

No. 21(5)/2019- P&G/Policy (pt. IV)
Ministry of MSME
Office of the Development Commissioner(MSME)
Ministry of Micro, Small & Medium Enterprises
(MSME Policy Division)

Dated: 6th August, 2020
Nirman Bhavan, New Delhi

OFFICE MEMORANDUM

Subject: Clarification on existing Entrepreneurs Memorandum (EM) Part-II/ Udyog Aadhaar Memorandum (UAM)/ New Udyam Registration-regarding

This refers to Notification No. S.O. 2119(E) dated 26.06.2020 issued by Ministry of Micro, Small & Medium Enterprises(MSME) regarding criteria for classification of enterprises as Micro, Small & Medium Enterprises and their registration in Udyam Portal. Thereafter, Government has received some representations seeking clarifications on certain issues necessitating the issuing of this Office Memorandum (O.M.).

2. Validity of EM Part II and UAMs as issued till 30th June, 2020:

- (i) There are representations whether the existing EM Part II and / or UAMs of the MSMEs are valid or not.
- (ii) It is to be clarified that at present they are valid. Para (3) of Clause 7 of the above Notification No. S.O. 2119 (E) dated 26.6.2020, reads as follows:
“The existing enterprises registered prior to 30th June, 2020, shall continue to be valid only for a period up to the 31st day of March, 2021”.
- (iii) Therefore, it is clarified and emphasized that all the existing EM Part II and UAMs obtained till 30.06.2020 shall remain valid till 31.03.2021.

3. Editing /updating of the existing registration details:

There are also doubts whether existing UAM holders may edit or amend their details on the UAM portal. It is clarified that the same can be done till 31.3.2021. Those enterprises that have not entered their Aadhaar or PAN number so far in the UAM portal are hereby advised to obtain " Udyam Registration Number " well before 31.3.2021.

4. **Action to be taken before 31st March 2021 by Entrepreneurs:**

- (i) Since the existing registrations as EM Part II and /or UAMs **will not remain valid after 31st March, 2021** it is strongly recommended that their holders file fresh registration in the new Udyam Registration Portal (<https://udyamregistration.gov.in>).
- (ii) Attention is also drawn to Para (2) of Clause 7 of the above Notification No. S.O. 2119 (E) dated 26.6.2020 which reads as under:

“All enterprises registered till 30th June, 2020, shall be re-classified in accordance with this notification”.

- (iii) To make the re-classification proper and realistic, it is necessary that the latest details are entered by the MSMEs.
- (iv) It is preferable that the entrepreneur files new registration in the Udyam Registration Portal. Therefore, all enterprises with EM Part II and/or UAMs are advised to register themselves on the Udyam Registration well before 31.03.2021 in the Udyam Registration portal (www.udyamregistration.gov.in).

5. **Value of Plant and Machinery or Equipment:**

- (i) There are clarifications sought by the entrepreneurs regarding valuation of plant and machinery or equipments on cost or purchase price while filing the Udyam Registration.

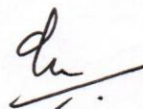
- (ii) Para 3 of clause 4 Notification No. S.O. 2119(E) dated 26.6.2020 reads as follows:

“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)”.

- (iii) It is clarified that online Form for Udyam Registration captures depreciated cost as on 31st March each year of the relevant previous year. Therefore, the value of Plant and Machinery or Equipments for all purposes of the Notification No. S.O. 2119(E) dated 26.6.2020 and for all the enterprises shall mean the Written Down Value (WDV) as at the end of the Financial Year as defined in the Income Tax Act and not the cost of acquisition or original price, which was applicable in the context of the earlier classification criteria.

6. **RBI's Circular:**

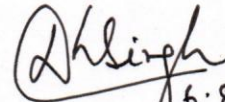
In the light of the above, RBI is being requested to revisit their Circular No.RBI/2020-2021/10/FIDD.MSME & NFS.BC.No.3/06.02.31/2020-21 dated 2.7.2020.



7. Miscellaneous:

Taking this opportunity, it is further reiterated that the entire registration process is free of cost. Also, it should be done only on and through the Government Portal as above.

This issues with the approval of competent authority.


6.8.2020
(D. K. Singh)

Additional Secretary & Development Commissioner (MSME)

To

1. All the Banks, Industries & MSME Associations,
2. UAM Holder MSMEs by e-mail
3. MSME Ministry's website,
4. DCMSME's website,

Copy for information to:

- 1) PS to Hon'ble Union Minister (MSME)
- 2) PS to Hon'ble Minister of State for MSME