either on cash basis or on bill basis. Banks are also advised by RBI to closely monitor the operations in the sub-limits, particularly with reference to their corporate borrowers’ dues to MSE units by ascertaining periodically from their corporate borrowers, the extent of their dues to MSE suppliers and ensuring that the corporate pay off such dues before the ‘appointed day /agreed date by using the balance available in the sub-limit so created.

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