

# **Micro Small and Medium Enterprises (MSME)**

## **What is Udyam Registration?**

The new notification issued by the Indian Government says that from July 01, 2020, an MSME (Micro Small and Medium Enterprises) will be known as Udyam, and the enrolment or the registration process will be known **Udyam Registration**.

With a new Udyam registration certificate, the government of India validates the existence of the business. And all the business associated with the Udyam can avail numerous benefits derived from the various relief schemes offered by the Ministry of MSME for the protection and growth of small businesses in India.

## **Udyam is a New Enterprise Registration Declared by the Ministry of MSME for Businesses**

As per the Government of India MSME notification, there will be no fees or application costs for the filling of Udyam Registration. Only Aadhaar number, GST, PAN (Self-declaration) shall be required for Udyam Registration.

## **Udyam Registration benefits**

There are numerous benefits of registering and getting Udyam certificate for your business, here we have mention 16 benefits of Udyam registration.

These benefits are listed out as per the schemes offered by the Ministry of MSME for the development of micro small and medium business enterprises in India. The same benefits can also be availed by the [Udyam registration](#) certificate holder and prove to be advantageous for them.

1. Interest rate Subsidy on Bank loans
2. Collateral free loans from banks
3. Protection against delayed payments, against material/services supplied
4. Special beneficial reservation policies in the manufacturing/ production sector
5. Ease of obtaining registrations, licenses, and approvals.
6. MSME Registered entity gets eligible for CLCSS (credit linked capital subsidy scheme)
7. International trade fair special consideration
8. Government security deposit (EMD) waiver (Useful while participating tenders)
9. Electricity bills concession
10. Stamp duty and registration fees waiver
11. ISO certification fees reimbursement
12. Direct tax laws rules exemption
13. NSIC performance and credit rating fees subsidy

14. Patent registration subsidy
15. Barcode registration subsidy
16. Industrial Promotion Subsidy (IPS) Subsidy Eligibility

### **Qualification for Udyam**

Each kind of business element is qualified to acquire the Udyam registration certificate.

1. Proprietorship
2. Hindu Undivided Family (HUF)
3. One Person Company (OPC)
4. Partnership firm
5. Limited liability partnership (LLP)
6. Private limited or limited company
7. Co-operative Societies or
8. Any association of persons

### **Turnover & Investment in plant and machinery or equipment the following criteria are declared by the Ministry of MSME.**

**Microenterprise units:** Enterprise with investment up to Rs 1 crore with a turnover of less than 5 crores will now be called small enterprise units.

**Small enterprise units:** Enterprise with investment up to Rs 10 crore with a turnover of less than 50 crores will now be called small enterprise units.

**Medium enterprise units:** Enterprises with investments up to Rs 50 crore with a turnover of less than Rs 250 crore will now be called Medium units.

<b>Enterprise</b>	<b>Turnover</b>	<b>Investment</b>
Micro	Not more than 5 Cr.	Not more than 1 Cr.
Small	Not more than 50 Cr.	Not more than 10 Cr.
Medium	Not more than 250 Cr.	Not more than 50 Cr.