

## **MSMED Act 2006**

### **The Micro, Small and Medium Enterprises Development Act, 2006**

The Micro, Small and Medium Enterprises Development Act, 2006 is an Act of the Parliament of India, which replaced the erstwhile SSI into MSME to facilitate the development of the Enterprises as also enhance their competitiveness.

### **Definition of Enterprise as per MSMED Act 2006**

‘Enterprise’ means an Industrial undertaking or a business concern or any other establishment, by whatever name called, engaged in the manufacture or production of goods, in any manner, pertaining to any industry specified in the First Schedule to the Industries(Development and Regulation) Act, 1951 or engaged in providing or rendering of any service or services.(As per MSMED Act 2006)

### **Registration Process of MSME units under MSMED Act 2006**

➤ Udyog Aadhaar Memorandum- under Ease of Registration initiative:

The registration process of the industrial activities became 100% online with the effect from 18<sup>th</sup> September 2015. Accordingly, the filling of Entrepreneur Memorandum-I/II has been replaced by Udyog Aadhaar Memorandum (UAM) under MSMED Act 2006. Since then, all the entrepreneurs those have commenced their activities under either service or manufacturing sector and intend to register their units can obtained the registration certificate throughout the country from single centralized registration portal operated and maintained by ministry of MSME. The investment, number of employment, date of commencement of the activity, constitutional status etc are considered based on the online self-declaration basis and no manual process is involve in the registration portal for obtaining the registration certificate.

Accordingly, the classification of Enterprises:

1. In manufacturing sector, micro industries capital requirements are under 25 lakh rupees. Small industries are from 25 to 500 lakhs and medium industries are 500 to 1000 lakhs.
2. In services sector, micro industries capital requirements are under 10 lakh rupees. Small industries are from 10 to 200 lakhs and medium industries are 200 to 500 lakhs.

➤ **Udyam Registration- under Ease of Doing Business initiative:**

Recently, during the month of 26<sup>th</sup> June 2020, the Ministry of MSME redefined and reclassified the Micro, Small and Medium Enterprises and the same notification is known as **“Udyam Registration” with effect from the 1<sup>st</sup> July 2020. Accordingly**, all the erstwhile registration certificates and filling of Udyog Aadhaar Memorandum (UAM) **has been replaced by Udyam Registration under MSMED Act 2006**. Under this, a composite criterion of the investment and turnover shall apply for classification of an enterprise as Micro, Small or Medium enterprises. The process of simplification of registration process is a part of Ease of Doing Business initiatives.

Accordingly, the new classification of Enterprises:

1. A Micro enterprises, where the investment in plant and machinery or equipment does not exceed 1.00 crore rupees and turnover does not exceed 5.00 crore rupees.
2. A Small enterprises, where the investment in plant and machinery or equipment does not exceed 10 crore rupees and turnover does not exceed 50 crore rupees.
3. A Medium Enterprises, where the investment in plant and machinery or equipment does not exceed 50 crore rupees and turnover does not exceed 250 crore rupees.

No. of MSMEs Registered under UDYAM since inception (01/07/2020)

Sl. No.	Year	No of MSMEs
1.	2020-2021	1817-Nos
2.	2021-2022	2943-Nos
3.	2022-2023	3883-Nos
4.	2023-2024	3369-Nos

**1. Major Activity wise List of Registered MSME Units in A & N Islands from 2020-21 to 2023-24**

Major Activity	2020-21	2021-22	2022-23	2023-24	Grand Total
Manufacturing	573	610	607	472	2262
Services	1094	1555	1551	1532	5732
Trading	150	778	1725	1365	4018
Grand Total	1817	2943	3883	3369	12012

**2. Enterprise Type wise List of Registered MSME Units in A & N Islands from 2020-21 to 2023-24**

Enterprise Type	2020-21	2021-22	2022-23	2023-24	Grand Total
Micro	1760	2833	3826	3346	11765
Small	52	106	57	22	237
Medium	5	4	0	1	10
Grand Total	1817	2943	3883	3369	12012

**3. District-wise List of Registered MSME Units in A & N Islands from 2020-21 to 2023-24**

District	2020-21			2021-22			2022-23			2023-24			Grand Total
	Micro	Small	Medium	Micro	Small	Medium	Micro	Small	Medium	Micro	Small	Medium	
NICOBAR	44	0	0	104	0	0	112	1	0	70	0	0	331
NORTH AND MIDDLE ANDAMAN	215	2	0	364	3	0	734	6	0	545	3	0	1872
SOUTH ANDAMAN	1501	50	5	2365	103	4	2980	50	0	2731	19	1	9809
Grand Total	1760	52	5	2833	106	4	3826	57	0	3346	22	1	12012

**4. Employment Generated by Registered MSME Units in A & N Islands from 2020-21 to 2023-24**

<b>Enterprise Type</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Grand Total</b>
<b>Micro</b>	7489	10771	12706	12191	43157
<b>Small</b>	2462	2631	817	271	6181
<b>Medium</b>	282	105	0	4	391
<b>Grand Total</b>	<b>10233</b>	<b>13507</b>	<b>13523</b>	<b>12466</b>	<b>49729</b>