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What is Udyog Aadhaar ?

Udyog Aadhaar is a twelve digit Unique Identification Number provided by the Ministry of Micro, Small and Medium Enterprises, Government of India for small and medium enterprises in India. It is also known as Aadhaar for Business. As of July 2018, more than 48 lakh MSMEs in India are registered under Udyog Aadhaar.

Q1- Has EM-I/II been replaced by UAM?

Yes. After the notification dated 18-09-2015,filing of EM-I/II by States/UTs should be discouraged and instead all efforts be made to popularize the filing of UAM on the portal created by Ministry of MSME i.e. http://udyogaadhaar.gov.in

Q2- What is the date for adopting the UAM and stopping EM-I and EM-II?

It is clarified that once the UAM has been notified dated 18-09-15, there cannot be a different cut-off date announced for adopting UAM. However, in order to maintain continuity, the cases of EM-I/II filing under process till 18-09-2015 may be accepted

Q3- Whether the multiple system of registration may exist after introduction of UAM?

All other online/ offline systems of registration of MSMEs created and maintained by Central/State/UT Governments should cease to register new MSMEs forthwith. Such online platforms may be allowed to exist for the time being to enable access to useful legacy data for decision making. Henceforth, there should be only one system i.e. UAM for the registration of new MSME units.

Q4- Whether States/UTs have access to reports/ query and such other functions as may be required by GM(DIC)/ Directorate of Industries on the UAM portal?

The Udyog Aadhaar portal has been envisaged to take care of this requirement

Q5- How to select NIC Code of the Activity performed by the enterprise.

The NIC code can be selected once the aadhaar number is validated and major activity (manufacturing or service) is selected. In order to simplify the selection of appropriate NIC code, a three-stage drop-down list is available to the users.

Q6- Is there a provision to verify the UAM credentials by the procurement agencies including government departments and PSUs?

NIC has been advised to suitably provide this provision in a way that several e-procurement portals in the country, created by the government or private but being used by the government could benefit from the UAM portal in so far as online verification of a MSME unit is concerned.

Q7- Is there a difference in the information sought under EM-I/II and the new UAM?

In order to promote ease of doing business for MSMEs, it has been decided to seek lesser information than EM-I/II in the UAM.

Q8- How to submit the supporting documents while filing UAM online?

The information sought is on self-certification basis and no supporting documents are required at the time of online filing of UAM.

Q9- What would be the role of "Udyog Bandhu" in the UAM?

The role of facilitating the creation and growth of enterprises in the States/UTs is not proposed to change in any manner whatsoever through UAM. The concept of "Udyog Bandhu" may therefore not be affected by UAM.

Q10- Whether the new system of UAM encapsulates the change in the line of production?

Yes, since the new system constitutes self declaration format, the change in the line of productions accordingly may be incorporated.

Q11- What would happen to those enterprises which do not have Aadhaar Number?

At present Aadhaar Number is mandatory for registration under UAM. However, the GoI will find a way out for covering those cases where Aadhaar Number is not available

Q12- EM-I filed by a prospective enterprise entitles it for certain exemptions from paying stamp-duties. How to handle this in UAM?

Legally, the EM-I/II ceases to exist after 18-09-15. States/UTs may encourage providing all benefits/concessions to MSMEs based on UAM only.

Q13- Is there a provision for editing of information in UAM data of an enterprise by GM (DIC)?

No. Howver, GM DICs , on the UAM portal, shall be able to enter their remarks on the respective information provided by the entrepreneurs while filing the UAM online.

Q14- What is the future of EM Portal created by Miistry of MSME i.e. http://em.msme.gov.in ?

New registrations in the EM Portal have been stopped forthwit

Q15- Who has access to the data from the UAM portal?

The UAM Portal shall have suitable provisions to allow officials of the State Governments including GM DICs to have password protected access to data of their jurisdiction.

Q16- Whether the new system of registration provides NIC Code in Hindi and English?

Presently the NIC Codes are only available in English. However, the same may be made available in Hindi in due course

Q17- What is the monitoring mechanism available to Director(Industries) and GM(DICs) for new registration under UAM?

Since the UAM is being filing on self certification basis and the UAN is generated instantly, there cannot be any monitoring of the registration process. However, the enterprises filing the UAM online are liable to provide documentary proof of information provided in the UAM, wherever necessary, to the Central Government, State Government or such person as may be authorized.

Q18- Disclaimer should be added in UAN

Notification clearly states that the UAM filed is on self declaration basis. Therefore, no separate disclaimer is required.

Q19- Why power load details have not been asked in UAM?

Power load indicates the requirement of energy to the MSME unit. This has no relevance to the activity of the enterprise and the subject matter is dealt by the State/UT Governments

Q20- Will there be any updating of data by the entrepreneurs on the UAM portal?

The legacy of SSI registration and EM-I/II does not mandate for updation and the same used to be filed as a one-time exercise on the part of MSME units. The same is proposed to continue.

Q21- How the closing of the business unit is recorded the entrepreneur in the UAM?

It may not be made obligatory for the closing unit to inform about it to the State/UT concerned or the UAM portal.

Q22- Is it mandatory to have Aadhaar Number for an entrepreneur to file Udyog Aadhaar memorandum?

The Udyog Aadhaar Registration can be done online by individuals themselves in case they have an Aadhaar number. However, in all exceptional cases, including those of not having Aadhaar number, can still file Udyog Aadhaar Memorandum ,in offline mode(i.e. on paper form), with the General Manager(GM) of the concerned District Industries Centre(DIC). The same has also been notified in the gazette dated 18-09-15. The persons having Aadhaar numbers, by virtue of having provided the demographic as well as

biometric details to the state, once and for all, indeed enjoy a greater ease of registration at the UAM portal.

Q23- What is the genesis of Udyog Aadhaar?

The ministry for micro, small and medium enterprises had in September'15 notified Udyog Aadhaar, taking a cue from the prime minister's radio show "Mann Ki Baat", where he had talked about simplifying procedures to start a business with a single-page registration form. A large chunk of enterprises in India are simply not registered due to the cumbersome paperwork involved in the process and, therefore, can't tap the government schemes for them. The KV Kamath panel on financing the MSME sector, that has been the biggest job creator in recent years, had recommended that the registration should be universalized. The concept of Udyog Aadhaar and ease of registration have thus originated to ensure wider coverage of MSMEs to avail the benefits under various Schemes of Central/ State governments.

Q24- How should the States/UTs with less coverage under Aadhaar adopt UAM?

Some of the States have less than adequate coverage till date as per the UIDAI data. It has been clarified to such States, such as Assam that the option of assisted filing of UAM in offline mode with the GM (DIC) could be resorted to. Aadhaar number is not a mandatory requirement when the States/UTs have offices in the Districts headed by GM (DICs) and whose primary role is to promote and facilitate industries in the District. The UAM can be filled through the concerned GM (DIC).

The States/UTs have been asked to sensitize their District Industries Centers for a proactive role in Udyog Aadhaar.

Q25- How many systems for registration of MSMEs in India are in vogue?

Prior to 18-09-15, when the Entrepreneurs' Memorandum-II was filled with the GM (DIC), heterogeneous systems were in vogue. Some States had their own online systems for registering MSMEs, some were using the national portal created by Ministry of MSME and some (around 10 states) were continuing with the manual (paper form) system of filing EM-II.

The new system of Udyog Aadhaar offers convergence of all heterogeneous systems to a single system of registration. The system is capable of delivering assured ease of doing business where the UIDAI has coverage i.e. 92% of the country's adult population.

The Udyog Aadhaar portal has suitable provisions for sharing State/ District specific data of

registrations under Udyog Aadhaar with the respective States/ Districts. This initiative of maintaining the data on MSMEs with Ministry of MSME is likely to save cost in the long run since States/UTs would no longer be requiring to maintain the same

Q26- Aadhaar Cards have not been issued in the State of Assam to a very large section of the population till now. The same is creating a problem for entrepreneurs to come forward and file the UAM online. The option of PAN number issued by income tax department may be provided as an alternative to Aadhaar number for filing of UAM.?

States with low coverage under Aadhaar card have been requested during the earlier video conferences to use the offline mode of UAM. The offices of GM (DIC) may assist the entrepreneurs by filing their UAM online. Aadhaar number is not a mandatory requirement for filing UAM. The UAM form in hardcopy duly filled in without Aadhaar number can be submitted to the concerned GM-DICs. GM-DICs have been authorized to file such UAMs without Aadhaar number   online.

Government of Assam may accordingly sensitize their District Industries Centers.

Q27- The number of employees and amount of investment in the UAM is creating confusion. ?

The number of employees does not have a bearing on the size or type of the enterprise as per the MSMED Act'2006. A single figure indicating "persons employed' is being captured in the UAM

Investment in Land, Building etc. are not material for classification of MSMEs. The Act permits classification only on the basis of the Investment on Plant & Machinery.

Q28- The product code e.g. steel furniture is not available for selection?

The registration process is designed to capture the mainline of business and not each and every product (including their variations and micro descriptions). Therefore, UAM captures the main activity, either in manufacturing, or, on service side. The aim is to work towards Ease-of-doing-business

Q29- Although all DICs have been informed to take up the UAM initiative in the State, the problem in internet connectivity is being faced for online filing of UAM by DICs. ?

DIC could collect hardcopy of the online application and file the UAM online from their offices. The connectivity issues may be sorted out in consultation with local offices of NIC. The MC offices at the district level may also be utilized by DICs for online filing of UAMs

Q29- Low pace of registration of units due to mandatory nature of UAM filing online. ?

Neither online filing nor having Aadhaar number is mandatory for entrepreneurs to file UAM. The UAM form in hard-copy duly filled in without Aadhaar number can be submitted to the concerned GM-DICs. GM-DICs have been authorized to file such UAMs without Aadhaar number online. The entrepreneurs having Aadhaar number can file the UAM by themselves using the online facility

Q30- Government should start awareness/sensitization programme for popularization of UAM registration. ?

It was suggested that such awareness be spread through the District Industries Centers (DICs). Further, the DICs should write a welcome letter to each entrepreneur for successful filing of UAM registration.

Benefits of Udyog Aadhar:

1. Reduced rate of Interest from banks
2. Collateral free loans from banks
3. Protection against delayed payments
4. Fast resolution of disputes
5. After getting registered with MSME, your business will get eligible for availing government scheme benefits which will include loans without guarantee, low-interest rates on loan, and easy loan.
6. 15% subsidy under CLCSS scheme for technology upgradation
7. The exemption under the direct tax laws
8. Carry forward the minimum alternate tax (MAT) credit for up to 15 years instead of 10 years
9. Benefits under the Credit guarantee scheme
10. Octroi Benefits
11. Waiver of Stamp duty and registration fees
12. Reimbursement of payment made for obtaining ISO registration
13. Reimbursement of payment made for obtaining Trade Mark, Patent or Intellectual Property
14. Benefits for Industrial Promotion Subsidy (IPS)
15. Benefit up to 75% of registration fees for Barcodes.
16. You will have financial backing from the government for participating in foreign business expos.
17. You will also get to enjoy other forms of subsidies that will help you in increasing your company's revenue.
18. Concession in electricity bills
19. Your company gains preference for government certification
20. You will get an exemption when your enterprise applies for government tenders.