

Industrial Entrepreneurs Memorandum (IEM) services and portal

March 31, 2021

In News: The Commerce Ministry on Tuesday announced upgradation of the paperless process for filing Industrial Entrepreneur Memorandum (IEM) to enhance ease of doing business among new and existing businesses in the manufacturing and services sectors.

About IEM

- Enterprises will now be able to disclose investment details related to the setting up of new industrial units and commencement of commercial production through a single online form instead of reporting the two separately.
- This single form will facilitate filling of investment intentions (IEM-Part A) and reporting of commencement of production (IEM-Part B) in a seamless manner.
- Industrial undertakings, which are exempted from the requirements of industrial licensing under the Industries (Development & Regulation) Act, 1951, were required to file information as IEM with respect to the setting up of industries. This was filed as per 'Part A' of IEM.
- Once enterprises begin commercial production, they are required to report the same as per prescribed form 'Part B' of the IEM.
- The single form will have both parts to facilitate investment intent such as land, investment to be made, machines to be used, and beginning of commercial production.
- The latest move is expected to benefit medium

enterprises.

Whether all industries are required to file IEM?

- According to the Department for Promotion of Industry and Internal Trade (DPIIT), All industrial undertakings exempted from the requirements of industrial licensing under I (D&R) Act, 1951 and having an investment of Rs 10 Crore or above in the 'manufacturing sector' and Rs. 5 Crore or above in the 'services sector', including Existing Units, New undertaking (NU) and New Article (NA), are required to file an IEM, i.e. "Form IEM" in the prescribed format 'Part A'.

Whether receipt will be generated after successful submission of 'Part A' of IEM?

- All on-line applications filed through the portal are scrutinized in 'IEM Section' for verification related to 'Incorporation Certificate'; 'Memorandum of Article'; 'Article of Association' and 'Codes related to NIC & Administrative Ministry/Department etc.
- Once the above is verified and found correct; the Department issues IEM Ack. through its portal followed by delivery of physical copy through post.

What is Part B?

- All Industrial undertakings which had filed IEM are required to report commencement of commercial production and this is also filed on-line on the same portal by way of filing information as per prescribed form 'Part B' of the IEM after commencement of commercial production by the establishment; a copy of the related IEM Ack. is required to be attached while filing this information on the portal. Like 'Part A' Ack. of IEM, the Department also issues Ack. for 'Part B' through its portal followed by delivery of physical copy through post.

AdditionalLink: <https://journalsofindia.com/department-for-promotion-of-industry-and-internal-trade/>