

# Contents

	PAGE
Micro Enterprises Reckoner	I-11
Small Enterprises Reckoner	I-15
Medium Enterprises Reckoner	I-19
MSME Reckoner 1 - Turnover-limit linked compliances/ exemptions for a private company	I-23
MSME Reckoner 2 - Turnover-limit linked compliances/ exemptions for MSME which is a limited liability partnership	<i>I-29</i>
MSME Reckoner 3 - Turnover-limit linked compliances/ exemptions for MSME which is a traditional/general partnership firm	<i>I-</i> 37
MSME Reckoner 4 - Turnover-limit linked compliances/ exemptions for MSME which is individual/HUF	I-45
MSME Reckoner 5 - Turnover-limit linked compliances/ exemptions for MSME which is a Public Company	I-55

## DIVISION ONE \_\_

## MSMEs - DEFINITION, CLASSIFICATION AND REGISTRATION

## Chapter 1

What is the new definition of "Micro Enterprises", "Small Enterprises" and "Medium Enterprises"?

## Chapter 2

How to compute the investment?

24

3

CONTENTS	I-6
	PAGE
Chapter 3 How to compute turnover	46
Chapter 4 Classification of MSMEs based on new composite criteria (with illustrations and case studies)	51
Chapter 5 Udyam Registration - How to file Udyam Registration	55
Chapter 5A MSME Formalization : Udyam Assist Platform	82
Chapter 6 How and when MSMEs will be reclassified	88
Chapter 7 What is 'manufacturing'/'production' MSME and what is 'service MSME'?	91
BENEFITS TO REGISTERED MSMEs	
Chapter 7A Benefits from MSME Fund	113
Chapter 8 What are the benefits available to registered MSMEs under MSMED Act in respect of protection/remedies against delayed payments by buyers	116
Chapter 9 Factoring & TReDS - Trade Receivables Discounting System	185

Chapter 10

What other benefits available to registered MSME under Central Schemes?

192

	PAGE
Chapter 11	
Relief for MSMEs from forfeiture of bid/performance security for non-performance of contract during COVID period	256
Chapter 11A	
Vivad se Vishwas II - Settling Contractual Disputes	263
Chapter 11B	
Entity Digital Locker	274
Chapter 11C	
Skill India Digital Platform	275
Chapter 12	
Pre-packaged insolvency resolution process for MSMEs who are corporate ( <i>i.e.</i> Companies/LLPs)	276

# DIVISION THREE

# BENEFITS TO SMALL BUSINESSES, WHETHER REGISTERED MSMEs OR NOT

Chapter 13	
Benefits available to small businesses under the Income-tax Act, 1961	313
Chapter 14 Exemption from compulsory tax audit to micro enterprises	321
Chapter 15 Low tax rate without exemption regime applicable to com- panies irrespective of size	325
Chapter 16	
Concessional rate of tax for SME companies without fore- going any exemptions	331
Chapter 17	
Relaxations in compliances to small companies under Companies Act, 2013	333

CONTENTS	I-8
	PAGE
Chapter 18	
MUDRA Scheme - Funding the Non-Corporate Small Busi- ness Sector (NCSBS)	341
Chapter 19	
PM Street Vendor's Atma Nirbhar Nidhi (PM SVANidhi) : A Special Micro-Credit facility for Street Vendors	351
Chapter 20	
59 Minutes online loan approval for MSMEs	356

# **DIVISION FOUR**

# LEGAL FORMS OF ORGANISATION MSMEs CAN ADOPT AND PROS AND CONS OF CHOICE OF VARIOUS LEGAL FORMS

# Chapter 21

What legal forms of organisations can MSMEs adopt	393
Chapter 22 Sole proprietorship	395
Chapter 23 Traditional/General Partnership/Partnership Firm	397
Chapter 24 Limited Liability Partnership (LLP)	404
Chapter 25 Companies	410
Chapter 26 Hindu Undivided Family	425

## **DIVISION FIVE**

## **MICRO ENTERPRISES**

#### Chapter 27

Definition of micro enterprises

_	PAGE
Chapter 28	
Legal forms of organisation that are suitable for micro enterprises	432
Chapter 29	
Registration as micro enterprise	434
DIVISION SIX	
SMALL ENTERPRISES	
Chapter 30	
Definition of small enterprises	439
Chapter 31	
Legal forms of organisation that is suitable for small enter-	
prises	440
Chapter 32	
Registration as small enterprise	442
DIVISION SEVEN	
MEDIUM ENTERPRISES	
Chapter 33	
Definition of medium enterprises	447
Chapter 34	
Legal forms of organisation that is suitable for medium	
enterprises	448
Chapter 35	
Registration as medium enterprise	150
	450
DIVISION EIGHT	450

# Chapter 36

Definition of Start-up

	CONTENTS	I-10
Chapter 37		PAGE
Benefits to Scheme	DPIIT - Recognised start-ups under start-up India	472
	APPENDICES	
APPENDIX 1 :	COVID-19 RELIEF MEASURES ANNOUNCED ON 27-03-2020	479
APPENDIX 2 :	COVID-19 RELIEF MEASURES ANNOUNCED BY RBI ON 17-04-2020	481
APPENDIX 3 :	MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006	485
APPENDIX 4 :	NEW MSME NOTIFICATION (NMN)	500
APPENDIX 5 :	INCLUSION OF WHOLESALE TRADE AND RETAIL TRADE IN MSMEs	505
APPENDIX 6 :	OFFICE MEMORANDUM REGARDING ACTIVITIES NOT ELIGIBLE FOR MSMEs REGISTRATION	506
APPENDIX 7 :	EXTENSION OF OM NO. UAM/MC/01/2017-SME, DATED 27-07-2017 TO UDYAM REGISTRATION	507
APPENDIX 8 :	ACTIVITIES (NIC CODES) NOT COVERED UNDER MSMED ACT, 2006 FOR REGISTRATION OF UDYOG AADHAAR MEMORANDUM (UAM)	508
APPENDIX 9 :	RELEVANT TEXT OF SECTION 43B(h) OF INCOME-TAX ACT, 1961	510