

COMPANY SECRETARY

SBILL CHAPTER 5(MSME) HANDWRITTEN NOTES

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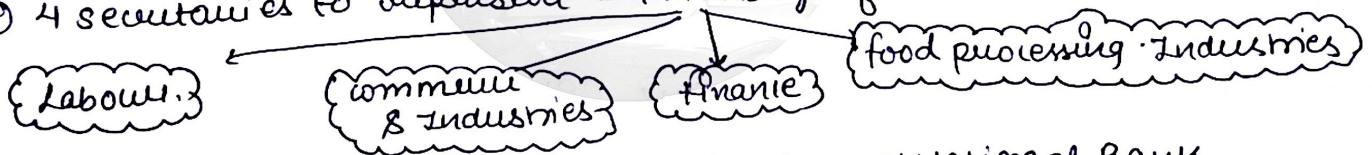
Micro, small and medium Enterprises. Chapter - 5

Regulatory framework:

- MSME development act 2006.
- MSME rules
- MSME Notification and circulars.
- MSME sector has emerged as highly vibrant & dynamic sector of Indian economy.
- It plays crucial role in providing large employment opp. at lower capital cost.
- MSME sector contributes to socio-economic develop. of country.
- Micro, small, medium enterprises development act 2006 come into force on 2nd Oct, 2006.

Constitution of Board:

- ① A Minister having admini. control of MSME rules shall be chairperson.
- ② A Minister of state or deputy minister → vice-chairperson.
- ③ 6 ministers of state govt. having admini. control of department appointed by central govt. to represent such regions.
- ④ 3 Members of parliament :- 2 shall be elected by lok sabha and 1 from rajya sabha.
- ⑤ Administrator of union territory appointed by C. Govt.
- ⑥ Secretary to Govt. of India in charge at the ministry.
- ⑦ 4 secretaries to represent - Ministry of



- ⑧ The chair person of Board of director of National Bank.
- ⑨ chairman is MP of BOD of small, Industries Bank.
- ⑩ chairman, Indian Banks Association.
- ⑪ One of RBI, not below rank of Executive director.
- ⑫

Functions of the Board:

- ① To examine the factor affecting the promotion and develop. of MSME.
- ② Review the policies of central Govt. relating MSME.
- ③ To make recommendations on matters relating to promotion and develop. of MSME.
- ④ To advise the central Govt. on the use of the fund of MSME act 2006.

Classification of Enterprises:

Micro

Investment in P & M.

does not exceed in
1 crore.

&

Turnover does

Not exceed
5 crores

~~Micro~~ Small

Invest. in P & M.

does not exceed in
10 crore

&

Turnover does

not exceeds 50 cr.

Medium

Investment in P & M.

does not exceed in 50 crore
&

Turnover does not exceeding
250 cr. surplus.

MSME includes all estab. engaged in either in manufacturing or rendering service, but it does not include enterprise which are only in trading activities.

MSME - revised classification applicable w.e.f. 1st July 2020
composition criteria:- Investment in plant & M. or equipment & annual turnover.

Registration process:

1. The form for reg. shall be provided in Udyam reg. Portal.
2. There will be no fee. for reg.
3. In case of proprietorship firm → Aadhar no. of proprietor.
In case of partnership firm → Aadhar NO. of Managing partner.
In case of HUF → Aadhar no. of karta.
4. In case of company or LLP or co-operative society or trust authorised signatory shall provide its GSTIN & PAN with aadhar No.
5. In case enterprise did not have PAN shall file self-declaration basis.
6. No enterprise shall file more than one udyam registration.

Benefits of taking Udyam registration:

1. It will be permanent reg.
2. MSME reg. is paperless & based on self-declaration.
3. No need for renewal of reg.
4. Any no. of activities including manufacturing & services both in one reg.
5. It also help MSME in availing benefits of scheme of ministry.
6. Becomes eligible for priority sector lending from Banks.

* NSIC Registration:

Both MSME or Udyog aadhar reg. are eligible for obtaining NSIC registration.

Benefits extended to MSEs having valid regis.

- Issue of Tendor sets free of cost.
- Exemption from payment of earned money deposit.
- Small entrepreneur (L1) + 15% price band use कर सकते हैं।
↓
जो actual Base price है → Extra 15% us cost में ज्यादा में sale कर सकते हैं।
- consortia facility for Tendor marketing.
↓
Bohut saare MSME collaborate करेंगे।

MSME scheme

- Prime minister's employment generation programme.
- 2nd loan for up-graduation of existing PME GP / Mudra Units
- Credit guarantee scheme for MSMEs.
- Micro & small enterprise cluster develop. progr.
- Scheme of fund for regeneration of traditional Industries.
- Entrepreneurship & skill development programme. [ESDP] scheme
- Assistance to training institution (ATI) scheme.
- Coir vikas yojna - umbrella scheme.
- Procurement & marketing support (PMS) scheme
- International cooperative (IC) scheme
- National SC-ST Hub scheme
- ASPIRE.
- Credit guarantee scheme for subordinate debt for stressed MSMEs.
- Self reliant India (SRI) fund.
- MSME sambandh.

* Reference to micro small enterprises facilitation council.

- In case of dispute any party to dispute make reference to micro & small enterprises facilitation council.
- On receipt of such council shall conduct conciliation or seek assistance of institution or centre providing accurate dispute resolution.
- Every reference made shall be decided within a period of 90 days from date of making such reference.

Composition of Micro & small enterprises facilitation council.

- Council shall consist of not less than 3 but not more 5 members
- Director of Industries, department of S. govt, having admin. control of small scale Industries.
- One or more representative of association of micro / small industry in enterprise state.