



Udyam Portal

Why in News?

Around one crore Micro, Small and Medium Enterprises (MSMEs) have registered on the **Udyam portal** within a span of 25 months, according to the Union Minister of [Micro, Small, and Medium Enterprises](#).

What is Udyam Portal?

▪ About:

- It was launched on 1st July, 2020.
- It's an online system for registering MSMEs, launched by the Union MSME ministry.
- Further, it is linked to the databases of **the [Central Board of Direct Taxes\(CBDT\)](#) and [Goods and Services Tax Network \(GSTN\)](#)**.
 - GSTN is a **unique and intricate IT enterprise** that establishes a channel of communication and interaction between taxpayers, the central and various state governments, and other stakeholders.
- It is fully online, does not require any documentation, and is a step towards [Ease of Doing Business for MSMEs](#).

▪ Significance:

- Udyam registrations are essential for MSMEs to utilize the benefits of schemes for the Ministry of MSME and for [Priority Sector Lending](#) from banks.
 - Also, MSMEs contribute to the GDP, exports, and employment generation of the country.

▪ New Initiatives:

- The **MSME ministry signed MoUs with the Ministry of Tourism and the National Small Industries Corporation for the sharing of Udyam data**.
- Further, the [Digi locker](#) facility for Udyam registration would be linked.

What are MSME?

▪ About:

- The Micro Small and Medium Enterprises (MSMEs) sector is a **major contributor to the socio-economic development of the country**.
 - In India, the sector has gained significant importance due to its **contribution to the Gross Domestic Product (GDP) of the country and its exports**.
 - The sector has also contributed immensely with respect to **entrepreneurship development, especially in semi-urban and rural areas of India**.
- According to the provisions of the Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small, and Medium Enterprises (MSME) are **classified into two classes i.e., Manufacturing Enterprises and Service Enterprises**.
 - The enterprises are further categorized **based on investment in equipment and annual turnover**.

▪ Related initiatives:

- [Scheme of Fund for Regeneration of Traditional Industries \(SFURTI\)](#).
- [A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship \(ASPIRE\)](#).
- [MSME Innovative Scheme](#).

Source: PIB

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