

UDYOGAADHAAR

Version 2

Dental Clinics are a part of MSME

MSMEs is an acronym for Micro, Small and Medium Enterprises. In a developing country like India, MSMEs form the backbone of the economy.



CONTENT

1. INTRODUCTION
2. What are MSMEs?
3. BENEFITS OF MSME TO DENTAL INDUSTRY
4. REGISTRATION
5. GST ON DENTAL HEALTHCARE SERVICES -APPLICABLE OR NOT
6. BUDGET 2020 - GIFTS FOR MSMES AND START-UPS
7. INCENTIVES FOR START-UPS
8. NO – OBJECTION LETTER FORMAT
9. ANNEXURES
10. DISCLAIMER

INTRODUCTION

Infusion of liquidity and creation of a self-sufficient and self-reliant India

Inclusion of the MSME sector in the set of reforms introduced as, MSMEs in total contribute to 45% of India's industrial employment, 50% of India's total exports and 95% of all industrial units of the country and more than 6000 types of products.



WHAT ARE MSMEs

- 1) The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 defines micro, small and medium enterprises (MSMEs) as under:
 - A. Enterprises engaged in the manufacture or production, processing or preservation of goods as specified below:
 - i. A micro enterprise is an enterprise where investment in plant and machinery does not exceed Rs. 25 lakh;
 - ii. A small enterprise is an enterprise where the investment in plant and machinery is more than Rs. 25 lakh but does not exceed Rs. 5 crore;
 - iii. A medium enterprise is an enterprise where the investment in plant and machinery is more than Rs. 5 crore but does not exceed Rs. 10 crore. In case of the above enterprises, investment in plant and machinery is the original cost excluding land and building and the items specified by the Ministry of Small Scale Industries vide its notification No. S.O. 1722(E) dated October 5, 2006.
 - B. Enterprises engaged in providing or rendering of services and whose investment in equipment (original cost excluding land and building and furniture, fittings and other items not directly related to the service rendered or as may be notified under the MSMED Act, 2006) are specified below.
 - i. A micro enterprise is an enterprise where the investment

- ii. inequipment does not exceed Rs. 10 lakh;
A small enterprise is an enterprise where the investment inequipment is more than Rs.10 lakh but does not exceed Rs. 2crore;
- iii. A medium enterprise is an enterprise where the investment inequipment is more than Rs. 2 crore but does not exceed Rs. 5crore.

Classification	Micro	Small	Medium
Manufacturing & Services	Investment < Rs. 1 cr. and Turnover < Rs. 5 cr.	Investment < Rs. 10 cr. and Turnover < Rs. 50 cr.	Investment < Rs. 20 cr. and Turnover < Rs. 100 cr.

2. Support available for collateral free borrowing

The Ministry of MSME, Government of India, and the Small Industries Development Bank of India(SIDBI) set up the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) with a view to facilitating flow of credit to the MSE sector without the need for collaterals/ third party guarantees. The main objective of the scheme is that the lender should give importance to project viability and secure the credit facility purely on the primary security of the assets financed. The Credit Guarantee Scheme (CGS) seeks to reassure the lender that, in the event of an MSE unit, which availed of collateral- free credit facilities, fails to discharge its liabilities to the lender, the Guarantee Trust would make good the loss incurred by the lender up to 85 per cent of the outstanding amount in default. The CGTMSE would provide cover for credit facility up to Rs. 100 lakh which has been extended by lending institutions without any collateral security and / or third-party guarantees. A guarantee and annual service fee is charged by

3. Support available for technology upgradation

The Ministry implements a Credit Linked Capital Subsidy Scheme (CLCSS) for technology upgradation of Micro and Small enterprises in the country. Under the scheme, 15 per cent capital subsidy, limited to maximum of Rs 15 lakh (12 per cent prior to 29.09.2005 limited to maximum of Rs 4.8 lakh) is provided to the eligible MSEs for upgrading their technology with the well-established and improved technology as approved under the scheme. 48 products/sub-sectors have been approved under the CLCSS till date.

An MSE unit manufacturing a product and wants to upgrade the technology may have to approach the nodal agencies/eligible financial institution for sanction of term loan for purchase of eligible machinery. For further details please visit http://www.dcmsme.gov.in/#_blank.

4. Support available for cluster development

The Ministry is implementing the Micro and Small Enterprises – Cluster Development Programme (MSE-CDP) wherein support is provided for:

- Diagnostic Study;
- Soft Interventions like general awareness, counselling, motivation and trust building, exposure visits,
- Market development including exports, participation in seminars, workshops
- Training programmes on technology upgradation etc;
- Hard Interventions like setting up of Common Facility Centres (Common Production/Processing Centre, Design Centre, Testing Centre etc.)
- Creation/upgradation of infrastructural facilities in the new/existing industrial areas/ clusters of MSEs. For further details please visit http://www.dcmsme.gov.in/#_blank.

5. Support available for Skill Development

The Ministry conducts various types of training programmes through its various organisations for self-employment as well as wage employment. The training programmes are primarily focused to promote self-employment in the country. Thus, all types of programmes have inputs which provide necessary information and skills to a trainee to enable him to establish his own micro or small enterprises.

The programmes include;

- two-week Entrepreneurship Development Programme (EDP),
- Six Week Entrepreneurship Skill Development Programme (ESDP).
- One-week Management Development Programme (MDP),
- One Day Industrial Motivation Campaign (IMC), etc.

For Monitoring of the programme a web based system has been developed where coordinator of the programme is bound to feed all details of trainees including his photo and phone no. on the website.

The same will be linked to the call centre of the Ministry where real time feedback is obtained from trainees. For further details please visit http://www.dcmsme.gov.in/#_blank.

6) Benefits provided by the Tool Rooms of Ministry of MSME

Tool Rooms are equipped with state-of-the-art machinery & equipment.

They are engaged in designing and manufacturing of quality tools, which are necessary for producing quality products, and improve the competitiveness of MSMEs in national and international markets. They also conduct training programmes to provide skilled manpower to industries specially MSMEs. The placement of trainees trained in Tool Room is more than 90%. There are 18 Autonomous Bodies (10 MSME Tool Rooms and 8 Technology Development Centres) under DC (MSME), a list of Tool Rooms and Technology Development Centres is available on the website http://www.dcmsme.gov.in/#_blank.

7) Support is provided by the Ministry for improving manufacturing competitiveness

The National Manufacturing Competitiveness Programme (NMCP) is the nodal programme of the Government to develop global competitiveness among Indian MSMEs. The Programme was initiated in 2007-08.

This programme targets at enhancing the entire value chain of the MSME sector through the following schemes:

- Lean Manufacturing Competitiveness Scheme for MSMEs;
- Promotion of Information & Communication Tools (ICT) in MSME sector;
- Technology and Quality Up-gradation Support to MSMEs;
- Design Clinics scheme for MSMEs;
- Enabling Manufacturing Sector to be Competitive through Quality Management Standards (QMS) and Quality Technology Tools (QTT);
- Marketing Assistance and Technology Up gradation Scheme for MSMEs;
- Setting up of Mini Tool Room under PPP Mode;
- National campaign for building awareness on Intellectual Property Rights (IPR);
- Support for Entrepreneurial and Managerial Development of SMEs through Incubators.
- Bar Code under Market Development Assistance (MDA) scheme. For further details please visit http://www.dcmsme.gov.in/#_blank.

8) Support provided to promote energy conservation in the manufacturing process for SMEs

The Ministry implements the “Technology and Quality Upgradation Support to Micro, Small and Medium Enterprises (TEQUP)” which focuses on two important aspects, i.e.

- Enhancing competitiveness of MSME sector through Energy Efficiency and
- Product Quality Certification.

The basic objective of this scheme is to encourage MSMEs in adopting energy efficient technologies and to improve product quality. It is a well-known fact that energy consumption is a significant component in the cost structure of almost any manufacturing/ production activity. Adopting energy

efficient technologies curtails the cost of energy thereby reducing production cost and increasing competitiveness.

Under this scheme, a capital subsidy of 25% of the project cost subject to a maximum of Rs. 10.00 lakh shall be provided to the registered MSME units.

While 25% of the project cost will be provided as subsidy by the Government of India, the balance amount is to be funded through loan from SIDBI/banks/ financial institutions.

The minimum contribution as required by the funding agency will have to be made by the MSME unit. For further details please visit http://www.dcmsme.gov.in/#_blank.

9) Support is provided by the Ministry to improve quality of products produced in MSME sector

The TEQUP scheme envisages another activity, namely, Product Quality Certification.

The main objective of this scheme is to encourage MSMEs to acquire Product Certification Licences from National / International Bodies, thereby improving their competitiveness. The primary objective of this activity is to provide subsidy to MSME units towards the expenditure incurred by them for obtaining product certification licences from National / International standardization Bodies.

Under this Activity, MSME manufacturing units will be provided subsidy to the extent of 75% of the actual expenditure, towards licencing of product to National/International Standards. The maximum GOI assistance allowed per MSME is Rs.1.5 lakh for obtaining product licencing / Marking to National Standards and Rs. 2.0 lakh for obtaining product licencing /Marking to International standards.

One MSME unit can apply only once under the scheme period. For further details please visit http://www.dcmsme.gov.in/#_blank.

10.Support provided by the Ministry to improve design of products produced in MSME sector

The Ministry implements the Design Clinic Scheme for Design Expertise to Micro, Small and Medium Enterprises (MSME) Sector is to improve the design of the product to meet global challenges and compete with similar products domestically and internationally. It is launched to benefit MSMEs by creating a dynamic platform to provide expert solutions to real time Design problems and add value to existing products.

The goal of this scheme is to help MSME manufacturing industries move up the value chain by switching the production mode from original equipment manufacturing to original design manufacturing and hence original brand manufacturing. In the Design Clinic scheme, the value additions to an idea or a concept are imparted through interaction at a lesser cost to a specific industry/sector.

The expected outcome of such interventions is new product development by design improvement and value addition for existing products. For further details please visit http://www.dcmsme.gov.in/#_blank.

11. National Industry Classification codes applicable to dental practice:

National Industrial Classification 2008 seeks to provide a basis for the standardized collection, analysis and classification of industry (economic activity) wise economic data for India. National Industrial Classification 2008 (NIC-2008) Code 86202 is used for dental practice activities. National Industry Classification 2008 seeks to provide basis for the standardized collection, analysis and dissemination of industry (economic activity) wise economic data for India. NIC code is required to obtain Udyog Aadhar or register a Company / LLP in India.

All the activities are grouped into several “activity groups” or “tabulation categories” in a hierarchical manner. Activities are first grouped into ‘section’ alphabetically coded from A through U, every section is divided into ‘division’ with 2-digit numeric code, every division into ‘group’ with 3-digit numeric code, every group into ‘class’ with 4-digit numeric code and every 4-digit class into 5-digit ‘sub-class’.

Level	Description
Section Q	Human Health and Social Work Activities
Division 86	Human Health Activities
Group 862	Medical and Dental Practice Activities
Class 8620	Medical and Dental Practice Activities
Sub-Class 86202	Dental Practice Activities

BENEFITS OF MSME TO DENTAL INDUSTRY

1. Dental Industry comprises:

- 1.1 Dental Professionals,
- 1.2 Dental Trade Industry: Pure trading activity not covered under MSME, however, if there is any value addition from wholesale or factory produced item or change in small packing such business is covered under MSME.
- 1.3 Dental Laboratories

2. Detailed operating guidelines for the above categories

Dental professionals covered under professional and self-employed category of RBI and covered under the Priority Sector financing category as well will be covered under the service sector of MSME (B).

If it is pure trade it will be covered under Retail or Wholesale trader category. Retail activity covered under Priority Sector of RBI, Wholesale trader covered under commercial category of RBI (C)

Dental laboratory engaged in R&D or Manufacturing will be covered under MSME. All categories of beneficiaries can get loans and advances against schemes designed especially for their benefits from various financial institutions.

3. Kind of Financial Assurances from Banks and Financial Institutions all of the above categories can avail of in order to promote their professions and businesses.

All can avail of Term loan with repayment period of 5 to 7 years and moratorium of repayment 6 to 18 months depending upon generation of income. Also, a recurring nature of activity can avail of cash credit or Overdraft facilities where it can deposit and withdraw amounts multiple times.

4. Financial as well as non-financial subsidies (capital in nature) dental industry can get from Government, Quasi Government institutions. Which are such institutions that can help dental industry avail of such benefits.

Financial and non-financial facilities subsidies depend upon working and project framed by the beneficiaries. Subsidy in all projects is not available in general. In certain cases, few state governments provide subsidy to

promote industrial activity in their respective states, e.g., earlier in Baddi near Solan in Himachal Pradesh, capital subsidy for plant and machinery, electricity at cheaper rate, land availability at concessional rate, Sales tax subsidy, etc., were provided.

Now-a-days it is withdrawn. In general, there is no such subsidy reported available. However, each state govt web site will have to be visited to know details.

5. How does a Dentist / Dental clinic avail of the benefits under the Moratorium Scheme announced recently by the Finance Ministry for MSMEs? How does one determine the quantum of such benefits?

All the schemes / benefits under MSMEs are explained above under points 1 to 10.

6. What kind of financial / non-financial assistance can dental industry get for start-up dental clinics or modernisation of dental laboratories especially in the areas of unsecured loan facility given the start-up challenges / current size of the dental labs?

Up to one crore, the loan facilities are covered under CGTSME Scheme where bank charges extra fee annually. In a few banks up to Rs10.00 Cr collateral security may be waived.

7. Whether Any MAKE IN INDIA opportunities can emerge in the Dental Industry?

Govt has given very little attention towards this industry/profession. We have to represent our profession /industry with the Govt at various platforms to draw attention of the Govt towards dentistry.

If we have more entrepreneurs who start manufacturing dental equipment / materials our profession will have to rely less on imported goods from outside the country. Import of equipment / materials puts a lot of strains on foreign exchange.

This particular aspect has to be addressed by the profession to the Govt and ensure that we get more entrepreneurs entering this segment of the profession to help all the dental professionals in the country getting dental equipment / materials of international quality and at much cheaper rate as compared to the imported equipment / materials.

8. Whether the MSME package can sanction loans to dentists for acquiring residential and commercial properties to start their own

clinics. On an average more than 60 % of the healthcare services function out of residential properties as the current town planning doesn't have any reservations for healthcare professionals specially in the major metros.

Yes. For clinic land, building and for renovation, purchase of furniture, equipment term loan is provided for 5 to 7 years with repayment moratorium. For residential and vehicle, too, bank provides loan in general schemes which is cheaper than professional loan.

- 9. Dentistry is constantly evolving with newer technologies coming in every year. Credit linked Capital Subsidy- Technology Upgradation Scheme (CLCS-TUS) We are in an era where Digital Dentistry and contact less Dentistry is a norm in Dentistry. So, considering this, the Dentists need to upgrade themselves in Digital dentistry. To get ourselves Subsidy under this Digital MSME Scheme.**

We need to represent to the Govt. under the scheme.

- 10. We as Dentists cannot have 10- 15 clinics in one building, but we have 9 specialities in our field. Is it possible for all the 9 specialities to be included in the Micro and small enterprises cluster development for enhancing productivity?**

Cluster financing generally is done for a particular industry where it has a significant presence or hub in a particular industrial zone, e.g., Surat, Tirupur, Coimbatore cities are hubs for clothes, Bahadurgarh for shoes, etc. Therefore, policies are framed for this industry as a cluster funding. However, if there are a large number of end users of a particular industry, if an ASSOCIATION approaches any bank, it can frame a special loan scheme for that industry, too.

- 11. One growth factor for dentistry is Dental Tourism, which forms 10% of the total tourism industry and is projected to grow at 30% per annum by 2023 to INR 95,000 million. Can we have Dental MSME's marketed throughout the world to increase Dental tourism.**

We would appreciate if we are given a special status of dental tourism and not included with the medical tourism, as that hampers our growth even though we are a part of medical fraternity. Through Embassies and web sites we can promote dental health tourism for different countries.

- 12. Another factor preventing the growth of dentists in our country is that there is no Dental Insurance.**

The Indian Dental Association is making efforts in this direction since more than a decade. There have been multiple pilot projects carried out in the past by involving insurance companies. However, as efforts from the Association are continued in this direction the Association is hopeful that this will soon become a reality in India.

Now as the Govt is opening up the insurance sector to foreign companies we hope that dental insurance with the help of Govt is initiated asap.

13. Priority lending

Bank gives priority to those who are registered under MSME. The Govt has given instructions to the banks for priority lending.

14. Loans available for Working Capital

14.1. FOR MACHINERY

15. Interest rates are less for anyone who is registered under MSME

15.1. Government gives subsidy on interest

15.2. Due to the MSME registration the bank loans become cheaper

16. Credit Guarantee Trust Fund for Micro & Small Enterprises (CGTMSE)

They get easy access to credit. The corpus of CGTMSE is contributed by Government of India & SIDBI, 75% of the loan amount to the bank is guaranteed by the trust fund Nature of assistance Collateral free loan up to a limit of 100 lakh is available for individual MSE on payment of guarantee fee to bank by the MSE.

17. Who can apply?

Both existing and new enterprises are eligible under the scheme. Depending on your IT returns you are entitled for collateral free loans accordingly.

18. Overdraft (OD) facility is available Even the rates for overdraft facilities are lesser compared to normal interest rates. Eligible to avail of 1% interest rate exemption on overdraft.

19. There are various tax rebates offered to MSME.

20. MSMED Act 2006 specifies 45-day credit period for the recipient of any goods or services to pay to the MSME supplier.

21. Quality Management Standards & Quality technology Tools: It helps

the MSMEs to understand the need for delivering quality products and businesses are sensitized via conferences, seminars and activities.

22.Helps innovators with the implementation of their new design or ideas by Govt financing of 70-80% of the project cost.

23.There are many government tenders which are only open to the MSME Industries.

24. We as dentists do not charge GST to the patients. All service providers who give service to us should give us a waiver or reduced GST so that we can pass this benefit to our patients.

A committee representing to Govt. should be formed to reconsider the waiver of GST on dental goods and materials.

25.Concession on electricity bills

26.Get protected against differed payment against customers.

26. 1.50% subsidy on patent registration

26. 2.Re-imburement of ISO certification charges.

26. 3.Eased process of registrations, certificates & approvals

27.CLCSS Scheme provides 15% subsidy for additional investments for upto 1 crore for technology upgradation by MSME's



REGISTRATION

1. Registration Portal: <https://udyogaadhaar.gov.in/>
 - a. Please read through 'Guidelines for Filing the Online Udyog Aadhaar Form' available on the website before filling up registration form.
 - b. Prepare all soft copies of documents in desired size and formats and keep them handy before you start filling up registration application
2. Registration Process:
 - a. To do the registration the small and medium scale industry owner has to fill a single form which he can do online as well as offline.
 - b. If a person wants to do registration for more than one industry then also he/she can do individual registration.
 - c. To do the registration he/she has to fill a single form which is available on the website.
 - d. Subsequent to reaching the udyoga adhaar website, a Mobile OTP is generated;
 - e. Consequent to which compulsory fields like PAN, Name & Type of organization, Activity type (Service or Manufacturing), Address, Bank Details need to be filled

- i. Investment in Plant & Machinery (Purchase Amount) also needs to be filled in;
 - ii. NIC Code details too need to be entered to select the type of business
 - iii. After filling in the details an E-mail ID OTP needs to be entered before final submission.
- f. The document required for the registration is Personal Aadhar number, Industry name, Address, bank account details and some common information.
- g. In this, the person can provide self-certified certificates.
- h. There are no registration fees required for this process.
- i. Once the details are filled and uploaded in an Udyog Aadhaar Memorandum, an Acknowledgement is issued after successful registration.

3. Option for Registration without Aadhaar number

An applicant or the authorised signatory who is not yet enrolled for Aadhaar shall have to apply for Aadhaar enrolment and in case he or she is entitled to obtain Aadhaar as per section 3 of the Aadhaar Act such individual may visit any Aadhaar enrolment centre to get enrolled for Aadhaar. Provided that till the time Aadhaar is assigned to the individual, UAM registration shall be filed by the concerned DIC or MSME-DI on behalf of such enterprise, subject to the production of the following documents as alternative and viable means of identification.

- a. If enrolled for Aadhaar
 - i. Aadhaar Enrolment ID slip
 - ii. A copy of request made for Aadhaar enrolment
- b. Any of the following documents, namely:
Bank photo passbook; or voter ID Card; or passport; or driving licence; or PAN card; or employee photo identity card issued by the Government.

4. Documents Required for MSME Registration

The entity has to submit documents like business address proof, copies of purchase and sale bill, and licences from regulatory bodies.

- Business Address Proof
- Copies of Sale Bill and Purchase Bill
- Partnership Deed/ MoA and AoA
- Copy of Licences and Bills of Machinery Purchased
- Business Address Proof:

If the premise is self-owned– Allotment letter, possession letter, lease deed or property tax receipt. If there is a municipal license in the business name or in the name of the proprietor, partner or director of the business,

no other possession document is required to be submitted.

If the premise is rented– Rent receipt and a no objection certificate (format given below) from the landlord is required. Also, any utility bill or document evidencing the landlord's ownership is to be submitted.

- **Copies of Sale Bill and Purchase Bill:**
Business is required to submit a copy of sale bill related to each end product that it will supply. Also, for each raw material that it will purchase, a purchase bill has to be submitted.
- **Partnership Deed/ MoA and AoA** If the business is a partnership firm, it has to submit its partnership deed. If the partnership firm is registered, it has to submit registration certificate also.

In case of a company, a copy of Memorandum of Association and Articles of Association, and certificate of incorporation has to be submitted. With it, a copy of the resolution passed in general meeting, and the copy of board resolution authorizing a director to sign the MSME application is also to be submitted.

- **Copy of Licences and Bills of Machinery Purchased**
In few cases, the applicant has to submit a copy of industrial licence which is to be obtained by giving an application to Govt. of India. Further, all bills and receipts related to purchase and installation of plant and machinery have to be kept safe and required to be submitted on demand.

5. **MSME schemes launched by the Government are:**
Information about latest schemes is always updated on MSME website. Please access the link <https://msme.gov.in/all-schemes> to know about the latest information on all MSMS schemes.

GST ON DENTAL HEALTHCARE SERVICES -APPLICABLE OR NOT

1. Human health and social care services CSGT and SGST/UTGST @ 9% each and IGST @ 18% each.
2. As per Notification No. 11/2017-Central Tax (Rate), Health services falling under HSN/SAC 9993, i.e., for Human health and social care services, Central tax is levied at 9%. It covers the following services:
 - a. Inpatient services,
 - b. Medical and dental services, Childbirth and related services, Nursing and Physiotherapeutic services,
 - c. Ambulance services
 - d. Medical Laboratory and Diagnostic-imaging services & Blood, sperm and organ bank services.
3. Services provided by the cord blood banks by way of preservation of stem cells or any other service in relation to such preservation: NIL Tax
4. Services by way of-
 - a. Healthcare services by a clinical establishment, an authorised medical practitioner or para-medics;
 - b. Services provided by way of transportation of a patient in an ambulance, other than those specified in (a) above: NIL Tax

Make sure to verify under which service category your services fall.

FREQUENTLY ASKED QUESTIONS

A. Is MSME updated to Udyog Aadhar?

Yes, MSME registration has been replaced with the Udyog Aadhar registration. If any micro, small and medium industries want to start any business; they need to do the registration with MSME/Udyog Aadhar. This registration with MSME/Udyog Aadhar can be done in two ways online and offline. This facility provides the business with a lot of benefits and subsidies.

B. Is Aadhar card compulsory?

Yes. For registration under the Udyog Aadhar scheme, Aadhar card is compulsory. In case an applicant is other than the proprietor, the Aadhar card of the partner and the director will be required.

C. Can existing and new businesses both apply?

Yes, an existing and new business can apply for MSME/Udyog Aadhar registration. Provided the existing unit is functioning and meets the threshold limits for registration.

D. What is the validity of the certificate?

There is no expiry of the Udyog Aadhar Certificate. As long as the entity is ethical and financially healthy there will be no expiry of the certificate.

E. Can trading companies register under MSME?

No. MSME covers only manufacturing and service industries. Trading companies are not covered by the scheme. MSME is to support start-ups with subsidies and benefits, trading companies are just like middlemen, a link between manufacturer and customer. Hence not covered under the scheme.

F. Do I need multiple registrations for manufacturing plants in different cities?

No. The MSME/Udyog Aadhar certificate is for a single entity irrespective of multiple branches or plants. However, information about multiple branches or plants must be furnished.

G. What are the activities specifically excluded from coverage under MSME?

Ministry of Micro, Small and Medium Enterprises (MSME) has clarified as per notification S.O 2576 (E) dated 18.09.2015 and subsequent notification no S.O 85(E) dated 10.1.2017, activities that would be specifically not

included in the manufacturing or production of commodities or rendering of services as per Section 7 of the said Act.

1. Forest and Logging
2. Fishing and aquaculture
3. Wholesale, retail trade and repair of motor vehicle and motorcycles
4. Wholesale trade except for motor vehicles and motorcycles.
5. Retail Trade Except of Motor Vehicles and motor cycles
6. Activities of households as employees for domestic personnel
7. Undifferentiated goods and services producing activities of private households for own
8. Activities of extraterritorial organisations and bodies

BUDGET 2020 - GIFTS FOR MSMES AND START-UPS:

Among the key focus areas of Budget 2020 are measures to accelerate growth of Micro, Small and Medium Enterprises (MSMEs) and to boost investment in the Indian start-up ecosystem.

Here is how Budget 2020 will impact MSMEs and Start-ups.

1. Union Budget 2020 India:

India watched with bated breath as the Finance Minister, Nirmala Sitharaman, unveiled the budget for the year 2020-21 on February 1st, 2020. "This is the Budget to boost the income of the people of India and enhance their purchasing power", she affirmed. After a year of economic slowdown, this budget is focused on trying to put money in the hands of people and thereby stimulating economic growth. Among the key focus areas of this budget are measures to accelerate growth of Micro, Small and Medium Enterprises (MSMEs) and to boost investment in the Indian start-up ecosystem. Here is how Budget 2020 will impact MSMEs and Start-ups.

2. Incentives for MSMEs

Requirement for audit Currently, businesses having turnover of more than Rs. 1 crore are required to get their books of accounts audited by an accountant. In order to reduce the compliance burden on small retailers, traders, shopkeepers who comprise the MSME sector, the turnover threshold for audit has been proposed to be raised from the existing Rs. 1 crore to Rs. 5 crore. The increased limit shall apply only to those businesses which carry out less than 5% of their business transactions in cash.

3. Reduction of corporate tax rate

To boost investment, the corporate tax rate for new companies in the manufacturing sector has been reduced to 15%. For existing companies, the rate has also been brought down to 22%. This will enable companies to expand their businesses and make fresh investments in the coming future.

4. Removal of Dividend Distribution Tax

Currently, companies are required to pay Dividend Distribution Tax (DDT) on the dividend paid to its shareholders at the rate of 15% plus applicable

surcharge and cess in addition to the tax payable by the company on its profits which results in increasing in tax burden for investors and especially those who are liable to pay tax less than the rate of DDT if the dividend income is included in their income. Further, non-availability of credit of DDT to most of the foreign investors in their home country results in reduction of rate of return on equity capital for them. In order to increase the attractiveness of the Indian Equity Market and to provide relief to a large class of investors, the DDT has been proposed to be removed. The dividend shall be taxed only in the hands of the recipients at their applicable rate.

5. Trade Receivable Discounting system

In order to enhance economic and financial sustainability of MSMEs, amendments have been proposed to the Factor Regulation Act 2011. The amendment will enable NBFCs to extend invoice financing to MSMEs through Trade Receivable Discounting systems or TReDS. The objective of TReDS, launched by the Reserve Bank of India in December 2016, is to facilitate financing of invoices / bills of MSMEs drawn on corporate and other buyers, including the Government Departments and PSUs, by way of discounting by financiers.

6. Working capital credit

To ensure working capital financing for small businesses, a scheme to provide subordinate debt for entrepreneurs of MSMEs is proposed to be introduced. This subordinate debt to be provided by banks would count as quasi-equity and would be fully guaranteed through the Credit Guarantee Trust for Medium and Small Entrepreneurs (CGTMSE).

7. Ease of doing business

An app-based invoice* financing loans product will be launched. This will obviate the problem of delayed payments and consequential cash flows mismatches for the MSMEs.

8. Equity and technical assistance

To make mid-size companies globally competitive, selected sectors such as pharmaceuticals, auto components and others will be given *handholding support – for technology upgradations, R&D, business strategy etc.

9. Intellectual Property Right (IPR)

A digital platform would be promoted that would facilitate seamless application and capture of IPRs. Also, in an Institute of Excellence, a Centre would be established that would work on the complexity and innovation in the field of Intellectual Property.

10. Government e-Marketplace (GeM)

To enable smooth procurement by and from MSMEs, the Government e-Marketplace (GeM) will create a Unified Procurement System for providing a single platform* for procurement of goods, services and works.

11. E-logistics market:

A National Logistics Policy will be released soon. Inter alia; it will clarify the roles of the Union Government, State Governments and key regulators. It will create a single window e-logistics market and focus on generation of employment, skills and making MSMEs competitive.

12. Goods and Services Tax

Several indirect tax reforms* have been proposed to improve compliances such as a simplification of GST returns, automation of GST Refund, introduction of electronic invoice to facilitate compliance and return filing, Aadhaar based verification of taxpayers to weed out dummy or non-existent units, usage of deep data analytics and AI tools to crackdown GST input tax credit, refund, and other frauds. GST rate structure is also being deliberated so as to address issues like inverted duty structure.

13. Restraint on import of items being produced by domestic MSMEs

Labour intensive sectors in MSME are critical for employment generation. Cheap and low-quality imports are an impediment to their growth. Special attention has been taken to put measured restraint on import of those items which are being produced by our MSMEs with better quality. Keeping in view the need of this sector, customs duty is being raised on items like footwear and furniture.

INCENTIVES FOR START-UPS

1. ESOP Taxation

In order to encourage the start-ups to employ highly talented employees at a relatively low salary by granting them Employee Stock Option Plan (ESOPs), the burden of taxation on the ESOPs has been proposed to be reduced. Currently, ESOPs are taxable as perquisites at the time of exercise which leads to cash-flow problem for the employees who do not sell the shares immediately and continue to hold the same for the long-term.

It is proposed to defer the tax payment on these ESOPs granted by start-ups to their employees by 5 years or till the employee leaves the company or when the said employee sells those shares, whichever is earliest.

2. Tax holiday for eligible Start-ups

Currently, an eligible Start-up having turnover up to 25 crores is allowed deduction of 100% of its the profits for three consecutive assessment years out of seven years if the total turnover does not exceed 25 crore rupees. In order to extend this benefit to larger start-ups, the turnover limit has been proposed to be increased from existing ` 25 crore to ` 100 crores. Moreover, considering the fact that in the initial years, a start-up may not have adequate profit to avail this deduction, the period of eligibility for claim of deduction has been extended from the existing 7 years to 10 years.

3. Technology-backed businesses

Knowledge Translation Clusters are proposed to be set up across different technology sectors including new and emerging areas. For designing, fabrication and validation of proof of concept, and further scaling up Technology Clusters, harbouring such test beds and small-scale manufacturing facilities would be established.

4. Seed funding support

The government has proposed to provide early life funding, including a seed fund to support Ideation and development of early stage Start-ups.

5. Quantum technology

Quantum technology is opening up new frontiers in computing, communications, cyber security with wide-spread applications. It is expected that lots of commercial applications would emerge from theoretical constructs which are developing in this area. It is proposed to

provide an outlay of Rs. 8000 crore over a period 5 years for the National Mission on Quantum Technologies and Applications.

NO OBJECTION LETTER FORMAT

NO OBJECTION LETTER

TO WHOMSOEVER IT MAY CONCERN

I/We,, son/daughter of, do hereby state that,

1. I/We am/are the legal owner/s of the premises situated at (hereinafter referred to as "the said premises").

2. I/We have no objection in {Enter name} using the said premises as the registered office of the proprietorship/ partnership firm/LLP/private limited company/ public company.

Date:

Place:

Signature

(Owner)

ANNEXURES

- 1 Copy of MSME Act 2006
- 2 GST - Notification No. 11/2017-Central Tax (Rate)
- 3 Bank of India – Star Doctors Plus Scheme

DISCLAIMER

- The observations compiled in this document are based on information available at present from various sources, like Government websites, bank and tax experts.
- This is a concise version for all to understand the basic of UdyogAdhaar and its importance for dental fraternity.
- GOI may update the guidelines and individuals need to keep themselves abreast with the latest developments and follow the same
- We have made an attempt to compile the existing information relevant to the dental practice.
- This document can be freely distributed amongst dental fraternity for information purpose only.
- This protocol shall get updated from time to time based on new developments and rules.



Indian Dental Association

Block No. 6, Sane Guruji Premises,
386 – Veer Savarkar Road,
Opp.Siddhivinayak Temple, Prabhadevi (W),
Mumbai – 400025, Maharashtra, India
• Tel: 022 – 43434545 • www.ida.org.in

THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

ARRANGEMENT OF SECTIONS

CHAPTER I

PRELIMINARY

SECTIONS

1. Short title and commencement.
2. Definitions.

CHAPTER II

NATIONAL BOARD FOR MICRO, SMALL AND MEDIUM ENTERPRISES

3. Establishment of Board.
4. Removal of member from Board.
5. Functions of Board.
6. Powers and functions of Member-Secretary of Board.

CHAPTER III

CLASSIFICATION OF ENTERPRISES, ADVISORY COMMITTEE AND MEMORANDUM OF MICRO, SMALL AND MEDIUM ENTERPRISES

7. Classification of enterprises.
8. Memorandum of micro, small and medium enterprises.

CHAPTER IV

MEASURES FOR PROMOTION, DEVELOPMENT AND ENHANCEMENT OF COMPETITIVENESS OF MICRO, SMALL AND MEDIUM ENTERPRISES

9. Measures for promotion and development.
10. Credit facilities.
11. Procurement preference policy.
12. Funds.
13. Grants by Central Government.
14. Administration and utilisation of Fund or Funds.

CHAPTER V

DELAYED PAYMENTS TO MICRO AND SMALL ENTERPRISES

15. Liability of buyer to make payment.
16. Date from which and rate at which interest is payable.

SECTIONS

17. Recovery of amount due.
18. Reference to Micro and small Enterprises Facilitation Council.
19. Application for setting aside decree, award or order.
20. Establishment of Micro and Small Enterprises Facilitation Council.
21. Composition of Micro and Small Enterprises Facilitation Council.
22. Requirement to specify unpaid amount with interest in the annual statement of accounts.
23. Interest not to be allowed as deduction from income.
24. Overriding effect.
25. Scheme for closure of business of micro, small and medium enterprises.

CHAPTER VI

MISCELLANEOUS

26. Appointment of Officers and other employees.
27. Penalty for contravention of section 8 or section 22 or section 26.
28. Jurisdiction of courts.
29. Power to make rules.
30. Power to make rules by State Government.
31. Power to remove difficulties.
32. Repeal of Act 32 of 1993.

THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT
ACT, 2006

ACT NO. 27 OF 2006

[16th June, 2006.]

An Act to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises and for matters connected therewith or incidental thereto.

WHEREAS a declaration as to expediency of control of certain industries by the Union was made under section 2 of the Industries (Development and Regulation) Act, 1951;

AND WHEREAS it is expedient to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises and for matters connected therewith or incidental thereto;

BE it enacted by Parliament in the Fifty-seventh Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. Short title and commencement.—(1) This Act may be called the Micro, Small and Medium Enterprises Development Act, 2006.

(2) It shall come into force on such date¹ as the Central Government may, by notification, appoint; and different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

2. Definitions.—In this Act, unless the context otherwise requires,—

(a) “Advisory Committee” means the committee constituted by the Central Government under sub-section (2) of section 7;

(b) “appointed day” means the day following immediately after the expiry of the period of fifteen days from the day of acceptance or the day of deemed acceptance of any goods or any services by a buyer from a supplier.

Explanation.—For the purposes of this clause,—

(i) “the day of acceptance” means,—

(a) the day of the actual delivery of goods or the rendering of services; or

(b) where any objection is made in writing by the buyer regarding acceptance of goods or services within fifteen days from the day of the delivery of goods or the rendering of services, the day on which such objection is removed by the supplier;

(ii) “the day of deemed acceptance” means, where no objection is made in writing by the buyer regarding acceptance of goods or services within fifteen days from the day of the delivery of goods or the rendering of services, the day of the actual delivery of goods or the rendering of services;

(c) “Board” means the National Board for Micro, Small and Medium Enterprises established under section 3;

(d) “buyer” means whoever buys any goods or receives any services from a supplier for consideration;

1. 2nd October, 2006, *vide* notification No. S.O. 1154(E) dated 18th July, 2006, *see* Gazette of India, Extraordinary Part II sec.3(ii).

(e) “enterprise” means an industrial undertaking or a business concern or any other establishment, by whatever name called, engaged in the manufacture or production of goods, in any manner, pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 (55 of 1951) or engaged in providing or rendering of any service or services;

(f) “goods” means every kind of movable property other than actionable claims and money;

(g) “medium enterprise” means an enterprise classified as such under sub-clause (iii) of clause (a) or sub-clause (iii) of clause (b) of sub-section (1) of section 7;

(h) “micro enterprise” means an enterprise classified as such under sub-clause (i) of clause (a) or sub-clause (i) of clause (b) of sub-section (1) of section 7;

(i) “National Bank” means the National Bank for Agriculture and Rural Development established under section 3 of the National Bank for Agriculture and Rural Development Act, 1981 (51 of 1981);

(j) “notification” means a notification published in the Official Gazette;

(k) “prescribed” means prescribed by rules made under this Act;

(l) “Reserve Bank” means the Reserve Bank of India constituted under section 3 of the Reserve Bank of India Act, 1934 (2 of 1934);

(m) “small enterprise” means an enterprise classified as such under sub-clause (ii) of clause (a) or sub-clause (ii) of clause (b) of sub-section (1) of section 7;

(n) “supplier” means a micro or small enterprise, which has filed a memorandum with the authority referred to in sub-section (1) of section 8, and includes,—

(i) the National Small Industries Corporation, being a company, registered under the Companies Act, 1956 (1 of 1956);

(ii) the Small Industries Development Corporation of a State or a Union territory, by whatever name called, being a company registered under the Companies Act, 1956 (1 of 1956);

(iii) any company, co-operative society, trust or a body, by whatever name called, registered or constituted under any law for the time being in force and engaged in selling goods produced by micro or small enterprises and rendering services which are provided by such enterprises;

(o) “Small Industries Bank” means the Small Industries Development Bank of India established under sub-section (1) of section 3 of the Small Industries Development Bank of India Act, 1989 (39 of 1989);

(p) “State Government”, in relation to a Union territory, means the Administrator thereof appointed under article 239 of the Constitution.

CHAPTER II

NATIONAL BOARD FOR MICRO, SMALL AND MEDIUM ENTERPRISES

3. Establishment of Board.—(1) With effect from such date as the Central Government may, by notification, appoint, there shall be established, for the purposes of this Act, a Board to be known as the National Board for Micro, Small and Medium Enterprises.

(2) The head office of the Board shall be at Delhi.

(3) The Board shall consist of the following members, namely:—

(a) the Minister in charge of the Ministry or Department of the Central Government having administrative control of the micro, small and medium enterprises who shall be the *ex officio* Chairperson of the Board;

(b) the Minister of State or a Deputy Minister, if any, in the Ministry or Department of the Central Government having administrative control of the micro, small and medium enterprises who shall be *ex officio* Vice-Chairperson of the Board, and where there is no such Minister of State or Deputy

Minister, such person as may be appointed by the Central Government to be the Vice-Chairperson of the Board;

(c) six Ministers of the State Governments having administrative control of the departments of small scale industries or, as the case may be, micro, small and medium enterprises, to be appointed by the Central Government to represent such regions of the country as may be notified by the Central Government in this behalf, *ex officio*;

(d) three Members of Parliament of whom two shall be elected by the House of the People and one by the Council of States;

(e) the Administrator of a Union territory to be appointed by the Central Government, *ex officio*;

(f) the Secretary to the Government of India in charge of the Ministry or Department of the Central Government having administrative control of the micro, small and medium enterprises, *ex officio*;

(g) four Secretaries to the Government of India, to represent the Ministries of the Central Government dealing with commerce and industry, finance, food processing industries, labour and planning to be appointed by the Central Government, *ex officio*;

(h) the Chairman of the Board of Directors of the National Bank, *ex officio*;

(i) the chairman and managing director of the Board of Directors of the Small Industries Bank, *ex officio*;

(j) the chairman, Indian Banks Association, *ex officio*;

(k) one officer of the Reserve Bank, not below the rank of an Executive Director, to be appointed by the Central Government to represent the Reserve Bank;

(l) twenty persons to represent the associations of micro, small and medium enterprises, including not less than three persons representing associations of women's enterprises and not less than three persons representing associations of micro enterprises, to be appointed by the Central Government;

(m) three persons of eminence, one each from the fields of economics, industry and science and technology, not less than one of whom shall be a woman, to be appointed by the Central Government;

(n) two representatives of Central Trade Union Organisations, to be appointed by the Central Government; and

(o) one officer not below the rank of Joint Secretary to the Government of India in the Ministry or Department of the Central Government having administrative control of the micro, small and medium enterprises to be appointed by the Central Government, who shall be the Member-Secretary of the Board, *ex officio*.

(4) The term of office of the members of the Board, other than *ex officio* members of the Board, the manner of filling vacancies, and the procedure to be followed in the discharge of their functions by the members of the Board, shall be such as may be prescribed:

Provided that the term of office of an *ex officio* member of the Board shall continue so long as he holds the office by virtue of which he is such a member.

(5) No act or proceedings of the Board shall be invalid merely by reason of—

(a) any vacancy in, or any defect in the constitution of, the Board; or

(b) any defect in the appointment of a person acting as a member of the Board; or

(c) any irregularity in the procedure of the Board not affecting the merits of the case.

(6) The Board shall meet at least once in every three months in a year.

(7) The Board may associate with itself, in such manner and for such purposes as it may deem necessary, any person or persons whose assistance or advice it may desire in complying with any of the

provisions of this Act and a person so associated shall have the right to take part in the discussions of the Board relevant to the purposes for which he has been associated but shall not have the right to vote.

(8) Without prejudice to sub-section (7) the Chairperson of the Board shall, for not less than two of the meetings of the Board in a year, invite such Ministers of the State Governments having administrative control of the departments of small scale industries or, as the case may be, the micro, small and medium enterprises, or the Administrators of Union territories and representatives of such other associations of micro, small and medium enterprises, as he may deem necessary for carrying out the purposes of this Act.

(9) It is hereby declared that the office of member of the Board shall not disqualify its holder for being chosen as, or for being, a member of either House of Parliament.

4. Removal of member from Board.—(1) The Central Government may remove a member of the Board from it, if he—

(a) is, or at any time has been, adjudged as insolvent; or

(b) is, or becomes, of unsound mind and stands so declared by a competent court; or

(c) refuses to act or becomes incapable of acting as a member of the Board; or

(d) has been convicted of an offence which, in the opinion of the Central Government, involves moral turpitude; or

(e) has so abused, in the opinion of the Central Government, his position as a member of the Board as to render his continuance in the Board detrimental to the interests of the general public.

(2) Notwithstanding anything contained in sub-section (1), no member shall be removed from his office on the grounds specified in clauses (c) to (e) of that sub-section unless he has been given a reasonable opportunity of being heard in the matter.

5. Functions of Board.—The Board shall, subject to the general directions of the Central Government, perform all or any of the following functions, namely:—

(a) examine the factors affecting the promotion and development of micro, small and medium enterprises and review the policies and programmes of the Central Government in regard to facilitating the promotion and development and enhancing the competitiveness of such enterprises and the impact thereof on such enterprises;

(b) make recommendations on matters referred to in clause (a) or on any other matter referred to it by the Central Government which, in the opinion of that Government, is necessary or expedient for facilitating the promotion and development and enhancing the competitiveness of the micro, small and medium enterprises; and

(c) advise the Central Government on the use of the Fund or Funds constituted under section 12.

6. Powers and functions of Member-Secretary of Board.—Subject to other provisions of this Act, the Member-Secretary of the Board shall exercise such powers and perform such functions as may be prescribed.

CHAPTER III

CLASSIFICATION OF ENTERPRISES, ADVISORY COMMITTEE AND MEMORANDUM OF MICRO, SMALL AND MEDIUM ENTERPRISES

7. Classification of enterprises.—(1) Notwithstanding anything contained in section 11B of the Industries (Development and Regulation) Act, 1951 (65 of 1951), the Central Government may, for the purposes of this Act, by notification and having regard to the provisions of sub-sections (4) and (5), classify any class or classes of enterprises, whether proprietorship, Hindu undivided family, association of persons, co-operative society, partnership firm, company or undertaking, by whatever name called,—

(a) in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 (65 of 1951), as—

(i) a micro enterprise, where the investment in plant and machinery does not exceed twenty-five lakh rupees;

(ii) a small enterprise, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or

(iii) a medium enterprise, where the investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees;

(b) in the case of the enterprises engaged in providing or rendering of services, as—

(i) a micro enterprise, where the investment in equipment does not exceed ten lakh rupees;

(ii) a small enterprise, where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees; or

(iii) a medium enterprise, where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

Explanation 1.—For the removal of doubts, it is hereby clarified that in calculating the investment in plant and machinery, the cost of pollution control, research and development, industrial safety devices and such other items as may be specified, by notification, shall be excluded.

Explanation 2.—It is clarified that the provisions of section 29B of the Industries (Development and Regulation) Act, 1951 (65 of 1951), shall be applicable to the enterprises specified in sub-clauses (i) and (ii) of clause (a) of sub-section (1) of this section.

(2) The Central Government shall, by notification, constitute an Advisory Committee consisting of the following members, namely:—

(a) the Secretary to the Government of India in the Ministry or Department of the Central Government having administrative control of the small and medium enterprises who shall be the Chairperson, *ex officio*;

(b) not more than five officers of the Central Government possessing necessary expertise in matters relating to micro, small and medium enterprises, members, *ex officio*;

(c) not more than three representatives of the State Governments, members, *ex officio*; and

(d) one representative each of the associations of micro, small and medium enterprises, members, *ex officio*.

(3) The Member-Secretary of the Board shall also be the *ex officio* Member-Secretary of the Advisory Committee.

(4) The Central Government shall, prior to classifying any class or classes of enterprises under sub-section (1), obtain the recommendations of the Advisory Committee.

(5) The Advisory Committee shall examine the matters referred to it by the Board in connection with any subject referred to in section 5 and furnish its recommendations to the Board.

(6) The Central Government may seek the advice of the Advisory Committee on any of the matters specified in section 9, 10, 11, 12 or 14 of Chapter IV.

(7) The State Government may seek advice of the Advisory Committee on any of the matters specified in the rules made under section 30.

(8) The Advisory Committee shall, after considering the following matters, communicate its recommendations or advice to the Central Government or, as the case may be, State Government or the Board, namely:—

(a) the level of employment in a class or classes of enterprises;

(b) the level of investments in plant and machinery or equipment in a class or classes of enterprises;

(c) the need of higher investment in plant and machinery or equipment for technological upgradation, employment generation and enhanced competitiveness of the class or classes of enterprises;

(d) the possibility of promoting and diffusing entrepreneurship in micro, small or medium enterprises; and

(e) the international standards for classification of small and medium enterprises.

(9) Notwithstanding anything contained in section 11B of the Industries (Development and Regulation) Act, 1951 (65 of 1951) and clause (h) of section 2 of the Khadi and Village Industries Commission Act, 1956 (61 of 1956), the Central Government may, while classifying any class or classes of enterprises under sub-section (1), vary, from time to time, the criterion of investment and also consider criteria or standards in respect of employment or turnover of the enterprises and include in such classification the micro or tiny enterprises or the village enterprises, as part of small enterprises.

8. Memorandum of micro, small and medium enterprises.—(1) Any person who intends to establish,—

(a) a micro or small enterprise, may, at his discretion; or

(b) a medium enterprise engaged in providing or rendering of services may, at his discretion; or

(c) a medium enterprise engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 (65 of 1951),

shall file the memorandum of micro, small or, as the case may be, of medium enterprise with such authority as may be specified by the State Government under sub-section (4) or the Central Government under sub-section (3):

Provided that any person who, before the commencement of this Act, established—

(a) a small scale industry and obtained a registration certificate, may, at his discretion; and

(b) an industry engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 (65 of 1951), having investment in plant and machinery of more than one crore rupees but not exceeding ten crore rupees and, in pursuance of the notification of the Government of India in the erstwhile Ministry of Industry (Department of Industrial Development) number S.O. 477(E), dated the 25th July, 1991 filed an Industrial Entrepreneur's Memorandum,

shall within one hundred and eighty days from the commencement of this Act, file the memorandum, in accordance with the provisions of this Act.

(2) The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be notified by the Central Government after obtaining the recommendations of the Advisory Committee in this behalf.

(3) The authority with which the memorandum shall be filed by a medium enterprise shall be such as may be specified, by notification, by the Central Government.

(4) The State Government shall, by notification, specify the authority with which a micro or small enterprise may file the memorandum.

(5) The authorities specified under sub-sections (3) and (4) shall follow, for the purposes of this section, the procedure notified by the Central Government under sub-section (2).

CHAPTER IV

MEASURES FOR PROMOTION, DEVELOPMENT AND ENHANCEMENT OF COMPETITIVENESS OF MICRO, SMALL AND MEDIUM ENTERPRISES

9. Measures for promotion and development.—The Central Government may, from time to time, for the purposes of facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises, particularly of the micro and small enterprises, by way of development of skill in the employees, management and entrepreneurs, provisioning for technological upgradation, marketing assistance or infrastructure facilities and cluster development of such enterprises with a view to strengthening backward and forward linkages, specify, by notification, such programmes, guidelines or instructions, as it may deem fit.

10. Credit facilities.—The policies and practices in respect of credit to the micro, small and medium enterprises shall be progressive and such as may be specified in the guidelines or instructions issued by the Reserve Bank, from time to time, to ensure timely and smooth flow of credit to such enterprises, minimise the incidence of sickness among and enhance the competitiveness of such enterprises.

11. Procurement preference policy.—For facilitating promotion and development of micro and small enterprises, the Central Government or the State Government may, by order notify from time to time, preference policies in respect of procurement of goods and services, produced and provided by micro and small enterprises, by its Ministries or departments, as the case may be, or its aided institutions and public sector enterprises.

12. Funds.—There shall be constituted, by notification, one or more Funds to be called by such name as may be specified in the notification and there shall be credited thereto any grants made by the Central Government under section 13.

13. Grants by Central Government.—The Central Government may, after due appropriation made by Parliament by law in this behalf, credit to the Fund or Funds by way of grants for the purposes of this Act, such sums of money as that Government may consider necessary to provide.

14. Administration and utilisation of Fund or Funds.—(1) The Central Government shall have the power to administer the Fund or Funds in such manner as may be prescribed.

(2) The Fund or Funds shall be utilised exclusively for the measures specified in sub-section (1) of section 9.

(3) The Central Government shall be responsible for the coordination and ensuring timely utilisation and release of sums in accordance with such criteria as may be prescribed.

CHAPTER V

DELAYED PAYMENTS TO MICRO AND SMALL ENTERPRISES

15. Liability of buyer to make payment.—Where any supplier supplies any goods or renders any services to any buyer, the buyer shall make payment therefor on or before the date agreed upon between him and the supplier in writing or, where there is no agreement in this behalf, before the appointed day:

Provided that in no case the period agreed upon between the supplier and the buyer in writing shall exceed forty-five days from the day of acceptance or the day of deemed acceptance.

16. Date from which and rate at which interest is payable.—Where any buyer fails to make payment of the amount to the supplier, as required under section 15, the buyer shall, notwithstanding anything contained in any agreement between the buyer and the supplier or in any law for the time being in force, be liable to pay compound interest with monthly rests to the supplier on that amount from the appointed day or, as the case may be, from the date immediately following the date agreed upon, at three times of the bank rate notified by the Reserve Bank.

17. Recovery of amount due.—For any goods supplied or services rendered by the supplier, the buyer shall be liable to pay the amount with interest thereon as provided under section 16.

18. Reference to Micro and Small Enterprises Facilitation Council.—(1) Notwithstanding anything contained in any other law for the time being in force, any party to a dispute may, with regard to any amount due under section 17, make a reference to the Micro and Small Enterprises Facilitation Council.

(2) On receipt of a reference under sub-section (1), the Council shall either itself conduct conciliation in the matter or seek the assistance of any institution or centre providing alternate dispute resolution services by making a reference to such an institution or centre, for conducting conciliation and the provisions of sections 65 to 81 of the Arbitration and Conciliation Act, 1996 (26 of 1996) shall apply to such a dispute as if the conciliation was initiated under Part III of that Act.

(3) Where the conciliation initiated under sub-section (2) is not successful and stands terminated without any settlement between the parties, the Council shall either itself take up the dispute for arbitration or refer it to any institution or centre providing alternate dispute resolution services for such arbitration and the provisions of the Arbitration and Conciliation Act, 1996 (26 of 1996) shall then apply to the dispute as if the arbitration was in pursuance of an arbitration agreement referred to in sub-section (1) of section 7 of that Act.

(4) Notwithstanding anything contained in any other law for the time being in force, the Micro and Small Enterprises Facilitation Council or the centre providing alternate dispute resolution services shall have jurisdiction to act as an Arbitrator or Conciliator under this section in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.

(5) Every reference made under this section shall be decided within a period of ninety days from the date of making such a reference.

19. Application for setting aside decree, award or order.—No application for setting aside any decree, award or other order made either by the Council itself or by any institution or centre providing alternate dispute resolution services to which a reference is made by the Council, shall be entertained by any court unless the appellant (not being a supplier) has deposited with it seventy-five per cent. of the amount in terms of the decree, award or, as the case may be, the other order in the manner directed by such court:

Provided that pending disposal of the application to set aside the decree, award or order, the court shall order that such percentage of the amount deposited shall be paid to the supplier, as it considers reasonable under the circumstances of the case, subject to such conditions as it deems necessary to impose.

20. Establishment of Micro and Small Enterprises Facilitation Council.—The State Government shall, by notification, establish one or more Micro and Small Enterprises Facilitation Councils, at such places, exercising such jurisdiction and for such areas, as may be specified in the notification.

21. Composition of Micro and Small Enterprises Facilitation Council.—(1) The Micro and Small Enterprise Facilitation Council shall consist of not less than three but not more than five members to be appointed from amongst the following categories, namely:—

(i) Director of Industries, by whatever name called, or any other officer not below the rank of such Director, in the Department of the State Government having administrative control of the small scale industries or, as the case may be, micro, small and medium enterprises; and

(ii) one or more office-bearers or representatives of associations of micro or small industry or enterprises in the State; and

(iii) one or more representatives of banks and financial institutions lending to micro or small enterprises; or

(iv) one or more persons having special knowledge in the field of industry, finance, law, trade or commerce.

(2) The person appointed under clause (i) of sub-section (1) shall be the Chairperson of the Micro and Small Enterprises Facilitation Council.

(3) The composition of the Micro and Small Enterprises Facilitation Council, the manner of filling vacancies of its members and the procedure to be followed in the discharge of their functions by the members shall be such as may be prescribed by the State Government.

22. Requirement to specify unpaid amount with interest in the annual statement of accounts.—Where any buyer is required to get his annual accounts audited under any law for the time being in force, such buyer shall furnish the following additional information in his annual statement of accounts, namely:—

(i) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;

(ii) the amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;

(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;

(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and

(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.

23. Interest not to be allowed as deduction from income.—Notwithstanding anything contained in the Income-tax Act, 1961 (43 of 1961), the amount of interest payable or paid by any buyer, under or in accordance with the provisions of this Act, shall not, for the purposes of computation of income under the Income-tax Act, 1961, be allowed as deduction.

24. Overriding effect.—The provisions of sections 15 to 23 shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force.

25. Scheme for closure of business of micro, small and medium enterprises.—Notwithstanding anything contained in any law for the time being in force, the Central Government may, with a view to facilitating closure of business by a micro, small or medium enterprise, not being a company registered under the Companies Act, 1956 (1 of 1956), notify a Scheme within one year from the date of commencement of this Act.

CHAPTER VI

MISCELLANEOUS

26. Appointment of officers and other employees.—(1) The Central Government or the State Government may appoint such officers with such designations and such other employees as it thinks fit for the purposes of this Act and may entrust to them such of the powers and functions under this Act as it may deem fit.

(2) The Officers appointed under sub-section (1) may, for the purposes of this Act, by order require any person to furnish such information, in such form, as may be prescribed.

27. Penalty for contravention of section 8 or section 22 or section 26.—(1) Whoever intentionally contravenes or attempts to contravene or abets the contravention of any of the provisions contained in sub-section (1) of section 8 or sub-section (2) of section 26 shall be punishable—

(a) in the case of the first conviction, with fine which may extend to rupees one thousand; and

(b) in the case of second or subsequent conviction, with fine which shall not be less than rupees one thousand but may extend to rupees ten thousand.

(2) Where a buyer contravenes the provisions of section 22, he shall be punishable with fine which shall not be less than rupees ten thousand.

28. Jurisdiction of courts.—No court inferior to that of a Metropolitan Magistrate or a Magistrate of the first class shall try any offence punishable under this Act.

29. Power to make rules.—(1) The Central Government may, by notification, make rules to carry out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the term of office of the members of the Board, the manner of filling vacancies, and the procedure to be followed in the discharge of functions by the members of the Board under sub-section (4) of section 3;

(b) the powers and functions of the Member-Secretary under section 6;

(c) the manner in which the Fund may be administered under sub-section (1) of section 14;

(d) the criteria based on which sums may be released under sub-section (3) of section 14;

(e) the information to be furnished and the form in which it is to be furnished under sub-section (2) of section 26; and

(f) any other matter which is to be or may be prescribed under this Act.

(3) Every notification issued under section 9 and every rule made by the Central Government under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the notification or rule or both Houses agree that the notification or rule should not be made, the notification or rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that notification or rule.

30. Power to make rules by State Government.—(1) The State Government may, by notification, make rules to carry out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the composition of the Micro and Small Enterprises Facilitation Council, the manner of filling vacancies of the members and the procedure to be followed in the discharge of their functions by the members of the Micro and Small Enterprises Facilitation Council under sub-section (3) of section 21;

(b) any other matter which is to be, or may be, prescribed under this Act.

(3) The rule made under this section shall, as soon as may be after it is made, be laid before each House of the State Legislature where there are two Houses, and where there is one House of the State Legislature, before that House.

31. Power to remove difficulties.—(1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as may appear to be necessary for removing the difficulty:

Provided that no order shall be made under this section after the expiry of two years from the commencement of this Act.

(2) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.

32. Repeal of Act 32 of 1993.—(1) The Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act, 1993 is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the Act so repealed under sub-section (1), shall be deemed to have been done or taken under the corresponding provisions of this Act.

[TO BE PUBLISHED IN THE GAZZETE OF INDIA, EXTRAORDINARY, PART II,
SECTION 3, SUB-SECTION (i)]

Government of India
Ministry of Finance
(Department of Revenue)

Notification No. 11/2017-Central Tax (Rate)

New Delhi, the 28th June, 2017

G.S.R.....(E).- In exercise of the powers conferred by sub-section (1) of section 9, sub-section (1) of section 11, sub-section (5) of section 15 and sub-section (1) of section 16 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, and on being satisfied that it is necessary in the public interest so to do, hereby notifies that the central tax, on the intra-State supply of services of description as specified in column (3) of the Table below, falling under Chapter, Section or Heading of scheme of classification of services as specified in column (2), shall be levied at the rate as specified in the corresponding entry in column (4), subject to the conditions as specified in the corresponding entry in column (5) of the said Table:-

Table

Sl No.	Chapter, Section or Heading	Description of Service	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)
1	Chapter 99	All Services		
2	Section 5	Construction Services		
3	Heading 9954 (Construction services)	(i) Construction of a complex, building, civil structure or a part thereof, including a complex or building intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier. (Provisions of paragraph 2 of this notification shall apply for valuation of this service)	9	-
		(ii) composite supply of works contract as defined in clause 119 of section 2 of Central Goods and Services Tax Act, 2017.	9	-
		(iii) construction services other than (i) and (ii) above.	9	-
4	Section 6	Distributive Trade Services; Accommodation, Food and Beverage Service; Transport Services; Gas and		

		Electricity Distribution Services		
5	Heading 9961	<p>Services in wholesale trade.</p> <p><i>Explanation</i>-This service does not include sale or purchase of goods but includes:</p> <ul style="list-style-type: none"> - Services of commission agents, commodity brokers, and auctioneers and all other traders who negotiate whole sale commercial transactions between buyers and sellers, for a fee or commission' - Services of electronic whole sale agents and brokers, - Services of whole sale auctioning houses. 	9	-
6	Heading 9962	<p>Services in retail trade.</p> <p><i>Explanation</i>- This service does not include sale or purchase of goods</p>	9	-
7	Heading 9963 (Accommodation, food and beverage services)	<p>(i) Supply, by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or drink, where such supply or service is for cash, deferred payment or other valuable consideration, provided by a restaurant, eating joint including mess, canteen, neither having the facility of air-conditioning or central air-heating in any part of the establishment, at any time during the year nor having licence or permit or by whatever name called to serve alcoholic liquor for human consumption.</p>	6	-
		<p>(ii) Accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having declared tariff of a unit of accommodation of one thousand rupees and above but less than two thousand five hundred rupees per unit per day or equivalent.</p> <p><i>Explanation</i>.- "declared tariff" includes charges for all amenities provided in the unit of accommodation (given on rent for stay) like furniture, air conditioner, refrigerators or any other amenities, but without excluding any discount offered on the published charges for such unit.</p>	6	-
		<p>(iii) Supply, by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink, where such supply or service is for cash, deferred payment or other valuable consideration, provided by a restaurant, eating joint including mess, canteen, having licence or</p>	9	-

	permit or by whatever name called to serve alcoholic liquor for human consumption.		
	(iv) Supply, by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink, where such supply or service is for cash, deferred payment or other valuable consideration, provided by a restaurant, eating joint including mess, canteen, having the facility of air-conditioning or central air-heating in any part of the establishment, at any time during the year.	9	-
	(v) Supply, by way of or as part of any service or in any other manner whatsoever in outdoor catering wherein goods, being food or any other article for human consumption or any drink (whether or not alcoholic liquor for human consumption), as a part of such outdoor catering and such supply or service is for cash, deferred payment or other valuable consideration.	9	-
	(vi) Accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having declared tariff of a unit of accommodation of two thousand five hundred rupees and above but less than seven thousand five hundred rupees per unit per day or equivalent. <i>Explanation.-</i> “declared tariff” includes charges for all amenities provided in the unit of accommodation (given on rent for stay) like furniture, air conditioner, refrigerators or any other amenities, but without excluding any discount offered on the published charges for such unit.	9	-
	(vii) Supply, by way of or as part of any service or in any other manner whatsoever, of goods, including but not limited to food or any other article for human consumption or any drink (whether or not alcoholic liquor for human consumption), where such supply or service is for cash, deferred payment or other valuable consideration, in a premises (including hotel, convention center, club, pandal, shamiana or any other place, specially arranged for organising a function) together with renting of such premises.	9	-
	(viii) Accommodation in hotels including five	14	-

		<p>star hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having declared tariff of a unit of accommodation of seven thousand and five hundred rupees and above per unit per day or equivalent.</p> <p><i>Explanation.</i>-“declared tariff ” includes charges for all amenities provided in the unit of accommodation (given on rent for stay) like furniture, air conditioner, refrigerators or any other amenities, but without excluding any discount offered on the published charges for such unit.</p>		
		(ix) Accommodation, food and beverage services other than (i), (ii), (iii), (iv), (v), (vi), (vii) and (viii) above.	9	-
8	Heading 9964 (Passenger transport services)	(i) Transport of passengers, with or without accompanied belongings, by rail in first class or air conditioned coach.	2.5	Provided that credit of input tax charged in respect of goods used in supplying the service is not utilised for paying central tax or integrated tax on the supply of the service
		<p>(ii) Transport of passengers, with or without accompanied belongings by-</p> <p>(a) air conditioned contract carriage other than motorcab;</p> <p>(b) air conditioned stage carriage;</p> <p>(c) radio taxi.</p> <p><i>Explanation.</i>-</p> <p>(a) “contract carriage” has the meaning assigned to it in clause (7) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988);</p> <p>(b) “stage carriage” has the meaning assigned to it in clause (40) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988) ;</p> <p>(c) “radio taxi” means a taxi including a radio cab, by whatever name called, which is in two-way radio communication with a central control office and is enabled for tracking using Global Positioning System (GPS) or General Packet Radio Service (GPRS).</p>	2.5	Provided that credit of input tax charged on goods or services used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]
		(iii) Transport of passengers, with or without accompanied belongings, by air in economy class.	2.5	Provided that credit of input tax charged on goods used in supplying

				the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]
		(iv) Transport of passengers, with or without accompanied belongings, by air, embarking from or terminating in a Regional Connectivity Scheme Airport, as notified by the Ministry of Civil Aviation.	2.5	Provided that credit of input tax charged on goods used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]
		(v) Transport of passengers by air, with or without accompanied belongings, in other than economy class.	6	-
		(vi) Transport of passengers by motorcab where the cost of fuel is included in the consideration charged from the service recipient.	2.5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]
		(vii) Passenger transport services other than (i), (ii) (iii), (iv), (v) and (vi) above.	9	-
9	Heading 9965 (Goods transport services)	(i) Transport of goods by rail (other than services specified at item no. (iv)).	2.5	Provided that credit of input tax charged in respect of goods in supplying the service is not utilised for paying central tax or integrated tax on the supply of the service
		(ii) Transport of goods in a vessel.	2.5	Provided that credit of input tax charged on goods (other than on ships, vessels including bulk carriers and tankers) used in supplying the service has not

				been taken [Please refer to <i>Explanation</i> no. (iv)]
		(iii) Services of goods transport agency (GTA) in relation to transportation of goods (including used household goods for personal use). <i>Explanation.-</i> “goods transport agency” means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called.	2.5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]
		(iv) Transport of goods in containers by rail by any person other than Indian Railways.	6	-
		(v) Goods transport services other than (i), (ii), (iii) and (iv) above.	9	-
10	Heading 9966 (Rental services of transport vehicles)	(i) Renting of motorcab where the cost of fuel is included in the consideration charged from the service recipient.	2.5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]
		(ii) Rental services of transport vehicles with or without operators, other than (i) above.	9	-
11	Heading 9967 (Supporting services in transport)	(i) Services of goods transport agency (GTA) in relation to transportation of goods (including used household goods for personal use). <i>Explanation.-</i> “goods transport agency” means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called.	2.5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]
		(ii) Supporting services in transport other than (i) above.	9	-
12	Heading 9968	Postal and courier services.	9	-
13	Heading 9969	Electricity, gas, water and other distribution services.	9	-
14	Section 7	Financial and related services; real estate services; and rental and leasing services.		
15	Heading 9971 (Financial and	(i) Services provided by a foreman of a chit fund in relation to chit.	6	Provided that credit of input tax

related services)	<p><i>Explanation.-</i> (a) "chit" means a transaction whether called chit, chit fund, chitty, kuri, or by whatever name by or under which a person enters into an agreement with a specified number of persons that every one of them shall subscribe a certain sum of money (or a certain quantity of grain instead) by way of periodical instalments over a definite period and that each subscriber shall, in his turn, as determined by lot or by auction or by tender or in such other manner as may be specified in the chit agreement, be entitled to a prize amount; (b) "foreman of a chit fund" shall have the same meaning as is assigned to the expression "foreman" in clause (j) of section 2 of the Chit Funds Act, 1982 (40 of 1982).</p>		charged on goods used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]
	(ii) Transfer of the right to use any goods for any purpose (whether or not for a specified period) for cash, deferred payment or other valuable consideration.	Same rate of central tax as on supply of like goods involving transfer of title in goods	-
	(iii) Any transfer of right in goods or of undivided share in goods without the transfer of title thereof.	Same rate of central tax as on supply of like goods involving transfer of title in goods	-
	(iv) Leasing of aircrafts by an operator for operating scheduled air transport service or scheduled air cargo service by way of transaction covered by clause (f) paragraph 5 of Schedule II of the Central Goods and Services Act, 2017. <i>Explanation.-</i> (a) "operator" means a person, organisation or enterprise engaged in or offering to engage in aircraft operations; (b) "scheduled air transport service" means an air transport service undertaken between the same two or more places operated according to a published time table or with	2.5	Provided that credit of input tax charged on goods used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]

		flights so regular or frequent that they constitute a recognisable systematic series, each flight being open to use by members of the public; (c) “scheduled air cargo service” means air transportation of cargo or mail on a scheduled basis according to a published time table or with flights so regular or frequent that they constitute a recognisably systematic series, not open to use by passengers.		
		(v) Financial and related services other than (i), (ii), (iii), and (iv) above.	9	-
16	Heading 9972	Real estate services.	9	-
17	Heading 9973 (Leasing or rental services, with or without operator)	(i) Temporary or permanent transfer or permitting the use or enjoyment of Intellectual Property (IP) right in respect of goods other than Information Technology software.	6	-
		(ii) Temporary or permanent transfer or permitting the use or enjoyment of Intellectual Property (IP) right in respect of Information Technology software. [Please refer to <i>Explanation</i> no. (v)]	9	-
		(iii) Transfer of the right to use any goods for any purpose (whether or not for a specified period) for cash, deferred payment or other valuable consideration.	Same rate of central tax as on supply of like goods involving transfer of title in goods	-
		(iv) Any transfer of right in goods or of undivided share in goods without the transfer of title thereof.	Same rate of central tax as on supply of like goods involving transfer of title in goods	-
		(v) Leasing of aircrafts by an operator for operating scheduled air transport service or scheduled air cargo service by way of transaction covered by clause (f) paragraph 5 of Schedule II of the Central Goods and Services Act, 2017. <i>Explanation.-</i> (a) “operator” means a person, organisation	2.5	Provided that credit of input tax charged on goods used in supplying the service has not been taken [Please refer to <i>Explanation</i> no.

		<p>or enterprise engaged in or offering to engage in aircraft operations;</p> <p>(b) “scheduled air transport service” means an air transport service undertaken between the same two or more places operated according to a published time table or with flights so regular or frequent that they constitute a recognisable systematic series, each flight being open to use by members of the public;</p> <p>(c) “scheduled air cargo service” means air transportation of cargo or mail on a scheduled basis according to a published time table or with flights so regular or frequent that they constitute a recognisably systematic series, not open to use by passengers.</p>		(iv)]
		(vi) Leasing or rental services, with or without operator, other than (i), (ii), (iii), (iv) and (v) above.	Same rate of central tax as applicable on supply of like goods involving transfer of title in goods	-
18	Section 8	Business and Production Services		
19	Heading 9981	Research and development services.	9	-
20	Heading 9982	Legal and accounting services.	9	-
21	Heading 9983 (Other professional, technical and business services)	(i) Selling of space for advertisement in print media.	2.5	-
		(ii) Other professional, technical and business services other than (i) above.	9	-
22	Heading 9984	Telecommunications, broadcasting and information supply services.	9	-
23	Heading 9985 (Support services)	(i) Supply of tour operators services. <i>Explanation.-</i> "tour operator" means any person engaged in the business of planning, scheduling, organizing, arranging tours (which may include arrangements for accommodation, sightseeing or other similar services) by any mode of transport, and includes any person engaged in the business of operating tours.	2.5	<p>1. Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)]</p> <p>2. The bill issued for supply of this</p>

				service indicates that it is inclusive of charges of accommodation and transportation required for such a tour and the amount charged in the bill is the gross amount charged for such a tour including the charges of accommodation and transportation required for such a tour.
		(ii) Support services other than (i) above	9	-
24	Heading 9986	<p>(i) Support services to agriculture, forestry, fishing, animal husbandry.</p> <p><i>Explanation.</i> – “Support services to agriculture, forestry, fishing, animal husbandry” mean –</p> <p>(i) Services relating to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce by way of—</p> <p>(a) agricultural operations directly related to production of any agricultural produce including cultivation, harvesting, threshing, plant protection or testing;</p> <p>(b) supply of farm labour;</p> <p>(c) processes carried out at an agricultural farm including tending, pruning, cutting, harvesting, drying, cleaning, trimming, sun drying, fumigating, curing, sorting, grading, cooling or bulk packaging and such like operations which do not alter the essential characteristics of agricultural produce but make it only marketable for the primary market;</p> <p>(d) renting or leasing of agro machinery or vacant land with or without a structure incidental to its use;</p>	Nil	-

		<p>(e) loading, unloading, packing, storage or warehousing of agricultural produce;</p> <p>(f) agricultural extension services;</p> <p>(g) services by any Agricultural Produce Marketing Committee or Board or services provided by a commission agent for sale or purchase of agricultural produce.</p> <p>(ii) Services by way of pre-conditioning, pre-cooling, ripening, waxing, retail packing, labelling of fruits and vegetables which do not change or alter the essential characteristics of the said fruits or vegetables.</p> <p>(iii) Carrying out an intermediate production process as job work in relation to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce.</p>		
		(ii) Support services to mining, electricity, gas and water distribution.	9	-
25	Heading 9987	Maintenance, repair and installation (except construction) services.	9	-
26	Heading 9988 (Manufacturing services on physical inputs (goods) owned by others)	<p>(i) Services by way of job work in relation to-</p> <p>(a) Printing of newspapers;</p> <p>(b) Textile yarns (other than of man-made fibres) and textile fabrics;</p> <p>(c) Cut and polished diamonds; precious and semi-precious stones; or plain and studded jewellery of gold and other precious metals, falling under Chapter 71 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975);</p> <p>(d) Printing of books (including Braille books), journals and periodicals;</p> <p>(e) Processing of hides, skins and leather falling under Chapter 41 in the First Schedule to the Customs Tariff Act, 1975 (51of 1975).</p> <p><i>Explanation.-</i> “man made fibres” means staple fibres and filaments of organic polymers produced by manufacturing processes either,-</p> <p>(a) by polymerisation of organic monomers to produce polymers such as polyamides, polyesters, polyolefins or polyurethanes, or by chemical modification of polymers produced by</p>	2.5	-

		<p>this process [for example, poly(vinyl alcohol) prepared by the hydrolysis of poly(vinyl acetate)]; or</p> <p>(b) by dissolution or chemical treatment of natural organic polymers (for example, cellulose) to produce polymers such as cuprammonium rayon (cupro) or viscose rayon, or by chemical modification of natural organic polymers (for example, cellulose, casein and other proteins, or alginic acid), to produce polymers such as cellulose acetate or alginates.</p>		
		(ii) Manufacturing services on physical inputs (goods) owned by others, other than (i) above.	9	-
27	Heading 9989	Other manufacturing services; publishing, printing and reproduction services; materials recovery services.	9	-
28	Section 9	Community, Social and Personal Services and other miscellaneous services		
29	Heading 9991	Public administration and other services provided to the community as a whole; compulsory social security services.	9	-
30	Heading 9992	Education services.	9	-
31	Heading 9993	Human health and social care services.	9	-
32	Heading 9994	Sewage and waste collection, treatment and disposal and other environmental protection services.	9	-
33	Heading 9995	Services of membership organisations.	9	-
34	Heading 9996 (Recreational, cultural and sporting services)	(i) Services by way of admission or access to circus, Indian classical dance including folk dance, theatrical performance, drama.	9	-
		(ii) Services by way of admission exhibition of cinematograph films where price of admission ticket is one hundred rupees or less.	9	-
		(iii) Services by way of admission to entertainment events or access to amusement facilities including exhibition of cinematograph films, theme parks, water parks, joy rides, merry-go rounds, go-carting, casinos, race-course, ballet, any sporting event such as Indian Premier League and the like.	14	-
		(iv) Services provided by a race club by way of totalisator or a license to bookmaker in such club.	14	-
		(v) Gambling.	14	-
		(vi) Recreational, cultural and sporting services other than (i), (ii), (iii), (iv) and (v)	9	-

		above.		
35	Heading 9997	Other services (washing, cleaning and dyeing services; beauty and physical well-being services; and other miscellaneous services including services nowhere else classified).	9	-
36	Heading 9998	Domestic services.	9	-
37	Heading 9999	Services provided by extraterritorial organisations and bodies.	9	-

2. In case of supply of service specified in column (3) of the entry at item (i) against serial no. 3 of the Table above, involving transfer of property in land or undivided share of land, as the case may be, the value of supply of service and goods portion in such supply shall be equivalent to the total amount charged for such supply less the value of land or undivided share of land, as the case may be, and the value of land or undivided share of land, as the case may be, in such supply shall be deemed to be one third of the total amount charged for such supply.

Explanation .- For the purposes of paragraph 2, “total amount” means the sum total of,-

- (a) consideration charged for aforesaid service; and
- (b) amount charged for transfer of land or undivided share of land, as the case may be.

3. Value of supply of lottery shall be 100/112 of the face value or the price notified in the Official Gazette by the organising State, whichever is higher, in case of lottery run by State Government and 100/128 of the face value or the price notified in the Official Gazette by the organising State, whichever is higher, in case of lottery authorised by State Government.

4. *Explanation.-* For the purposes of this notification,-

- (i) Goods includes capital goods.
- (ii) Reference to “Chapter”, “Section” or “Heading”, wherever they occur, unless the context otherwise requires, shall mean respectively as “Chapter”, “Section” and “Heading” in the annexed scheme of classification of services (Annexure).
- (iii) The rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of heading 9988.
- (iv) Wherever a rate has been prescribed in this notification subject to the condition that credit of input tax charged on goods or services used in supplying the service has not been taken, it shall mean that,-
 - (a) credit of input tax charged on goods or services used exclusively in supplying such service has not been taken; and
 - (b) credit of input tax charged on goods or services used partly for supplying such service and partly for effecting other supplies eligible for input tax credits, is reversed as if supply of such service is an exempt supply and attracts provisions of sub-section (2) of section 17 of the Central Goods and Services Tax Act, 2017 and the rules made thereunder.
- (v) "information technology software" means any representation of instructions, data, sound or image, including source code and object code, recorded in a machine readable form, and capable of being manipulated or providing interactivity to a user, by means of a computer or an automatic data processing machine or any other device or equipment.

(vi) “agricultural extension” means application of scientific research and knowledge to agricultural practices through farmer education or training.

(vii) “agricultural produce” means any produce out of cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products, on which either no further processing is done or such processing is done as is usually done by a cultivator or producer which does not alter its essential characteristics but makes it marketable for primary market.


(viii) “Agricultural Produce Marketing Committee or Board” means any committee or board constituted under a State law for the time being in force for the purpose of regulating the marketing of agricultural produce.

5. This notification shall come into force with effect from 1st day of July, 2017.

[F.No. 334/1/2017-TRU]

(Ruchi Bisht)

Under Secretary to the Government of India

	बैंक ऑफ़ इंडिया प्रधान कार्यालय	लघु एवं मध्यम उद्यम कार्यनीति कारोबार इकाई
शाखा परिपत्र सं.: 110/150		विषय : अग्रिम (एमएमई):2016-17/8
उप-विषय : 'बीओआई स्टार डॉक्टर्स प्लस'- संशोधित योजना	/1	
संदर्भ : एसएमई:केएबी:		दिनांक: 09.11.2016

समस्त शाखाओं/कार्यालयों के लिए परिपत्र

"बीओआई स्टार डॉक्टर्स प्लस" - संशोधित योजना

"बीओआई स्टार डॉक्टर्स प्लस" योजना चिकित्सा व्यवसायियों की वित्तीय जरूरतों को पूरा करने के उद्देश्य से प्रधान कार्यालय के शाखा परिपत्र सं. 107/154 दिनांक 06.11.2013 के माध्यम से शुरू की गई थी।

2. बाजार में उत्पाद की पैठ अपेक्षित स्तर की नहीं है। अंचलों/एनबीजी/शाखाओं/एसएमई सिटी सेन्टरों से प्राप्त सुझावों तथा वर्तमान में चल रही योजना की खूबियों की तुलना बाजार में चल रहे इसी प्रकार के अन्य उत्पादों से करने पर हमने वर्तमान में चल रही "बीओआई स्टार डॉक्टर्स प्लस" योजना को संशोधित करते हुए उसे बाज़ार के और भी अनुकूल बनाया है।

3. वर्तमान में चल रही "बीओआई स्टार डॉक्टर्स प्लस" योजना में चिकित्सा की दो पद्धतियां : 'आयुर्वेद व यूनानी' शामिल नहीं हैं, इसलिए एचओबीसी सं.107/154 दिनांक 06.11.2013 के अनुरूप, "धनवतरी सुविधा" योजना अगले अनुदेशों तक जारी रखी गई थी। इस योजना के मंजूर हो जाने से अब **"धनवतरी सुविधा" योजना समाप्त कर दी गई है**, क्योंकि संशोधित योजना में उक्त दोनों पद्धतियां शामिल कर दी गई हैं।

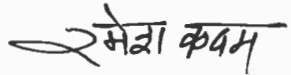
4. बोर्ड द्वारा विधिवत रूप से अनुमोदित संशोधित योजना **अनुलग्नक-1** में संलग्न की गई है। बोर्ड ने यह भी निर्देश दिये हैं कि - "आंचलिक प्रबंधक/शाखाएं/एनबीजी को सूचित किया जाता है कि वे योजना में अनुमत अधिकतम चुकौती अवधि के अन्तर्गत वास्तविकता के अनुरूप चुकौती अनुसूची बनाएं।


5. "बीओआई स्टार डॉक्टर्स प्लस" योजना - एसएमई" का फ्री कोड 363 है (Free code 3-V option)।

6. कृपया मास्टर परिपत्र की विषय-वस्तु की जानकारी सभी स्टाफ सदस्यों को दें तथा एमएसएमई ऋण पोर्टफोलियों के अन्तर्गत उच्च कोटि की गुणवत्ता वाले खाते जोड़ने हेतु संशोधित योजना का प्रचार और अधिक उत्साह के साथ करें।

7. किसी भी स्पष्टीकरण के लिए प्रधान कार्यालय- एसएमई विभाग को संपर्क करें।




(आर. एम. कदम)
महाप्रबंधक

	Bank of India Head Office	Small & Medium Enterprises Strategic Business Unit
Branch Circular No. : 110 / 150		Subject : Advances (SME):2016-17/ 8
Sub-Subject: BOI Star Doctors' Plus- Revised scheme. / 1		
Ref: SME:KAB:		Date: 09.11.2016

CIRCULAR TO ALL BRANCHES / OFFICES

"BOI STAR DOCTORS' PLUS" – REVISED SCHEME

"BOI STAR DOCTORS PLUS" scheme was launched vide Head Office Branch Circular No. 107/154 dated 06.11.2013 to cater to financial requirements of medical professionals.

2. The market penetration of the product is not upto desired level. Based on suggestions received from Zones /NBGs / Branches / SME City Centres and after comparing the existing scheme features with the similar products in markets, we have revised the existing "BOI Star Doctors' Plus" scheme to make it more market friendly.
3. The existing "BOI Star Doctors Plus" scheme does not cover two branches of medicine i.e Ayurveda & Unani, hence "Dhanvantri Suvidha" scheme was to be continued till further instructions as per HOBC No. 107/154 dated 06.11.2013. **"Dhanvantri Suvidha" scheme now stands discontinued** upon approval of this scheme, as these two branches are covered in revised scheme.
4. Revised scheme duly approved by Board is attached as per **Annexure- I**. Board has also directed that- "Zonal Managers/Branches/NBGs are advised to fix the repayment schedule realistically within the maximum repayment period permitted in the scheme".
5. Free code for "BOI Star Doctors Plus Scheme - SME" is 363 (Free code 3- V option).
6. Please bring the contents of Master Circular to the knowledge of all staff members and market the revised scheme with greater vigour to add quality accounts under MSME Loan portfolio.
7. For any clarification required, you may contact Head Office - SME Department.




(R.M.KADAM)
GENERAL MANAGER

Head Office: SME-SBU
BOI STAR DOCTORS PLUS

ANNEXURE- I

SR NO.	ITEM	EXISTING SCHEME	REVISED SCHEME
1	OBJECTIVE	To meet the financial requirements of doctors.	To meet the financial requirements of medical/healthcare professionals.
2	ELIGIBILITY	<p>1. Individuals & Firms / Companies / Trusts engaged in providing medical pathological / diagnostic services where minimum 51% of shareholding / stake is held by qualified doctors.</p> <p>2. Proponents should be professionally qualified in the age group of 25 to 60 years with minimum three years' experience in any Branch of medicine with minimum qualification of a degree from a recognised statutory body such as:</p> <ul style="list-style-type: none"> ➤ MBBS ➤ B.H.M.S. Bachelor of Homoeopathic Medicine and Surgery ➤ BDS (Dentist) 	<p>1. Individuals & Firms / Companies / Trusts engaged in providing medical, pathological / diagnostic & other healthcare services, where minimum 51% of shareholding / stake is held by qualified practitioners.</p> <p>2. Proponents should be professionally qualified in the age group of 25 to 60 years with minimum qualification of a degree from a recognised statutory body such as :</p> <ul style="list-style-type: none"> ➤ Bachelor of Medicine and Bachelor of Surgery (MBBS) ➤ Bachelor of Homoeopathic Medicine and Surgery (BHMS) ➤ Bachelor of Dental Surgery (BDS) ➤ Bachelor of Ayurvedic Medicine and Surgery (BAMS) ➤ Bachelor of Unani Medicine and Surgery (BUMS) ➤ Bachelor of Physiotherapy (BPT) ➤ Bachelor of Occupational Therapy (BOT)
3	PURPOSE	1. For acquiring premises on ownership basis required for running Clinics/Nursing Homes, Pathological labs subject to compliance with license /	1. For acquiring premises on ownership basis or purchase of plot & construction thereof, for the purpose of establishing/ running clinics, nursing homes,



		<p>registration requirements under laws of State / Central Govt. as the case may be.</p> <p>2. Expansion/ renovation/ modernization of existing premises/ Clinic/ Nursing Home, Pathological lab.</p> <p>3. For purchase of furniture & fixture, furnishing, renovating existing clinics.</p> <p>4. For purchase of medical equipment for Clinics/Hospitals/ scanning centres/ pathological laboratories/ diagnostic centres, professional tools, computers, UPS, software, books.</p> <p>5. For purchase of Ambulance/ Utility vehicles.</p> <p>6. Working Capital requirement for meeting recurring expenses, stock of medicines / consumables etc.</p>	<p>pathological labs, hospitals subject to compliance with license / registration requirements under laws of State / Central Govt. as the case may be</p> <p>OR</p> <p>For setting up /running clinics, nursing homes, pathological labs, hospitals on rented premises subject to compliance with license / registration requirements under laws of State / Central Govt. as the case may be. Lease period should not be less than term loan repayment period.</p> <p>2. Expansion/ renovation/ modernization of existing premises/ Clinic/ Nursing Home, Pathological lab. Hospital.</p> <p>3. For purchase of furniture & fixture, furnishing, renovation of existing clinics, nursing homes, pathological labs, hospitals .</p> <p>4. For purchase of medical equipment for clinics/hospitals/ scanning centres/ pathological laboratories/ diagnostic centres, professional tools, computers, UPS, software, books.</p> <p>5. For purchase of Ambulance/ Utility vehicles..</p> <p>6. Working Capital requirement for meeting recurring expenses, stock of medicines / consumables etc.</p>
--	--	---	---



4	Nature of Facility & Repayment	<p>For Business Premises/ Equipment Loan: Term Loan repayable in 5-10 years depending upon the purpose and viability including moratorium of 6 to 18 months.</p> <p>Interest during moratorium can be capitalized.</p> <p>Vehicle Loan : Term loan repayable in 5-7 years with moratorium of 1-2 months for ambulance, vans and other utility vehicles.</p> <p>WC(Clean): CC/OD on clean basis</p>	<p>For Business premises/ Equipment Loan: Term Loan repayable in 5-10 years depending upon the purpose and viability including moratorium of upto 12 months The moratorium can be extended upto 24 months in need based cases, where construction of building is also proposed alongwith purchase of plot, subject to ensuring viability of the project.</p> <p>Interest during moratorium can be capitalized.</p> <p>Vehicle Loan : Term loan repayable in 5-7 years with moratorium of 1-2 months for ambulance, vans and other utility vehicles</p> <p>WC(Clean): CC/OD on clean basis</p>												
5	EXTENT OF FINANCE (Need based on servicing capability)	<p>Segregated in three segments viz:</p> <table border="1" data-bbox="462 1146 901 1408"> <thead> <tr> <th>Business premises/ Equipment loan</th> <th>WC (Clean)</th> <th>Vehicle loan</th> </tr> </thead> <tbody> <tr> <td>Need based</td> <td>₹ 0.50 crore</td> <td>₹ 1.00 crore</td> </tr> </tbody> </table> <p>1. <u>Business premises / Equipment loan:</u></p> <p>Equipment financing by Import of machinery through LC to be permitted.</p>	Business premises/ Equipment loan	WC (Clean)	Vehicle loan	Need based	₹ 0.50 crore	₹ 1.00 crore	<p>Segregated in three segments viz:</p> <table border="1" data-bbox="940 1102 1473 1474"> <thead> <tr> <th>Business Premises/ Purchase of plot & construction thereof/ Equipment Loan</th> <th>WC(Clean)</th> <th>Vehicle loan</th> </tr> </thead> <tbody> <tr> <td>Need based</td> <td>₹ 1.00 crore</td> <td>₹1.00 crore</td> </tr> </tbody> </table> <p>1. <u>Business premises / Purchase of plot & construction thereof/ Equipment loan:</u></p> <p>Equipment financing by Import of machinery through LC to be permitted. A separate sublimit for the same to be approved at the time of sanction.</p>	Business Premises/ Purchase of plot & construction thereof/ Equipment Loan	WC(Clean)	Vehicle loan	Need based	₹ 1.00 crore	₹1.00 crore
Business premises/ Equipment loan	WC (Clean)	Vehicle loan													
Need based	₹ 0.50 crore	₹ 1.00 crore													
Business Premises/ Purchase of plot & construction thereof/ Equipment Loan	WC(Clean)	Vehicle loan													
Need based	₹ 1.00 crore	₹1.00 crore													



		<p><u>2.Vehicle Loan:</u> For purchase of ambulance, van and other utility vehicles as per the requirement of the project subject to a cap of ₹.1.00 crore.</p> <p><u>3.WC(Clean):</u> To be assessed as per the project <i>subject to cap of ₹.0.50 crore.</i></p>	<p><u>2.Vehicle Loan:</u> For purchase of ambulance, van and other utility vehicles as per the requirement of the project subject to a cap of ₹.1.00 crore.</p> <p><u>3.WC(Clean):</u> To be assessed as per the project <i>subject to cap of ₹.1.00 crore.</i></p>
6	MARGIN:	<p><u>Margin</u></p> <ol style="list-style-type: none"> 25% for acquisition of premises and/or expansion/ renovation/ modernization of existing premises. 15% for purchase of equipment/ machinery 15% on cost of vehicle on road for ambulance/ other vehicle Nil in case of WC (Clean). 	<p><u>Margin</u></p> <ol style="list-style-type: none"> 25% for acquisition of premises or purchase of plot & construction thereof and/or expansion/ renovation/ modernization of existing premises. 15% for purchase of equipment/ machinery 15% on cost of vehicle on road for ambulance/ other vehicle Nil in case of WC (Clean).
7	SECURITY	<p><u>Primary:</u></p> <ul style="list-style-type: none"> Hypothecation of assets acquired out of Bank finance. Equitable Mortgage of property in case of construction/acquisition/ renovation of Land & Building. 	<p><u>Primary :</u></p> <ul style="list-style-type: none"> Hypothecation of assets acquired out of Bank finance. Equitable Mortgage of property in case of construction/acquisition/ renovation.



	<p><u>Collateral</u></p> <ul style="list-style-type: none"> Loans upto ₹1.00 crore to be covered under CGTMSE Guarantee scheme.(subject to investment in equipments) Loans above ₹ 1.00 crore up to ₹10.00 crores no collateral security to be obtained. For loans above ₹ 10.00 crores, minimum 20% collateral security to be obtained. <p><u>Guarantee</u></p> <ul style="list-style-type: none"> Personal guarantee of promoters /directors/ trustees etc. <p><u>Guarantee Coverage under CGTMSE</u></p> <ol style="list-style-type: none"> The CGTMSE coverage for loans up to ₹1.00 crore, is mandatory. Premium of CGTMSE Guarantee and annual fee to be borne as per present guidelines. The CGTMSE coverage should be for the entire tenure of the loan. The Guarantee coverage under CGTMSE will be available as per the terms, eligibility criteria and premium defined under the scheme 	<p><u>Collateral</u></p> <ul style="list-style-type: none"> Loans upto ₹.1.00 crore to be covered under CGTMSE Guarantee scheme.(subject to investment in equipments) For loans above ₹ 1.00 crore up to ₹ 10.00 crores, no collateral security may be insisted upon. For loans above ₹10.00 crores, minimum 20% collateral security to be obtained. <p><u>Guarantee</u></p> <ul style="list-style-type: none"> Personal guarantee of promoters/directors/trustees etc. <p><u>Guarantee Coverage under CGTMSE</u></p> <ol style="list-style-type: none"> The CGTMSE coverage for loans up to ₹.1.00 crore, is mandatory. Premium of CGTMSE Guarantee and annual fee to be borne as per present guidelines. The CGTMSE coverage should be for the entire tenure of the loan. The Guarantee coverage under CGTMSE will be available as per the terms, eligibility criteria and premium defined under the scheme
--	--	---



8	RATE OF INTEREST	Term Loan <ul style="list-style-type: none"> ➤ Term Loan up to 5 years : 1.50% above base rate presently 11.15% (including Tenor Premium) ➤ Term Loan above 5 years : 1.75% above base rate presently 11.40% (including Tenor Premium) <p>For WC(Clean) 1.75% Over Base Rate Presently 11.40%.</p> <p>For Vehicle Loan: 1.50% Over Base Rate Presently 11.15% (including tenor premium)</p> <p>For encouragement and support of women entrepreneurs and professionals (Doctors) where minimum 51% of shareholding/stake is held by women, additional concession of 50 BPS shall be offered in ROI as permitted under Priyadarshini Scheme.</p>	For Term Loan/ WC(Clean) <ul style="list-style-type: none"> ➤ 1.00% over 1 year MCLR (9.30%) + BSS (0.30%) - Presently 10.60% p.a. <p>In case proponents are providing collateral security, further concession in ROI may be permitted as under:</p> <table border="1" data-bbox="972 497 1473 1043"> <thead> <tr> <th>Market value of collateral security</th> <th>Proposed ROI</th> </tr> </thead> <tbody> <tr> <td>>25%</td> <td>1 Yr MCLR + BSS + 0.75% i.e. 10.35% p.a. (i.e further concession of 0.25%)</td> </tr> <tr> <td>>50%</td> <td>1 Yr MCLR + BSS + 0.50% i.e. 10.10% p.a. (i.e further concession of 0.50%)</td> </tr> </tbody> </table> <p>For Vehicle Loan: 1.00% over 1 year MCLR (9.30%) + BSS (0.30%) - Presently 10.60% p.a.</p> <p>For encouragement and support of women entrepreneurs and professionals (Doctors) where minimum 51% of shareholding/stake is held by women, additional concession of 50 BPS shall be offered in ROI as permitted under Priyadarshini Scheme. Overall concession to women/CGTMSE/on account of collateral security etc. should not be more than 0.50%.</p>	Market value of collateral security	Proposed ROI	>25%	1 Yr MCLR + BSS + 0.75% i.e. 10.35% p.a. (i.e further concession of 0.25%)	>50%	1 Yr MCLR + BSS + 0.50% i.e. 10.10% p.a. (i.e further concession of 0.50%)
Market value of collateral security	Proposed ROI								
>25%	1 Yr MCLR + BSS + 0.75% i.e. 10.35% p.a. (i.e further concession of 0.25%)								
>50%	1 Yr MCLR + BSS + 0.50% i.e. 10.10% p.a. (i.e further concession of 0.50%)								



9	Processing Fees and Documentation Charges	<p>Processing Charges</p> <ul style="list-style-type: none"> • 50% of applicable charges plus service tax for all facilities. • Valuation / Title search / Stamp Duty / CERSAI / Registration charges as per actual. 	<p>Processing Charges</p> <ul style="list-style-type: none"> • 50% of applicable charges plus service tax for all facilities. • Valuation / Title search / Stamp Duty / CERSAI / Registration charges as per actual.
10	Sanctioning powers	As per delegation of power based on credit rating	As per delegation of power based on credit rating.
11	Deviations	To be permitted by next higher authority	To be permitted by next higher authority.
12	Concessions	As concessions are already factored in ROI, no further concessions to be permitted.	In exceptional cases, further concession in ROI may be permitted by EDLCC.
13	Other Benefits	<ul style="list-style-type: none"> ❖ No processing fee for retail loans to spouse. ❖ Free debit card. ❖ Free internet banking ❖ 50% discount on maintenance charge of D-Mat a/c. ❖ There is no prepayment penalty if the loan is adjusted by the borrower from his own verifiable legitimate sources 	<ul style="list-style-type: none"> ❖ No processing fee for retail loans to spouse. ❖ Free debit card. ❖ Free internet banking ❖ 50% discount on maintenance charge of D-Mat a/c. ❖ There is no prepayment penalty if the loan is adjusted by the borrower from his own verifiable legitimate sources
14	INSURANCE	All assets charged to bank principal/collateral security to be adequately insured.	All assets charged to bank principal/collateral security to be adequately insured
15	DUE DILIGENCE	<p>Due diligence as per extant guidelines to be undertaken.</p> <p>CIBIL/RBI Defaulters list/ECGC SAL to be verified.</p>	<p>Due diligence as per extant guidelines to be undertaken.</p> <p>CIBIL/RBI Defaulters list/ECGC SAL etc to be verified.</p>



16	DOCUMENTATION	Prescribed security documents to be obtained and charge to be registered with appropriate statutory authority as the case may be. With regard to immovable properties, mortgage charge to be created and charge to be registered with CERSAI	Prescribed security documents to be obtained and charge to be registered with appropriate statutory authority as the case may be. With regard to immovable properties, mortgage charge to be created and charge to be registered with CERSAI. Extant bank guidelines regarding creation/registration of charge over securities to be adhered to.
17	MONITORING & FOLLOW UP	Independent inspection of business premises should be carried out periodically. Bank's name displaying the business is financed by the branch and securities charged to the bank should be prominently displayed.	Independent inspection of business premises should be carried out periodically. Bank's name displaying the business is financed by the branch and securities charged to the bank should be prominently displayed
18	GENERAL GUIDELNES	<p>i) Credit proposal to mandatorily indicate original investment in equipment and sector code. activity code and special category code (based on investment in equipments)</p> <p>ii) Codes should be entered in the finacle system while opening the account after sanction of proposal.</p> <p>iii) Credit rating as per extant bank guidelines</p> <p>iv) Takeover of accounts to be considered without any deviations i.e all parameters to be complied.</p>	<p>i) Credit proposal to mandatorily indicate original investment in equipment and sector code . activity code and special category code (based on investment in equipments) Borrower should be classified as MSME based on regulatory definition of RBI.</p> <p>ii) Codes should be entered in the finacle system while opening the account after sanction of proposal</p> <p>iii) Credit rating as per extant bank guidelines</p> <p>iv) Approval for deviation in take over norms to be permitted by EDLCC in case of sanctions upto GMsLCC level and CAC in case of sanctions beyond GMsLCC level.</p>

==== XXXX=====

