

1. Department of Industries FAQs

1.1) Has EM-I/II been replaced by UAM?

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>

1.2) 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.

1.3) 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.

1.4) 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.

1.5) 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.

1.6) 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.

1.7) 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.

1.8) 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.

1.9) 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.

1.10) 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.

1.11) What would happen to those enterprises which do not have Aadhaar Number?

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

1.12) 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.

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

No. However, 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.

1.14) What is the future of EM Portal created by Ministry of MSME i.e. <http://em.msme.gov.in> ?

New registrations in the EM Portal have been stopped forthwith.

1.15) 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.

1.16) 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.

1.17) 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.

1.18) Disclaimer should be added in UAN?

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

1.19) 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.

1.20) 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.

1.21) 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.

1.22) 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.

1.23) 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.

1.24) 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.

1.25) 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.

1.26) 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.

1.27) 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. Government of Assam may accordingly sensitize their District Industries Centers.

1.28) 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.

1.29) 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.

1.30) 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.

1.31) 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.

1.32) What is the Classification of Industries as per MSMED Act ?

In accordance with the provision of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (MSME) are classified in two Classes:

1. Manufacturing Enterprises- The enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and regulation) Act, 1951) or employing plant and machinery in the process of value addition to the final product having a distinct name or character or use. The Manufacturing Enterprises are defined in terms of investment in Plant & Machinery.
2. Service Enterprises: The enterprises engaged in providing or rendering of services and are defined in terms of investment in equipment. 1. The limit for investment in plant and machinery / equipment for manufacturing / service enterprises, as notified, vide S.O.1642(E)dt.29-09-2006 are as under:

Sr. No.	Category	Manufacturing Sector(Investment in Plant & Machinery	Service Sector (Investment in equipments)
1	Micro Enterprises	Does not exceed twenty five lakh rupees	Does not exceed ten lakh rupees:
2	Small Enterprises	More than twenty five lakh rupees but does not exceed five Crore rupees	More than ten lakh rupees but does not exceed two Crore rupees
3	Medium Enterprises	More than five Crore rupees but does not exceed ten Crore rupees	More than two Crore rupees but does not exceed five core rupees

1.33) What are the State incentives available for Industrial Units related to Power Concession ?

S.No.	Category	Existing of rate of Electricity Duty chargeable w.e.f 01.08.15 for industrial consumers Except Cement industries	Revised rate of Electricity Duty for the year 2016 for industrial consumers Except Cement industries
1	EHT Category (Large Industrial Consumer) (supply voltage exceeding 33 KV)	13%	13%
2	Large Ind. Consumers (above 100 KW connect Load & supply voltage not exceeding 33 KV)	11%	11%
3.1	Medium Industrial Consumers	11%	11%
3.2	Medium Industrial unit set up after 01.04.2012	10%	10%
3.3	Medium Industrial unit set up after 01.04.2014.	5% for five years	5% for five years and after completion of five years rate under column No. 4 specified against Sr. No. 3.2 shall be charged.
4.1	Small Industrial Consumers	5%	5%
4.2	Small Industry set up after 01.04.2012	4%	4%
4.3	Small Industry set up after 01.04.2014	2% for five years	2% for five years and after completion of five years rate under column No. 4 specified against Sr. No. 4.2 shall be charged.
4.4	New Small Industry set up after 01.08.2015	1% for five years	1% for five years and after completion of five years rate under column No. 4 specified against Sr. No. 4.2 shall be charged.
5	New Industry including EHT CATEGORY which employ more than 300 Himachalis.	1% for 5 years	1% for 5 years and after completion of five years ED rate given under respective category of industry shall be charged
6	Existing Industrial Units which has commenced commercial production upto 31.03.2016 and which undergoes substantial expansion after 31.03.2016 as defined under "Rules Regarding Grant of Incentives, Concessions and Facilities to Industrial Units in HP, 2004" and as amended from time to time.	-	1% for 5 years from the date of commencement of expanded capacity and after completion of 5 years ED rate given under respective category of industry shall be charged.

> All categories of power consumers is exempted from the payment of Electricity Duty from the power generated for captive/stand by generation through D.G. set(s) or by what so ever mode installed for their own consumption with immediate effect for a period of 5 years i.e. upto 31.8.2019

> Out of turn preference and top priority would be given to sanction power connections to 100% Export Oriented Units, Information Technology projects, Bio

Technology projects, and projects involving Foreign Direct Investments.

1.34) What are the rates of Entry Tax applicable to industrial enterprises in the State ?

Entry Tax:

Sr. No.	Goods	Rate of Tax
14	All Industrial Inputs , raw material and packing material other than goods mentioned at Serial No. 1(a),1(b) and 9(b), of this Schedule, brought from outside the State for consumption, sale or use in manufacturing , including contract manufacturing, processing, conversion, job-work and assembling by existing industrial units; and	1%
	All Industrial Inputs, raw material and packing material other than goods mentioned at Serial No. 1(a), 1(b) and 9(b) of this Schedule , brought from outside the State for consumption , sale or use in manufacturing including contract manufacturing, processing, conversion, job-work and assembling by new industrial unit. Explanation for the purpose of entry No.14:- I. 'new industrial unit' means an industrial unit located in Himachal Pradesh which commenced/ commercial production on or after 01.04.2015. II. 'existing industrial unit' means an industrial unit which has commenced production before 01.04.2014'.	1/2%

1.35) Is there any reduction in Stamp duty in favour of new industrial enterprises to be set up in the State ?

The State Government has notified to remit 50% stamp duty on instruments of conveyance deed and lease deed in favour of new Industrial enterprises to be set up in the State from the date of its publication in the Rajpatra (Extra Ordinary), Himachal Pradesh.

1.36) What are the incentives for quality, technology Upgradation and installation of new pollution control devices ?

- For Technology Upgradation, reimbursement of Rs. 10.00 Lacs or 50% of the cost incurred on development of prototype patent, whichever is lower, on setting up of Technology Transfer unit by NGO's Societies.
- One time grant of Rs. 5 lacs or 25% of the cost incurred, whichever is lower, on setting up of Technology Transfer unit by NGO's/ Societies duly registered with the competent Authority. This grant will be provided only after the Technology Transfer unit has assisted in technology transfer to a minimum of 10 Industrial Enterprises of the State.
- For Installation of New Pollution Control Devices, one time Grant of Rs. 5 lakh or 20% of cost of modern pollution control devices, whichever is lower will be payable to Industrial Enterprises set up in 'B' and 'C' category areas subject to following conditions:-
 - i) Certificate from the H.P. State Pollution Control Board to the effect that such pollution control devices has actually purchased/ installed for the first time and are functioning successfully in the Industrial Enterprises continuously for the last one year.
 - ii) Replacement of an existing pollution control device will not be reimbursed.

1.37) What are the incentives available for special category entrepreneurs ?

- > Special Category Entrepreneurs such as entrepreneurs belonging to the Scheduled Castes, Schedule Tribes, Women, Ex-servicemen, Physically Handicapped persons, BPL family category are entitled to additional concessions/ facilities in the form of investment subsidy and subsidy on rate of interest.
- > Preferential allotment of land at concessional rates for establishment of industrial enterprises for person(s) with disabilities.

1.38) Is there any incentive for export oriented units ?

Additional incentives are available for the promotion of export;

- > Reimbursement of cost incurred for shipment of export samples by Micro & Small EOU's from the nearest port/container depot to the port of destination with a ceiling of Rs. 15000/- per consignment, subject to a maximum Rs. 50,000/- per Enterprise during its period of operation.
- > Reimbursement of 50% of the cost incurred on publishing export marketing brochures and product literature with a ceiling of Rs.15,000/- per Enterprise during a financial year.
- > Reimbursement of 50% of the cost of participating in the relevant overseas trade fairs approved by the Trade Fair Authority of India/State Government with a ceiling of Rs.25, 000/- per enterprise during a financial year.

> 100% EOUs shall be eligible for grant of "Public Utility" status under the Industrial Disputes Act, 1947.

1.39) What are the incentives available for Thrust Industrial Enterprises ?

New Thrust Industrial Enterprises based on Horticulture/Vegetable /Maize/ herbal produce enterprises and located in 'B' and 'C' category areas shall be entitled for the following additional incentives:

- a) Total exemption from the payment of Electricity Duty for a period of 10 years from the date of commencement of production.
- b) Interest subsidy @5 % p.a. on term loan, with a ceiling of Rs. 2 lakhs p.a. for a period of 3 years.

1.40) Give the list of negative Industries in HP ?

Tobacco/ Tobacco Products, Thermal Power plant (Coal/ Oil based), tanning and dyeing industries, flour mill /rice mill, coal based foundries, synthetic rubber products, Explosives, mineral/ chemical fertilizers, insecticide/fungicides/ herbicides/ pesticides, fiber glass, wood pulp manufacturing, non fruit based soft drinks, plastic articles, mini steel plants/ rolling mills, etc. have been put in the negative category.

1.41) Give the list of thrust industries in HP ?

Units based on horticulture produce/ tea/hops, Mineral water bottling, Cold storage units/ Chain, Fruit/ vegetable/ spices based vineries, electronic units, sericulture/ handloom/ khadi related manufacturing activities, medicinal/ aromatic herbs processing, Food processing , Silk and wool based products, Sports Goods manufacturing, Pharma Products, IT computer hardware/ Software Services, Eco- Tourism hotels/ resorts/ Spa / Entertainment /amusement parks, ropeways, handicrafts, non-timber forest product based industries, precision industries, etc. are categorized as thrust industries.

1.42) Which are the categories of areas for the purpose of incentives in HP ?

The State has been categorized into three categories 'A', 'B' & 'C'. Category "A" areas include four Development Blocks which are adjacent to adjoining States. Category "B" areas include 49 Development Blocks located in Non-Tribal Districts. Category "C" areas (Partial Tax Exempted Zones) include 24 Development Blocks including all the seven Tribal Development Blocks and 17 other Blocks and backward panchayats. The Development block of Rohru is also included in category "C". Graded State Govt. fiscal incentives have been provided in the Industrial Policy. Category 'C' areas of the State have been declared as Partial Tax Exempted Zones.

1.43) How many tax free zones are there in HP ?

Category 'C' areas (include 24 Development Blocks including all the seven Tribal Development Blocks and 17 other Blocks and backward panchayats) of the State have been declared as Partial Tax Exempted Zones.

1.44) What are the Incentives available to the Special Category of entrepreneurs in HP ?

Subsidy towards the cost of preparation of feasibility report is admissible to Special Category of Entrepreneurs for Setting up of Micro/ Small Scale Enterprises subject to a maximum of Rs. 25000/- in each case and 100% Subsidy shall be provided to such entrepreneurs for carriage and installation cost of the machinery and Interest subsidy is also given @ 5% with a ceiling of Rs. 50000/- p.a. for 3 years. • 10% Special Capital Investment subsidy on fixed assets subject to a ceiling of Rs. 100000/- per unit shall be allowed.

1.45) Which are the Award Schemes for Employment in Industries in HP ?

Sr. No.	Name of the Category	No. and description of awards for each category
1	Outstanding performance in Exports.	1st award comprising of a trophy, certificate and cash award of Rs. 25,000/-
2	Excellence in Productivity, Quality and Performance.	2nd award comprising trophy, certificate and cash award of Rs. 10,000/-
3	Outstanding performance by Micro & Small Scale Industrial Enterprises in Handicraft/Handloom sector.	3rd award consisting of commendation certificate and cash award of Rs. 5000/-

1.46) What Incentives are available for food processing units under SMFP ?

Under the scheme State Mission on Food Processing (SMFP) following Incentives are available to food Processing Industries in the State:-

Scheme	Assistance Provided for	Extent Assistance
Establishment & Technology up-gradation of Food Processing Industries	For establishment and technology of food processing industries in sectors like fruit & vegetables, milk/meat/ poultry/ fish products etc.	33.33% of cost of Plant & machinery and Technical Civil works subject to a maximum of Rs. 75 lakh
Integrated Cold Chain	Establishment of Cold Chain for Non horticulture product processing units such as Dairy, Meat, Aquaculture and marine etc	Grant-in-aid @ 50% of the bank appraised project cost or 50% of actual investment on building, Plant & Machinery whichever is less subject to a maximum of Rs. 5 Crore per project Interest subvention @ 7% per year subject to max of Rs. 25.00 lakh per years for 7 years
Promotion Activities	For organizing conference / Seminars, Study, survey, exhibition and fair & Study tours	Up to 50% of the cost subject to Max Rs. 2.50 Crore
Primary Processing Centres/ Collection centre	For running primary processing centres/ collection centres for horticulture and non horticulture produce	75% of project cost subject to Max. Rs. 2.50 Crore.
Modernization of Meat Shops	For modernization of existing Meat shops	75% of cost of Machinery, equipment & Technical Civil works, Subject to a maximum of Rs. 5.00 lakh
Reefer Vehicle	For purchase of Reefer Vehicles, Mobile pre-cooling van (s)	@50% of the cost upto maximum of Rs. 50.00 lakh

1.47) What Incentives are available for food processing units under SMFP ?

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Establishment & Technology up-gradation of Food Processing Industries	For establishment and technology of food processing industries in sectors like fruit & vegetables, milk/meat/ poultry/ fish products etc.	33.33% of cost of Plant & machinery and Technical Civil works subject to a maximum of Rs. 75 lakh
Integrated Cold Chain	Establishment of Cold Chain for Non horticulture product processing units such as Dairy, Meat, Aquaculture and marine etc	Grant-in-aid @ 50% of the bank appraised project cost or 50% of actual investment on building, Plant & Machinery whichever is less subject to a maximum of Rs. 5 Crore per project Interest subvention @ 7% per year subject to max of Rs. 25.00 lakh per years for 7 years
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