

Udyam Registration Certificate

What is the Udyam Registration Certificate?

The Udyam Registration Certificate is an e-certificate that gets issued to MSMEs when they register themselves on the MSME Ministry's Udyam portal. It was introduced by the government in July 2020 against the backdrop of the revision in the classification of MSMEs.

The Udyam portal aims to streamline the MSME registration process by replacing the previous Udyog Aadhaar Registration/Memorandum (UAM) e-filing process. Udyam Registration is a self-declaration-based, fully online, paperless, and costless process. After startup registration, MSMEs are allotted an "Udyam Registration Number" that serves as their operational and legal identifier across the country. They are also issued the Udyam Registration Certificate, which bears a dynamic QR code that can be scanned to access the MSME's details.

This certificate comes without any expiration, i.e., there is no need to renew it.

Moreover, MSMEs can only file for one Udyam Registration Certificate, which can include any number of activities related to manufacturing and services.

Almost [1.75 crore](#) MSMEs have registered on the Udyam portal to date, compared to [6.34 crore](#) unincorporated non-agricultural enterprises per the NSS 73rd round survey.

What are the benefits of MSME Udyam Registration in India?

Registering on the Udyam portal and getting this small business certification issued yields several business benefits for MSMEs, which are listed below:

- 1. Lower compliance cost:** As the registration process on the unified Udyam portal is end-to-end digital, paperless, and free of cost, it immensely reduces the time and cost spent on creating a legal and operational identity. This identity improves the MSMEs reputation, enabling better access to finance, entrepreneurship support, skill development, and market opportunities. Best of all, this registration is permanent, requiring no renewal.
- 2. Improved access to MSME schemes:** Udyam Registration affords MSMEs better opportunities to capitalize on the [government's schemes](#), including the credit guarantee scheme, public procurement policy, and several tax incentives.
- 3. Easy securing of government tenders:** Registered MSMEs enjoy higher chances of capturing government contracts, especially in procurement, because of their linkages to the GeM portal and the marketplaces of other state governments.

4. **Eligibility for PSL norms:** MSMEs registered on the Udyam Portal can benefit from enhanced access to finance, especially formal loans, as priority sector lending (PSL) norms apply to all bank loans sanctioned to them.
5. **Enhanced protection against payment delays:** As MSMEs gain access to the SAMADHAAN portal—a platform to address the issue of delayed payments—post-registration, they can levy compound interest on the overdue payments after 45 days at three times the approved policy rate.
6. **Better access to funds:** Registered MSMEs can onboard themselves on the TReDS platform, where they can trade in and get their receivables discounted for immediate cash. Similarly, they also become eligible for collateral-free loans under several government schemes.