

1. Definition of MSME:

	Micro	Small	Medium
Manufacturing/Production Sector : Investment in Plant & Machinery	Investment \leq Rs. 25 L	Investment $>$ Rs. 25 L to \leq Rs. 5 Cr.	Investment $>$ Rs. 5 Cr. to \leq Rs. 10 Cr.
Service Sector : Investment in Equipment	Investment \leq Rs. 10 L	Investment $>$ Rs. 25 L to \leq Rs. 5 Cr.	Investment $>$ Rs. 5 Cr. to \leq Rs. 10 Cr.

2. Overview of MSME with respect to GST:

a. Special registration provisions for MSME sector:

Not required to obtain GST registration	Aggregate turnover does not exceed in F.Y.
Intra-State taxable supply of GOODS	Rs. 40 Lakh (In certain state Rs. 20 Lakh)
Intra-State taxable supply of SERVICES	Rs. 20 Lakh (In certain state Rs. 10 Lakh)
Inter-State taxable supply of services ONLY	Rs. 20 Lakh (In certain state Rs. 10 Lakh)

b. Exemption from compulsory audit by CAs for MSME:

In a GST regime, registered persons having annual turnover up to Rs. 2 Crore are exempted from getting their accounts audited by CAs or Cost Accountant.

c. GST registered MSMEs can get 2% interest subvention from Government for incremental loan of Rs. 1 Crores under MSME credit scheme.

3. Udyog Aadhar/MSME Registration Benefits:

- a.** Enjoy Easy Bank Mortgage
- b.** Reservation Advantages
- c.** You Can Easily Open Business Account in a Bank
- d.** You Can Be a Part of International Business Fairs
- e.** Get Registration and Stamp Duty Charges Waived Off

4. Following benefits can be availed by MSME sector/Enterprise:

a. Bank Loans (Collateral Free)

Under this scheme, both the old as well as new enterprises can claim the benefits.

b. Subsidy on Patent Registration

A hefty 50% subsidy is given to the Enterprise that has the certificate of registration granted by MSME. This subsidy can be availed for patent registration by giving application to respective ministry.

c. Overdraft Interest Rate Exemption

Business or Enterprise registered under MSME can avail a benefit of 1% on the Overdraft as mentioned in a scheme that differ from bank to bank.

d. Industrial Promotion Subsidy Eligibility

Enterprise registered under MSME are also eligible for a subsidy for Industrial Promotion as suggested by the Government.

e. Fewer Electricity Bills

Concession is available to all Registered MSME by providing an application to the department of electricity along with certificate of registration by MSME.

f. Protection against payments

In case, if any MSME registered enterprises supplies any goods or services to a buyer than the buyer is required to make the payment on or before the agreed date of payment or within 15 days from the day they had accepted the goods or services from (if there is no mention of the date of payments)

If the buyer delays the payments for more than 45 days after accepting the products or services, then the buyer has to pay compound interest along with interest (monthly) on the amount that was agreed to be paid. The interest rate is three times the rate that is notified by the RBI.

g. ISO Certification Charges Reimbursement

Registered MSME can claim reimbursement of expenses that were spent for the ISO certification.