

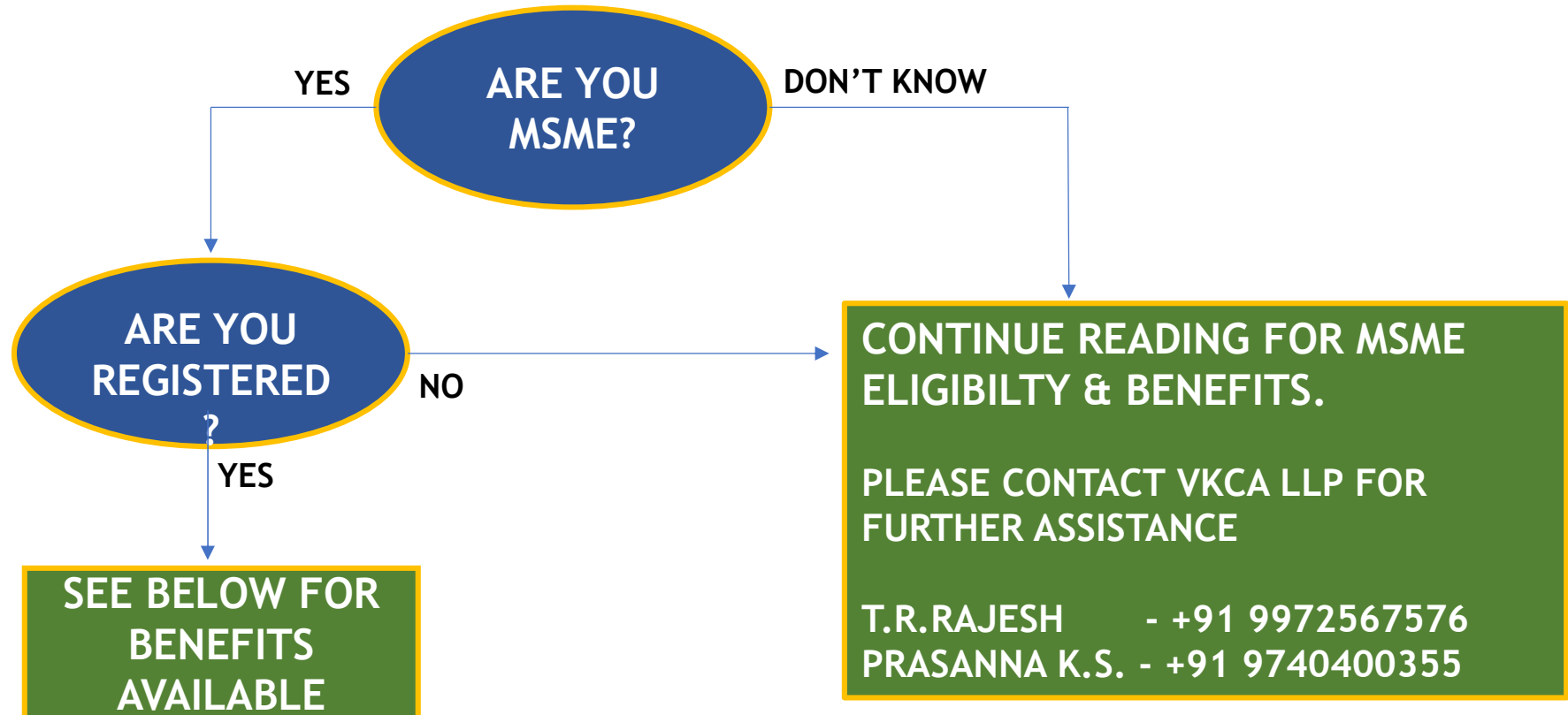


BENEFITS TO MSMEs

VINAY & KESHAVA LLP
CHARTERED ACCOUNTANTS

Batgach
& AFFILIATES
A NETWORK APPROVED BY ICAI

Benefits and relief measures to Registered MSMEs on COVID-19



An introduction to MSME

- What is an MSME?
- MSME is abbreviated as Micro, Small and Medium Enterprise and classified as such based on the investment made in the entity's plant & machinery by a *manufacturing entrepreneur* and in equipment (except land and building and furniture, fittings and other items) by a *service entrepreneur*.

Type of enterprise	Amount of maximum investment applicable		
	Micro	Small	Medium
Manufacturing Enterprises	Up to Rs. 25 Lacs	Rs. 25 Lacs to Rs. 5 Crores	Rs. 5 Crores to Rs. 10 Crores
Service Enterprises	Up to Rs. 10 Lacs	Rs. 10 Lacs to Rs. 2 Crores	Rs. 2 Crores to Rs. 5 Crores

Financial benefits available to MSME's

Financial benefits

- Building Awareness on Intellectual Property Rights (IPR) for MSME **up to Rs. 25,000 for domestic patent & up to Rs. 2 Lac for foreign patent.**
- **Up to Rs. 3 Lac per unit**, for a period of maximum of 3 years for cloud computing
- **80% reimbursement** of cost of hiring the lean manufacturing consultant (LMC) (Maximum LMC Charges Rs. 36 Lacs)
- **75% reimbursement** for product certification, Up to **Rs.1.5 Lac** for National certification & **Up to Rs. 2 Lac** for International certification
- **30% grant (Up to Rs. 30 Lac)** of loan/ credit
- **Trade receivables** discounting system

Support benefits available to MSME's

Support benefits

- **Up to Rs. 15 crore** for Setting up of Common Facility Centres (CFCs) in MSE Clusters provided in the form of tangible assets or infrastructure
- **Up to Rs. 8 Lac grant** for Incubation of Innovative Ideas through business incubators
- Improve the **quality of products** in the MSE sector and to inculcate the **quality consciousness** in this sector including:
 - One day Awareness Campaign
 - 2 days duration workshop at Metros
 - One National Level workshop at Delhi
 - Monitoring International Study Mission
 - ITI/Polytechnic teacher training
 - Course module in polytechnic syllabus, etc.
- **20% mandatory annual procurement** from MSEs by Central Government Ministries, Departments & PSUs

Benefits to MSME's due to COVID-19

- After the COVID-19 crisis started, the state of the economy deteriorated at a fast rate and the MSME sector were the worst affected due to fall in orders, demands and restrictions in movement.
- Considering the possibility of bankruptcy due to the crisis, the **RBI released Rs. 15,000 Crores to SIDBI to extend special schemes exclusively for REGISTERED MSMEs** who meet certain criteria. The schemes include providing credit and term loans from NBFCs, Scheduled banks, Micro finance institutions
- Further, the Karnataka government has announced the **waiver of fixed charges of MSME's electricity bills for two months.**
- Selective banks are offering **working capital demand loan up to 10% of the specific existing fund based working capital** facility to meet temporary liquidity mismatch of MSME.
- Relief measures announced by **Income Tax Authorities.**

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We Look Forward to help you to achieve your business goals.

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