

P-10/78/2024-CLCSS-DCMSME  
(C.No. 4029798)

Government of India  
Office of Development Commissioner (MSME)  
Micro, Small & Medium Enterprises)  
(Policy Division)

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Dated: 01.01.2025

To

Reserve Bank of India /  
The Principal Secretaries / The Secretaries of the Department of Industries/ MSME of all States /UTs.

**Subject: Acceptance of Udyam Registration Certificate (URC) document presented through DigiLocker-reg.**

Madam/Sir,

The Ministry has received a number of references regarding verification of the Udyam Registration Certificate (URC), by various Ministries/Departments/ organizations. There are instances, where a Micro, Small and Medium Enterprise (MSME) is required to produce the URC with reference to its status as an MSME, especially in the context of directions of Reserve Bank of India issued vide circulars FIDD, MSME & NFS.BC.No.3/06.02.31/2020-21 dated July 2, 2020, FIDD.MSME & NFS. BC. No.4/06.02.31/2020-21 dated August 21, 2020, FIDD.MSME & NFS.BC.No.13/ 06.02.31/2021-22 dated July 07, 2021 and updated from time to time (copy attached), wherein all bank loans to MSMEs, conforming to the RBI guidelines, qualify for classification under Priority Sector Lending (PSL). Further, under Public Procurement Policy Order for Micro and Small Enterprises (MSEs), 2012, the confirmation of the status of Micro and Small Enterprises is required by the procuring entities.

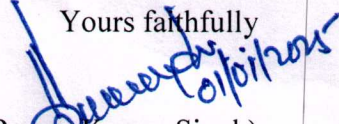
2. The DigiLocker platform of the Ministry of Electronics and Information Technology (MeiTY), Government of India has the facility to pull a citizen's Registration Certificate or any other certificate in an electronic form. These electronic records available on DigiLocker are deemed to be legally recognized at par with the original documents as per the provisions of the Information Technology Act, 2000. The DigiLocker Platform of MeiTY and Udyam Registration Portal of the Ministry of MSME, Government of India have already been integrated through API and the URC of an enterprise is stored in an electronic form at DigiLocker.

3. In light of the provisions of the Information Technology Act, 2000, it is requested to consider the documents available in the electronic form in the DigiLocker Platform as a valid document for all such cases where there is a requirement to produce URC. Accordingly, the URC available in "electronic form" in DigiLocker is requested to be considered as a registration document and at par with the physical Udyam Certificate.

4. This IT based online verification of Certificate would also help the enforcement authorities in ensuring the genuineness of the details of an enterprise, which would further result in better compliance and effective monitoring by the enforcement authorities.

5. The acceptance of the digital verification of the URC of an enterprise will promote Ease of Doing Business for MSMEs and the authorities.

This issues with the approval of the Secretary (MSME).

Yours faithfully  
  
(Pawan Kumar Singh)  
Deputy Director

Copy to:

1. Department of Financial Services
2. Department of Public Enterprises



भारतीय रिज़र्व बैंक  
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RBI/2020-2021/10

FIDD.MSME & NFS.BC.No.3/06.02.31/2020-21

July 2, 2020

The Chairman/ Managing Director/Chief Executive Officer  
All Commercial Banks  
(including Small Finance Banks, Local Area Banks and Regional Rural Banks)  
All Primary (Urban) Co-operative Banks/State Co-operative Banks  
/ District Central Co-operative Banks  
All-India Financial Institutions  
All Non-Banking Financial Companies

Dear Sir / Madam,

**Credit flow to Micro, Small and Medium Enterprises Sector**

Please refer to our circular RPCD.PLNFS.BC.No.63/06.02.31/2006-07 dated April 4, 2007 containing definition of Micro, Small and Medium Enterprises as per Section 7 (I) of the Micro Small and Medium Enterprises Development Act, 2006.

2. In this connection, we inform that Government of India (GoI), vide Gazette Notification S.O. 2119 (E) dated June 26, 2020, has notified new criteria for classifying the enterprises as Micro, Small and Medium enterprises. The new criteria will come into effect from July 1, 2020. The details are as under:

**2.1 Classification of enterprises**

An enterprise shall be classified as a Micro, Small or Medium enterprise on the basis of the following criteria, namely:

- (i) a *micro enterprise*, where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees;
- (ii) a *small enterprise*, where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; and
- (iii) a *medium enterprise*, where the investment in plant and machinery or equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees

**2.2 Composite criteria of investment and turnover for classification**

- (i) A composite criterion of investment and turnover shall apply for classification of an enterprise as micro, small or medium.

- (ii) If an enterprise crosses the ceiling limits specified for its present category in either of the two criteria of investment or turnover, it will cease to exist in that category and be placed in the next higher category but no enterprise shall be placed in the lower category unless it goes below the ceiling limits specified for its present category in both the criteria of investment as well as turnover.
- (iii) All units with Goods and Services Tax Identification Number (GSTIN) listed against the same Permanent Account Number (PAN) shall be collectively treated as one enterprise and the turnover and investment figures for all of such entities shall be seen together and only the aggregate values will be considered for deciding the category as micro, small or medium enterprise.

### **2.3 Calculation of investment in plant and machinery or equipment**

- (i) The calculation of investment in plant and machinery or equipment will be linked to the Income Tax Return (ITR) of the previous years filed under the Income Tax Act, 1961.
- (ii) In case of a new enterprise, where no prior ITR is available, the investment will be based on self-declaration of the promoter of the enterprise and such relaxation shall end after the 31st March of the financial year in which it files its first ITR.
- (iii) The expression "plant and machinery or equipment" of the enterprise, shall have the same meaning as assigned to the plant and machinery in the Income Tax Rules, 1962 framed under the Income Tax Act, 1961 and shall include all tangible assets (other than land and building, furniture and fittings).
- (iv) The purchase (invoice) value of a plant and machinery or equipment, whether purchased first hand or second hand, shall be taken into account excluding Goods and Services Tax (GST), on self-disclosure basis, if the enterprise is a new one without any ITR.
- (v) The cost of certain items specified in the *Explanation I* to sub-section (1) of section 7 of the Act shall be excluded from the calculation of the amount of investment in plant and machinery.

### **2.4 Calculation of turnover**

- (i) Exports of goods or services or both, shall be excluded while calculating the turnover of any enterprise whether micro, small or medium, for the purposes of classification.

- (ii) Information as regards turnover and exports turnover for an enterprise shall be linked to the Income Tax Act or the Central Goods and Services Act (CGST Act) and the GSTIN.
- (iii) The turnover related figures of such enterprise which do not have PAN will be considered on self-declaration basis for a period up to 31st March, 2021 and thereafter, PAN and GSTIN shall be mandatory.

2.5 In case of an upward change in terms of investment in plant and machinery or equipment or turnover or both, and consequent re-classification, an enterprise will maintain its prevailing status till expiry of one year from the close of the year of registration. In case of reverse-graduation of an enterprise, whether as a result of re-classification or due to actual changes in investment in plant and machinery or equipment or turnover or both, and whether the enterprise is registered under the Act or not, the enterprise will continue in its present category till the closure of the financial year and it will be given the benefit of the changed status only with effect from 1st April of the financial year following the year in which such change took place. Other aspects relating to registration of enterprises, grievance redressal, etc. are mentioned in the Gazette Notification S.O. 2119 (E) dated June 26, 2020.

3. The above instructions supersedes our earlier guidelines dated April 4, 2007, except paragraph 6 relating to delayed payment to micro and small enterprises.

4. We advise you to initiate necessary action for reclassification of enterprises as per the new definition w.e.f July 1, 2020 and issue necessary instructions to your branches/controlling offices in this regard, at the earliest.

Yours faithfully

(Sonali Sen Gupta)  
Chief General Manager



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RBI/2020-2021/26  
FIDD.MSME & NFS.BC.No.4/06.02.31/2020-21

August 21, 2020

The Chairman/Managing Director/Chief Executive Officer  
All Commercial Banks  
(including Small Finance Banks, Local Area Banks and Regional Rural Banks)  
All Primary (Urban) Co-operative Banks/State Co-operative Banks  
/ District Central Co-operative Banks  
All-India Financial Institutions  
All Non-Banking Financial Companies

Dear Sir / Madam,

**New Definition of Micro, Small and Medium Enterprises – clarifications**

Please refer to the circular FIDD.MSME & NFS.BC.No.3/06.02.31/2020-21 dated July 2, 2020 on 'Credit flow to Micro, Small and Medium Enterprises Sector'.

2. In view of the representations from IBA and banks regarding applicability of certain aspects contained in the Gazette notification No. S.O. 2119(E) dated June 26, 2020 on new criteria for classifying the enterprises as micro, small and medium enterprises, the Ministry of MSME, vide their Office Memorandum (OM) No.2/1(5)/2019 – P & G/Policy (pt. IV) dated August 6, 2020 and letter F.No.5/2(2)/2020 - P & G/Policy dated August 13, 2020 has, inter alia, clarified the following:

**2.1 Classification of Enterprises as per new definition**

- (i) Classification / re-classification of MSMEs is the statutory responsibility of the GoI, Ministry of MSME, as per the provisions of the MSMED Act, 2006.
- (ii) As per para 2 of the said Gazette notification all enterprises are required to register online and obtain 'Udyam Registration Certificate'. All lenders may, therefore, obtain 'Udyam Registration Certificate' from the entrepreneurs.

**2.2 Validity of EM Part II and UAMs issued till June 30, 2020**

- (i) The existing Entrepreneurs Memorandum (EM) Part II and Udyog Aadhaar Memorandum (UAMs) of the MSMEs obtained till June 30, 2020 shall remain valid till March 31, 2021. Further, all enterprises registered till June 30, 2020, shall file new registration in the Udyam Registration Portal well before March 31, 2021.

(ii) 'Udyam Registration Certificate' issued on self-declaration basis for enterprises exempted from filing GSTR and / or ITR returns will be valid for the time being, upto March 31, 2021.

### **2.3 Value of Plant and Machinery or Equipment**

The online form for Udyam Registration captures depreciated cost as on 31st March each year of the relevant previous year. Therefore, the value of Plant and Machinery or Equipment for all purposes of the Notification No. S.O. 2119(E) dated June 26, 2020 and for all the enterprises shall mean the Written Down Value (WDV) as at the end of the Financial Year as defined in the Income Tax Act and not cost of acquisition or original price, which was applicable in the context of the earlier classification criteria.

3. In view of the above, instructions contained in circular FIDD.MSME & NFS.BC.No.10/06.02.31/2017-18 dated July 13, 2017 on 'Investment in plant and machinery for the purpose of classification as Micro, Small and Medium Enterprises – documents to be relied upon' are superseded.

4. Further, other instructions contained in circular FIDD.MSME & NFS.BC.No.3/06.02.31/2020-21 dated July 2, 2020 remains the same.

Yours faithfully

(Sonali Sen Gupta)  
Chief General Manager



भारतीय रिज़र्व बैंक

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RBI/2021-2022/67

FIDD.MSME & NFS.BC.No.13/06.02.31/2021-22

July 7, 2021

The Chairman/ Managing Director/Chief Executive Officer  
All Commercial Banks  
(including Small Finance Banks, Local Area Banks and Regional Rural Banks)  
All Primary (Urban) Co-operative Banks/State Co-operative Banks  
/ District Central Co-operative Banks  
All-India Financial Institutions  
All Non-Banking Financial Companies

Dear Sir/Madam,

**New Definition of Micro, Small and Medium Enterprises - Addition of Retail and Wholesale Trade**

Please refer to the circulars FIDD.MSME & NFS.BC.No.3/06.02.31/2020-21 dated July 2, 2020 on 'Credit flow to Micro, Small and Medium Enterprises Sector' and FIDD.MSME & NFS.BC.No.4/06.02.31/2020-21 dated August 21, 2020, on 'New Definition of Micro, Small and Medium Enterprises- clarifications'.

2. In this connection, Ministry of Micro, Small and Medium Enterprises vide Office Memorandum (OM) No. 5/2(2)/2021-E/P & G/Policy dated July 2, 2021, has decided to include Retail and Wholesale trade as MSMEs for the limited purpose of Priority Sector Lending and they would be allowed to be registered on Udyam Registration Portal for the following NIC Codes and activities mentioned against them:

45	Wholesale and retail trade and repair of motor vehicles and motorcycles
46	Wholesale trade except of motor vehicles and motorcycles
47	Retail trade except of motor vehicles and motorcycles

3. The Enterprises having Udyog Aadhaar Memorandum (UAM) under above three NIC Codes are now allowed to migrate to Udyam Registration Portal or file Udyam Registration afresh.

Yours faithfully

(Kaya Tripathi)  
Chief General Manager

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Financial Inclusion & Development Dept., Central Office, 10th Floor, Central Office Building Shahid Bhagat Singh Marg, P.B.No.10014, Mumbai-1  
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**हिंदी आसान है, इसका प्रयोग बढ़ाए।**

\*चेतावनी : -मेल रिज़र्व बैंक द्वारा डाक, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्तिगत जानकारी जैसे बैंक के खाते का ब्यौरा, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।\*

**Caution:** RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.