

Benefits of taking Udyam Registration

The Government of India, Ministry of Micro, Small and Medium Enterprises vide Gazette of India, Extraordinary, Part-II, Section-3, Sub-Section(ii), Dated the 26th June, 2020 notified a composite criteria consisting of both investment and turnover as criteria for classifying the enterprises as Micro, Small and Medium Enterprises with effect from the 1st day of July, 2020.

In order to conform new definition of MSMEs and ease of doing Business this system would facilitate MSMEs for a permanent Registration i.e 'Udyam Registration'.

Salient features:

- Anyone may obtain the Udyam Registration for the enterprise. It can be registered through the portal i.e. <https://udyamregistration.gov.in/Government-India/Ministry-MSME-registration.htm>
- The process for Udyam Registration is fully digitalized and Paperless. There is no need to upload any document.
- Registration Process is totally free. No Costs or Fees are to be paid to anyone.
- An e-certificate, namely, “Udyam Registration Certificate” shall be issued online on completion of the registration process.
- This certificate has a dynamic QR Code from which the web page on our Portal and details about the enterprise can be accessed.
- Whoever intentionally misrepresents or attempts to suppress the self-declared facts and figures appearing in the Udyam Registration or updation process shall be liable to such penalty as specified under section 27 of the Act.
- The online system is fully integrated with Income Tax and Goods and Services Tax Identification Number (GSTIN) systems, details on investment and turnover of enterprises are taken automatically from Government data bases. Exports are not taken as part of turnover calculation.
- Those who have EM-II or UAM registration or any other registration issued by any authority under the Ministry of MSME, will have to re-register themselves before 31.03.2021.
- No enterprise shall file more than one Udyam Registration. However, any number of activities including manufacturing or service or both may be specified or added in one Registration.

Requirement for Registration:

- Only Aadhar Number is enough for registration.
- Having PAN & GST number is mandatory from 01.04.2021.

Benefits of this registration:

- It will be a permanent registration and basic identification number for an enterprise.
- MSME Registration is paperless and based on self- declaration.
- There will be no need for renewal of Registration.
- Any number of activities including manufacturing or service or both may be specified or added in one Registration.

- Along with the Udyam Registration, Enterprises may register themselves on GeM (Government e-Market place, a portal for G to B) & SAMADHAAN Portal (a portal to address issues relating to delay in payments) and simultaneously

MSMEs themselves can also onboard on TReDS Platform,(the invoices of receivables are traded on this platform) through three available platforms i.e. 1. www.invoicemart.com 2. www.m1xchange.com 3. www.rxil.in "

- The Udyam Registration may also help MSMEs in availing the benefits of Schemes of Ministry of MSMEs such as Credit Guarantee Scheme, Public Procurement Policy, additional edge in Government Tenders & Protection against delayed payments etc.
- Becomes eligible for priority sector lending from Banks.

Priority Sector Lending:

The Priority Sector Lending (PSL) guidelines are issued by Reserve Bank of India. RBI has issued guidelines on Priority Sector Lending vide its circular no RBI/FIDD/2020-21/72 Master Directions FIDD.CO.Plan.BC.5/04.09.01/2020-21 dated September 04, 2020. Accordingly, the categories under priority sector are (i) Agriculture (ii) Micro, Small and Medium Enterprises (iii) Export Credit (iv) Education (v) Housing (vi) Social Infrastructure (vii) Renewable Energy (viii) Others. Therefore, MSME Sector falls under Priority Sector Lending. As per RBI, the definition of MSMEs will be as per Government of India (GoI), Gazette Notification S.O. 2119 (E) dated June 26, 2020 read with circular RBI/2020-2021/10 FIDD.MSME & NFS.BC.No.3/06.02.31/2020-21 read with FIDD.MSME & NFS. BC. No.4 / 06.02.31/2020-21 dated July 2, 2020, August 21, 2020 respectively on 'Credit flow to Micro, Small and Medium Enterprises Sector' and updated from time to time. Further, such MSMEs should be 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.

All bank loans to MSMEs conforming to the RBI guidelines qualify for classification under priority sector lending.