

The Dawn of Udyam (Enterprise) MSME

According to the MSME Ministry's FY19 annual report, the MSME sector is dominated by micro-enterprises. India has 6.33 crore MSMEs out of which 6.30 crore -- 99.4 per cent are micro-enterprises.

India has 6.33 crore MSMEs out of which 6.30 crore — 99.4 per cent are micro-enterprises while 0.52 per cent — 3.31 lakh are small and 0.007 per cent — 5,000 are medium enterprises.

The number of registered MSMEs in FY20 has increased by 18.49 per cent to 25.13 lakh units from 21.21 lakh in FY19.

The number of registered MSMEs in India in the past five years stood at 90.19 lakh.

1. Comes into effect from 1st July 2020, in the Udyam Registration Portal for Manufacturing and Services. Not applicable to the trading firms with exceptions.
2. Enterprises can get Udyam Registration Number (URN). One URN although they may be engaged in multiple manufacturing or service activities or both.
3. Existing MSMEs as on 30th June 30, 2020 to be re-classified based on the government's latest threshold criteria. **Existing registration valid until March 31, 2021.**

EXISTING AND REVISED DEFINITION OF MSMEs			
EXISTING MSMEs Classification			
CRITERIA: INVESTMENT IN PLANT AND MACHINERY OR EQUIPMENT			
Classification	Micro	Small	Medium
Mfg Enterprises	Investment <₹25 Lac	Investment <₹5 Cr	Investment <₹10 Cr
Service Enterprises	Investment <₹10 Lac	Investment <₹2 Cr	Investment <₹5 Cr
REVISED MSMEs Classification			
COMPOSITE CRITERIA: INVESTMENT AND ANNUAL TURNOVER			
Classification	Micro	Small	Medium
Manufacturing & Service	Investment <₹1 Cr & turnover <₹5 Cr	Investment <₹10 Cr & turnover <₹50 Cr	Investment <₹20 Cr & turnover <₹100 Cr

Udyam Registration to be the only valid proof for Bank Loans from 1st April 2021.

Basis of calculation:

A. Investment in Plant & Machinery or Equipment based on ITR. For non-IT filers on Self-declaration. Value will be the basic cost without taxes.

B. Turnover

1. Only domestic turnover will be taken. Exports of goods or services is excluded.
2. Turnover will be linked to ITR and GST.
3. The turnover of persons without PAN or GSTIN will be on self-declaration till March 2021.

C. Composite criteria of investment & Turnover for classification

1. A composite criterion of investment and turnover shall apply.
 2. If an enterprise crosses the ceiling limits specified for its present category in either of the two criteria of investment or turnover, it will cease to exist in the next financial year. It is seamlessly done by the portal.
 3. All businesses with same GSTIN and PAN will be one unit.
- All existing units to migrate to Udyam by 31st March 2021.
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Annual compliance – updating the entity’s information every year on the Udyam Portal

A URN-linked enterprise has to update its information every year on the Udyam Registration Portal with ITR and GSTIN. If not done, the MSME will be suspended.

Udyam Registration Portal is voluntary. If want to avail the interest, subsidy benefits its mandatory.

The registration process in the URN portal

The following are the processes and information to be entered into the portal for registration:

APPLICANT NAME: AS MENTIONED ON AADHAAR CARD, ISSUED BY UIDAI.

MOBILE NUMBER: Without +91.

EMAIL ID: CERTIFICATE AND ACKNOWLEDGEMENT WILL BE SEND TO REGISTERED ID.

PLANT ADDRESS: COMPLETE PLANT ADDRESS WITH STATE AND PINCODE.

OFFICE ADDRESS: COMPLETE OFFICE ADDRESS WITH STATE AND PINCODE.

ANNUAL TURNOVER: ANNUAL TURNOVER Last 3 years or from start of operation.

SOCIAL CATEGORY: CAN SELECT SOCIAL CATEGORY.

AADHAAR NUMBER: 12 DIGIT AADHAAR NUMBER.

PAN CARD NUMBER:

BANK ACCOUNT NUMBER:

IFSC CODE:

DATE OF COMMENCEMENT OF BUSINESS: IT WILL GET PRINTED ON CERTIFICATE.

TYPE OF ORGANIZATION: IT WILL GET PRINTED ON CERTIFICATE.

MAIN BUSINESS ACTIVITY OF ENTERPRISE: Short statement. Drop down is available.

ADDITIONAL DETAILS ABOUT BUSINESS: FOR EXAMPLE – MANUFACTURING OF FOOD PRODUCTS, COMPUTER PROGRAMMING

NUMBER OF EMPLOYEES:

INVESTMENT IN PLANT & MACHINERY/ EQUIPMENT:

SUBMIT APPLICATION: AFTER ALL DETAILS AND DOCUMENT HAVE UPLOADED.

Benefits accruing because of registration:

a. Loans without collaterals:

Ministry of Micro, Small and Medium Enterprise under the name The Credit Guarantee Trust Fund Scheme. This is by far the best MSME registration benefits for small business owners.

b. Subsidy on Patent Registration & Industrial Promotion:

Subsidy of 50 per cent for patent registration.

c. Overdraft facility along with Interest Rate Exemption:

Eligible to avail a benefit of 1% to 1.5% on the overdraft as part of the Credit Guarantee Trust Fund Scheme.

d. Concession on Electricity:

Avail a concession on electricity bills. All they have to do is submit the bills in the portal.

e. Protection against Delayed Payments:

A buyer is expected to make a payment for the goods/services within 15 days of the purchase. If the buyer delays, the payment for more than 45 days, the enterprise is eligible to charge compound interest which is 3 times the rate notified by RBI.

f. ISO Certification Charges Reimbursement:

A registered small or medium enterprise can claim the expenses for reimbursement that were spent on ISO certification.

	Type of Enterprise	Micro	Small	Medium
	Manufacturing	A	B	C
	Service	D	E	F

Udyog Aadhaar

	Type of Enterprise	Micro	Small	Medium
	Manufacturing	A	B	C
	Service	D	E	F

Memorandum

1	Aadhaar Number				
2	Name of Entrepreneur				
3	Social Category	SC	ST	OBC	General
4	Name of Enterprise				
5	Type of Organization *				
6	Postal Address				
		District	State	Pin	
		MOBILE NO:	Email:		
7	Date of commencement				
8	Previous Registration details-if any	SSI			
		EMI-1			
		EMI-2			
9	Bank Details	IFS Code:			
		Bank Account:			
10	Major Activity	Manufacturing	Service		
11	National Industry Classification Code				
12	Persons employed				
13	Investment (Plant & Machinery / Equipment's)				
14	District Industry Centre				
<p>Declaration</p> <p>I hereby declare that information given above is true to the best of my knowledge. Any information, that may be required to be verified, shall be provided immediately before the concerned authority.</p>					
<p>* (1) Proprietary, (2) Hindu Undivided Family (HUF), (3) Partnership, (4) Co-Operative, (5) Private Limited Company, (6) Public Limited Company, (7) Self Help Group, (8) Others</p>					

