



# UDYAM REGISTRATION





Brief knowledge about Udyam  
Registration

# UDYAM REGISTRATION: Meaning

- Udyam Registration Portal developed by Ministry of Micro, Small and Medium Enterprises has become operational from 1<sup>st</sup> JULY. The new process of classification and registration of enterprises has started as already declared vide notification dated 26th June, 2020. Along with launching the portal


<https://udyamregistration.gov.in>

for online registration,

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- M/o MSME has also organized single window system at champions control rooms and DICs for facilitation.
  - **Ministry has expressed hope that this new registration process will boost up 'Ease of Doing Business' and it will reduce transaction time and costs. Ministry has clarified that except the portal no other private online or offline system, service, agency or person is authorized to do MSME registration**



# Notification:

- **Government notifies vide Notification No. S.O. 2119(E) dated 26.06.2020 certain criteria for classifying the enterprises as micro small and medium enterprises (MSME), MSME registration process for New and Existing Enterprises, Manner of calculation of investment in plant & machinery and turnover for MSME classification, Updation of information and transition enterprises. Notification provides answer to following 9 Questions-n period in classification and Facilitation and grievance redressal of MSME**
  - Q 1. How to classify an Enterprise?
  - Q 2. How to become a micro, small or medium enterprise?
  - Q 3. What is composite criterion of Investment and turnover for classification?
  - Q 4. How to calculate Investment in Plant and Machinery or Equipment?
  - Q 5. How to calculate Turnover?
  - Q 6. How to register on Udyam Registration Portal?
  - Q 7. How to register an Existing Enterprise?
  - Q 8. How to do Updation of information and transition period in classification?
  - Q 9. How to do Facilitation and grievance redressal of enterprises?
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# Classification of Enterprise:

## Investment in Business(P&M) and Turnover:

| Classification           | Micro                     | Small                       | Medium                      |
|--------------------------|---------------------------|-----------------------------|-----------------------------|
| Manufacturing<br><br>and | Investment<1<br>crore and | Investment<10<br>crores and | Investment<50<br>crores and |
| Service                  | Turnover<5 crores         | Turnover<50<br>crores       | Turnover<250<br>crores      |

# Calculation of the investment in plant and machinery or equipment


- Investment in plant and machinery or equipment will be on the basis of the previous year Income Tax Return.
- In case of new enterprise,
  - the Investment will be calculated based on self-declaration of the promoter of the enterprise.
  - Invoice value of a plant and machinery or equipment excluding shall be the basis of self-disclosure
- When new enterprise files ITR, investment in plant and machinery or equipment shall be on the basis information furnished in ITR
- The expression “plant and machinery or equipment” of the enterprise, shall have the same meaning as assigned to the plant and machinery in the Income Tax Rules, 1962 framed under the Income Tax Act, 1961 and shall include all tangible assets (other than land and building, furniture and fittings)

# Calculation of Turnover

- For calculating the turnover of Micro, small or medium enterprise, export of goods or services or both shall be taken into account
- Information as regards turnover and exports turnover for an enterprise shall be linked to the Income Tax Act or the **Central Goods and Services Act (CGST Act)** and the GSTIN.
- The turnover related figures of such enterprise which do not have PAN will be considered on self-declaration basis for a period up to 31st March, 2021 and thereafter, PAN and GSTIN shall be mandatory.



# MSME Registration Procedure on Udyam Registration portal

- The form for registration shall be as provided in the Udyam Registration portal.
  - There will be no fee for filing Udyam Registration.
  - Aadhaar number shall be required for Udyam Registration.
  - The Aadhaar number shall be of the proprietor in the case of a proprietorship firm, of the managing partner in the case of a partnership firm and of a Karta in the case of a Hindu Undivided Family (HUF).
  - In case of a Company or a Limited Liability Partnership or a Cooperative Society or a Society or a Trust, the organization or its authorized signatory shall provide its GSTIN and PAN along with its Aadhaar number.
  - In case an enterprise is duly registered as an Udyam with PAN, any deficiency of information for previous years when it did not have PAN shall be filled up on self-declaration basis.
  - No enterprise shall file more than one Udyam Registration. Provided that any number of activities including manufacturing or service or both may be specified or added in one Udyam Registration.
  - Whoever intentionally misrepresents or attempts to suppress the self-declared facts and figures appearing in the Udyam Registration or updation process shall be liable to such penalty as specified under section 27 of the Act
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# Basic Instruction/Guidelines

- Registration will be done through Udyam Registration Portal. All existing enterprises registered under EM-Part-II or UAM shall register again on the Udyam Registration Portal on or after 1<sup>st</sup> July, 2020. However, the existing enterprises registered prior to 30<sup>th</sup> June, 2020 shall continue to be valid only for a period up to 31<sup>st</sup> day of March, 2021.
- Further, one enterprise shall be allowed to have only one Udyam Registration, wherein it may include any number of activities in the said registration



# Registration of existing enterprises.—

- (1) All existing enterprises registered under EM—Part-II or UAM shall register again on the Udyam Registration portal on or after the 1st day of July, 2020.
- (2) All enterprises registered till 30th June, 2020, shall be re-classified in accordance with this notification.
- (3) The existing enterprises registered prior to 30th June, 2020, shall continue to be valid only for a period up to the 31<sup>st</sup> day of March, 2021.
- (4) An enterprise registered with any other organization under the Ministry of Micro, Small and Medium Enterprises shall register itself under Udyam Registration.



# Updation of information by MSME on Udyam Registration portal

An enterprise having Udyam Registration Number shall update its information online in the Udyam Registration portal, **including the details of the ITR and the GST Return for the previous financial year** and such other additional information as may be required, on self-declaration basis.

Failure to update the relevant information within the period specified in the online Udyam

Registration portal will render the enterprise liable for suspension of its status.

Based on the information furnished or gathered from Government's sources including ITR or GST return, the classification of the enterprise will be updated.

In case of graduation (from a lower to a higher category) or reverse-graduation (sliding down to lower category) of an enterprise, a communication will be sent to the enterprise about the change in the status.



# Facilitation and grievance redressal of enterprises.

- (1) The Champions Control Rooms functioning in various institutions and offices of the Ministry of Micro, Small and Medium Enterprises including the Development Institutes (MSME-DI) shall act as Single Window Systems for facilitating the registration process and further handholding the micro, small and medium enterprises in all possible manner.

- (2) The District Industries Centers (DICs) will also act as Single Window facilitation Systems in their Districts.

- (3) Any person who is not able to file the Udyam Registration for any reason including for lack of Aadhaar number, may approach any of the above Single Window Systems for Udyam Registration purposes with his Aadhaar enrolment identity slip or copy of Aadhaar enrolment request or bank photo pass book or voter identity card or passport or driving license and the Single Window Systems will

facilitate the process including getting an Aadhaar number and thereafter in the further process of Udyam Registration.

- (4) In case of any discrepancy or complaint, the General Manager of the District Industries Centre of the concerned District shall undertake an enquiry for verification of the details of Udyam Registration submitted by the enterprise and thereafter forward the matter with necessary remarks to the Director or Commissioner or Industry Secretary concerned of the State Government who after issuing a notice to the enterprise and after giving an opportunity to present its case and based on the findings, may amend the details or recommend to the Ministry of Micro, Small or Medium Enterprises, Government of India, for cancellation of the Udyam Registration Certificate.

# Benefits of MSME registration

- Under Credit Guarantee Fund Scheme of Micro and Small Enterprises(MSEs), the Government has given collateral-free credit to MSE's. In a recent announcement, the government has announced 3 lakh crore of credit guarantees to MSMEs which is intended to help MSMEs having 25 crore outstanding loan or less than 100 crore turnover.
- 1. Business registered under MSME are given higher preference for government license and certification
- 2. Cheaper bank loans as the interest rate is very low around~1 to 1.5%.
- 3. It allowed credit for minimum alternate tax(MAT) to be carried forward for up to 15 years instead of 10 years.
- 4. There are various tax rebates available
- 5. The expenses incurred for registration of patent and application of ISO certification are reimbursed to these enterprises subject to the limits
- 6. MSME can avail Bar Code Registration subsidy.
- 7. Concession in electric bills by making application to Electricity department
- 8. There is One Time Settlement Fee for non-paid amounts of MSME.

# THANKYOU

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