

KEY ADVANTAGES OF MSME REGISTRATION IN INDIA

- Article By CS Krishna Popat published on 10/02/2024

What is MSME?

- MSME stand Ministry of Micro, Small & Medium Enterprises.

How to know you in which category of MSME your business is classified?

- Below is the Chart for identification: Manufacturing Enterprises and Enterprises rendering Services:

Classification	Micro	Small	Medium
Investment in plant and machinery or Equipment:	Not more than Rs. 1 crore	Not more than Rs. 10 crores	Not more than Rs. 50 crores
Annual Turnover:	Not more than Rs. 5 crores	Not more than Rs. 50 crores	Not more than Rs. 250 crores

What are Key Advantages of MSME Registration in India?

- It will be a **permanent registration** and basic identification number for an enterprise: Udyog Aadhaar (now transformed into Udyam Aadhaar) is a 12-digit unique identification number issued by the MSME Ministry to Micro, Small, and Medium Enterprises.
- MSME Registration is **paperless and based on self-declaration**: MSME registration process is fully online, paperless and based on self-declaration. No documents or proof are required to be uploaded for registering an MSME. Only Adhaar Number will be enough for registration along with other basic details viz: Bank account details, No. of Employees etc.
- Subsidy on IPR (Intellectual property Rights) Registration: According to existing rules and regulations prevailing for the time being in force, MSMEs registered with the MSME ministry are eligible for a **50% discount on their patent/ trademark and Copyright registration costs**. This motivates startups and small companies to continue developing novel ideas and technologies. by applying to the relevant ministries, one may apply for the subsidy.
- Timely Payments by Buyers: MSMEs often face the problem of delayed payments by buyers, which affects their cash flow and financial stability. To address this issue, the government has launched the Samadhan portal, which enables MSMEs to file complaints against buyers who delay payments. This initiative ensures that **MSMEs receive timely payments for their products and services**, thereby improving their financial stability.
- Free ISO Certification: **The authorities will not charge MSME-registered businesses** any ISO certificate fees if they submit an application to the appropriate authority with their registration certificate. ISO certification is required to increase the standards of MSMEs' efficiency throughout the bidding process.
- Industrial Promotion Subsidy: **MSMEs can avail industrial promotion subsidies for purchasing plant and machinery**, which helps them upgrade their technology and machinery. The subsidy provides financial assistance to MSMEs to improve their production processes, increase efficiency, and become more competitive.
- Access to international trade: The **Indian government funds business delegations to attend international trade shows, exhibitions, business meetings and seminars, and conferences held worldwide to share expertise**. This international cooperation program enables exposure to industrialization's more recent facet.
- Reduced rate of interest from banks: MSMEs can avail the benefit of **interest subvention or reduced interest rates on their overdraft facilities**, up to a certain limit. The government provides interest subvention, meaning reduced interest rate to MSMEs who promptly repay their loans As Per the Government Policies.
- Collateral-free bank loans: The Indian government has made **collateral-free financing available** to all small and microbusiness sectors. This program offers financial assurances to micro and small businesses. Both new and old businesses are eligible to benefit from this program.

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