

**FREQUENTLY ASKED QUESTIONS & ANSWERS  
ON  
UDYAM REGISTRATION PORTAL**

**Dated 3<sup>rd</sup> July, 2024**

Question No.	Question	Answer
1.	<b>What is Udyam Registration?</b>	Udyam Registration is an online, simple, self-declaration based registration introduced by the Ministry of Micro, Small, and Medium Enterprises (MSME) for the registration of enterprises. It has replaced the earlier systems of MSME registration, known as Entrepreneur Memorandum (EM-II) and Udyog Aadhaar Memorandum (UAM). EM-II and UAM are not valid any more.
2.	<b>Who needs to register under Udyam?</b>	As per the revised composite criteria, any enterprise engaged in manufacturing or service, having investment in plant and machinery or equipment and turnover, defined for micro, small and medium enterprises as per the Notification S.O. 2119(E) dated 26th June, 2020, needs to register on Udyam portal.
3.	<b>Is Udyam Registration mandatory?</b>	Yes, Udyam Registration is mandatory for MSMEs that wish to avail of various benefits and schemes of the Ministry of MSME.
4.	<b>When did Udyam Registration come into effect?</b>	Udyam Registration came into effect on July 1, 2020, replacing the erstwhile Udyog Aadhaar Memorandum (UAM) and Entrepreneur Memorandum (EM)-II registration system.
5.	<b>Is Udyog Aadhaar Memorandum (UAM) and EM-II also valid?</b>	Udyog Aadhaar Memorandum and EM-II have been discontinued. Only Udyam Registration is valid as on date for availing of benefits as a micro, small or medium enterprise.
6.	<b>How can I apply for Udyam Registration?</b>	MSMEs can apply for Udyam Registration online through the official Udyam Registration portal created by the Government of India. The registration can be done on the official Udyam Registration portal ( <a href="https://udyamregistration.gov.in/">https://udyamregistration.gov.in/</a> ). The process is simple and requires basic information about the enterprise and its ownership as to whether it is a proprietary concern/ partnership/ company, etc.

7.	<b>Is there any fee for Udyam Registration?</b>	No, there is no fee for Udyam Registration. It is online, free of cost, paperless, and does not require any uploading of documents.												
8.	<b>What are the composite criteria of classification for MSME?</b>	<p>The composite criteria involve combining the value of investment/ equipment and turnover to determine the classification of an enterprise. If limits are exceeded by the enterprise in either of the criteria, the enterprise moves to the next higher category. Entities with shared GSTIN under one PAN are treated collectively for classification.</p> <table border="1"> <thead> <tr> <th>Classification</th> <th>Investment (in Crore)</th> <th>Turnover (in Crore)</th> </tr> </thead> <tbody> <tr> <td>Micro</td> <td>1</td> <td>5</td> </tr> <tr> <td>Small</td> <td>10</td> <td>50</td> </tr> <tr> <td>Medium</td> <td>50</td> <td>250</td> </tr> </tbody> </table>	Classification	Investment (in Crore)	Turnover (in Crore)	Micro	1	5	Small	10	50	Medium	50	250
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9.	<b>How long does it take to receive Udyam Registration after application?</b>	Upon successful submission of the application by the enterprise, the Udyam Registration Certificate is issued instantly. The registration certificate is generated online and can be downloaded through a link which is given below: <a href="https://udyamregistration.gov.in/Udyam_Login.aspx">https://udyamregistration.gov.in/Udyam_Login.aspx</a>												
10.	<b>What are the benefits of Udyam Registration?</b>	Benefits include eligibility for Government schemes, subsidies, Priority Sector Lending, access to credit, and various other incentives for MSMEs like Public Procurement Policy. The details can be found at the following link: <a href="https://udyamregistration.gov.in/docs/Benefits_of_UR.pdf">https://udyamregistration.gov.in/docs/Benefits_of_UR.pdf</a>												
11.	<b>Can I cancel my Udyam Registration?</b>	Yes, one can cancel the Udyam Registration, if needed. The procedure for cancellation is available on the portal. The registration may be cancelled/ updated on the following link: <a href="https://udyamregistration.gov.in/Udyam_Login.aspx">https://udyamregistration.gov.in/Udyam_Login.aspx</a>												
12.	<b>I have applied for cancellation of Udyam but it is still pending.</b>	For cancellation of Udyam Registration, an enterprise may contact the Development and Facilitation Office (DFO) under Office of DC-MSME in the State where the DFO is located to expedite the matter.												
13.	<b>Is Udyam Registration applicable to existing MSMEs with UAM/EM-</b>	Yes, existing MSMEs with UAM/EM-II are required to migrate to Udyam Registration to avail of the benefits of Government Schemes, including Priority Sector Lending.												

	<b>II?</b>	
14.	<b>How is the calculation on investment and turnover decided?</b>	The notification in S.O. 2119(E) dated 26.06.2020 may be referred for detailed method of calculation of investment and turnover. The following link may be referred. : <a href="https://udyamregistration.gov.in/docs/220191.pdf">https://udyamregistration.gov.in/docs/220191.pdf</a>
15.	<b>Are indirect taxes like GST, etc. included in calculation of Investment and Turnover?</b>	GST and any other indirect taxes are not included in the calculation of investment and turnover.
16.	<b>What is the benefit for MSME in case of upgradation /graduation in status?</b>	In case of an upward change in terms of investment in plant and machinery or equipment or turnover or both, and consequent re-classification, an enterprise will continue to be treated at its prevailing status for a period of three years from the date of graduation, as per Notification S.O. 4926(E) dated 18 <sup>th</sup> October, 2022. It is applicable to MSMEs having Udyam Registration certificate only. The notification may be followed on the following link: <a href="https://udyamregistration.gov.in/docs/239737.pdf">https://udyamregistration.gov.in/docs/239737.pdf</a>
17.	<b>What happens when the status of MSME is downgraded/reverse- graduation?</b>	In case of reverse-graduation of an enterprise, whether as a result of re-classification due to actual changes in investment in plant and machinery or equipment or turnover or both, the enterprise will get the benefit of changed status with effect from 1st April of the next financial year.
18.	<b>How does Udyam Registration facilitate MSEs participation in Public Procurement?</b>	Udyam Registration serves as a single-window platform for MSEs to register their enterprises. Once registered, they can easily participate in Government procurement processes, avail benefits of Preferential Policy, and contribute to the nation's economic growth. For further clarification on Public Procurement, please refer to the following link: <a href="https://www.dcmsme.gov.in/FAQs-PPP_25032022.pdf">https://www.dcmsme.gov.in/FAQs-PPP_25032022.pdf</a>
19.	<b>Is Udyam Registration mandatory for participating in public procurement?</b>	Yes, Udyam Registration is mandatory for MSEs seeking to participate in Government procurement processes and avail benefits under the Public Procurement Policy. It ensures transparency, credibility, and compliance with Government regulations.

20.	<b>What are the benefits of Udyam Registration under the Public Procurement Policy?</b>	Registered MSMEs enjoy several benefits under the Public Procurement Policy, including priority in Government tenders, exemptions from earnest money deposit (EMD), tender document free of cost, and preference in awarding contracts.
21.	<b>How is the data of Investment and Turnover used for classification of MSME?</b>	Data of Investment and Turnover gets auto filled/ fetched from IT Department and GSTN Where returns have not been filed, the information is taken on self-declaration basis. For further clarification, kindly visit the following link: <a href="https://udyamregistration.gov.in/docs/Clarificationletterdate_d28_Sep_2021.pdf">https://udyamregistration.gov.in/docs/Clarificationletterdate_d28_Sep_2021.pdf</a>
22.	<b>Why is my MSME status not updated as per filing ITR for the current year?</b>	For any Financial Year, the timeline for filing of IT Return is notified by CBDT and further time is required for processing. In the case of companies/ enterprises, the audit of accounts is completed by October or November of a FY. Similarly, the process of GST Return for each Financial Year is followed. The frozen data is considered for MSME registration and classification in the following year. The data reflects in the Udyam Certificate and Status is updated through API. Additionally, self updation window may be opened from time to time for ease of MSME.
23.	<b>Is there any validity of Udyam Registration?</b>	Udyam is valid till the cancellation of Udyam Certificate. In case of upgradation beyond Medium status of MSME, the enterprise may not be eligible to avail the benefits of Udyam Registration after three years from the date of graduation of status.
24.	<b>Can a single Aadhaar number be used in Multiple Udyam Registration?</b>	Yes, in case of fresh registration at Udyam Portal, a single Aadhaar Number can be used in registration of MSME upto 05 Nos. In case of enterprises having UAM Number and not having Udyam, the option to migrate on Udyam Portal is available.
25.	<b>Can a single PAN be used in Multiple Udyam Registrations?</b>	No, only one MSME can register using a single PAN.

26.	<b>When will my status at Udyam Portal be updated?</b>	The status of MSMEs on Udyam Portal is updated at the end of the each financial year as per the ITR/GSTN data of MSMEs fetched on the basis of their PAN.								
27.	<b>I am a Proprietor of multiple MSMEs in different states, am I eligible to take benefits of Udyam Registration Certificate?</b>	Udyam Registration is allowed against a single PAN. An enterprise can have more than 1 unit against the same registration number. In this, the number is linked with a specific GM-DIC/ MSME-DFO and accordingly, the enterprise is eligible to avail benefits of a particular state. However, based on the Udyam Number, it can avail the benefits of all Schemes and programmes of Ministry of MSME.								
28.	<b>Can Wholesale and Retail traders apply for Udyam Registration?</b>	<p>As per Notification No.5/2(2)/2021E/P dated 02-07-2021, Retail Traders and Wholesale Traders can apply for Udyam Registration online. The list of eligible additional activities under NIC Code 45, 46 and 47 are as under:</p> <table border="1" data-bbox="531 987 1229 1323"> <thead> <tr> <th data-bbox="531 987 652 1070">NIC Code</th> <th data-bbox="652 987 1229 1070">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="531 1070 652 1153">45</td> <td data-bbox="652 1070 1229 1153">Wholesale and retail trade and repair of motor vehicle and motorcycles</td> </tr> <tr> <td data-bbox="531 1153 652 1236">46</td> <td data-bbox="652 1153 1229 1236">Wholesale trade except of motor vehicles and motor cycles</td> </tr> <tr> <td data-bbox="531 1236 652 1323">47</td> <td data-bbox="652 1236 1229 1323">Retail Trade except of Motor Vehicles and motor cycles</td> </tr> </tbody> </table> <p>The benefits are restricted to Priority Sector Lending only.</p>	NIC Code	Description	45	Wholesale and retail trade and repair of motor vehicle and motorcycles	46	Wholesale trade except of motor vehicles and motor cycles	47	Retail Trade except of Motor Vehicles and motor cycles
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29.	<b>How many NIC codes can be added in Udyam Registration?</b>	Maximum 10 NIC codes can be added in a single Udyam Registration.								
30.	<b>What are the mandatory documents to get Udyam Registration Certificate?</b>	Aadhaar number, PAN and Bank Details of the enterprise are required for registering on Udyam Portal.								

31.	<p><b>My Aadhaar and PAN details have been used by someone to register at Udyam Portal. Now I am unable to register at Udyam Portal. What are the remedies?</b></p>	<p>If the details have been used by someone for registering on Udyam Portal and the Certificate has been issued, the enterprise may file a complaint at Champions Portal, containing complete details &amp; documents of the matter. You may also visit Development &amp; Facilitation Office (DFO) concerned in your State.</p>
32.	<p><b>In case of change of Constitution of an enterprise, whether existing Udyam Registration Certificate will remain valid or Fresh Registration is required, What is the procedure?</b></p>	<p>In case of change of constitution of an enterprise, a fresh request for Udyam certificate is required to be submitted. After cancellation of existing Udyam Certificate, fresh certificate for the enterprise can be obtained by following the procedure of registration.</p>
33.	<p><b>What is meant by delayed payments?</b></p>	<p>As provided under section 18(1) of Chapter V of the Micro, Small and Medium Enterprises Development Act, 2006, any party to a dispute in connection with Delayed Payments to Micro &amp; Small Enterprises, may make a reference to the Micro and Small Enterprise Facilitation Council (MSEFC) of the State concerned where the supplier is located.</p> <p>The buyer is liable to pay compound interest with the monthly rests to the supplier on the amount at three times of the bank rate notified by RBI, in case he does not make payment to the supplier for his supplies of goods or services, within 45 days of the acceptance of the goods/service rendered.</p> <p>Ministry of MSME has launched an online Portal, MSME Samadhaan (<a href="http://samadhaan.msme.gov.in/MyMsme/MSEFC/MSEFC_Welcome.aspx">http://samadhaan.msme.gov.in/MyMsme/MSEFC/MSEFC_Welcome.aspx</a>) on which the enterprise can file their reference online.</p> <p>For more information, you may visit the following link: <a href="https://samadhaan.msme.gov.in/WriteReadData/DocumentFile/MSMED2006act.pdf">https://samadhaan.msme.gov.in/WriteReadData/DocumentFile/MSMED2006act.pdf</a></p>

34.	<b>What is the remedy to address the issue of delayed payments?</b>	The delayed payment related provisions under the Act are considered by MSEFC. These MSEFCs are chaired by Director of Industries of the State /UT, in which the MSE is based.
35.	<b>How can enterprises apply for Delayed Payments?</b>	<p>Only Udyam Registered Micro and Small Enterprises are eligible to submit the application for Delayed Payments. You may visit Samaadhan Portal on the following link to file the case of delayed payment.</p> <p><a href="https://samadhaan.msme.gov.in/MyMsme/MSEFC/MSEFC&gt;Welcome.aspx">https://samadhaan.msme.gov.in/MyMsme/MSEFC/MSEFC&gt;Welcome.aspx</a></p>
36.	<b>For various grievances, what are the available options?</b>	<ol style="list-style-type: none"> <li>1. For any query/grievances, you may visit Champions Portal.</li> <li>2. For Cancellation of Udyam, you may approach Development and Facilitation Office (DFO) of DC-MSME and District Industrial Center (DIC) in your State.</li> <li>3. For any Fraudulent/Misuse/Complaint, you may approach District Industrial Center (DIC) in district, where your MSME has been established.</li> <li>4. For cancellation of UAM, you may visit/email to respective DFO of DC-MSME in your state concerned with relevant documents like Aadhaar, PAN, etc.</li> <li>5. For updation/change in Mobile/Email, in Udyam Certificate and Udyog Aadhaar Memorandum, you may approach/visit DFO of DC-MSME in your State.</li> <li>6. For any technical issue in Aadhaar Verification, please email at <a href="mailto:authsupport@uidai.gov.in">authsupport@uidai.gov.in</a> and mention that you are verifying your Aadhaar on Udyam Registration Portal and mention the error.</li> <li>7. For issues related to PAN Deactivation, you may approach nearest Income Tax Department Assessing Officer.</li> </ol>

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