

What Does Udyam (MSME) Registration Tell You About a Supplier?



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Udyam is India's free, self-declared registration for micro, small and medium enterprises. It tells you a business has registered under its PAN, which size class it falls in by machinery investment and domestic turnover, and which activities it declared. Exports are left out of the turnover test, so Micro says nothing about export volume. It does not prove manufacturing, capacity or quality, and nearly 99% of registrations are Micro, so being Micro is normal.

The Short Version

- Udyam is self-declared, with no documents uploaded, but its figures are linked to the PAN, tax returns and GST.
- The class comes from plant and machinery investment and turnover, and crossing either ceiling moves a business up.
- Exports are excluded from turnover, so a Micro unit can be a busy exporter.
- Micro does cap machinery, so a Micro supplier claiming a heavy in-house process deserves one question.
- On 18 October 2026, 98.9% of Udyam registrations were Micro. Small is about the top 1%.

An Udyam certificate tells you an Indian business has registered itself as a micro, small or medium enterprise under its PAN, and which of the three size classes it falls in. The class is worked out from its investment in plant and machinery and its domestic turnover, with exports left out. It's a useful record of size and declared activity, but it's self-declared, and it doesn't prove the business makes your product, has capacity or makes it well.

Suppliers often attach the certificate to their first email, next to the GST number, as a sign they're a proper business. That's fair, it is one. The trick is

reading it for what it actually says. I'll go through the certificate the way the rules behind it read, from India's MSME classification notification, which we read at source on 18 October 2026. The caveat - the Udyam portal's verification result only shows after a form is submitted, so we describe what to match rather than every field it displays.

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- 01 **Udyam is filed "based on self-declaration with no requirement to upload documents, papers, certificates or proof".** Investment is linked to the income-tax return and turnover to the PAN and GSTIN. (*MSME notification S.O. 2119(E), paras 2(1), 4(1) and 5(2), as amended by S.O. 1364(E) of 21 March 2025, read 18 October 2026*)
- 02 **"Exports of goods or services or both, shall be excluded while calculating the turnover".** So the class reflects domestic sales and machinery, not export scale. (*Same notification, para 5(1)*)
- 03 **98.9% of Udyam registrations are Micro, 1.0% Small and 0.08% Medium.** (*Udyam portal dashboard, facts dated 18 October 2026, 5,48,39,318 classified registrations, our arithmetic · Verified figures*)

What we don't know yet

- ☐ How often the declared activity (manufacturing or services) matches what a business does. No one has checked a sample against factory visits.

1. What Is Udyam Registration?

It's India's registration for micro, small and medium enterprises, run by the Ministry of MSME on the [Udyam portal](#). It's free and online. The business gets a permanent Udyam Registration Number and an e-certificate (notification

paras 2(2), 2(3) and 6(2)). It's built for Indian small-business policy, not for buyers abroad, so for you it's a by-product, a public record you get to read.

Three rules shape what it can tell you.

- **It's self-declared.** No documents are uploaded when a business registers (para 2(1)).
- **It hangs off the PAN.** Every GST registration under the same PAN counts as one enterprise, and their investment and turnover are added together (para 3(3)). So the class describes the whole business under that PAN, not the one unit you're talking to.
- **One registration per business,** which can list any number of activities, manufacturing or services or both (para 6(7)).

2. What Do Micro, Small and Medium Mean?

Each class has two ceilings, one for investment in plant and machinery or equipment and one for turnover. These are the limits in force from 1 April 2025, as shown on the Udyam portal on 18 October 2026.

Class	Plant and machinery investment up to	Turnover up to
Micro	₹2.5 crore	₹10 crore
Small	₹25 crore	₹100 crore
Medium	₹125 crore	₹500 crore

Two details matter more than the numbers. Crossing either ceiling moves a business up a class, while it only moves down once it's below both (para 3(2)). And "plant and machinery" means tangible assets other than land, buildings, furniture and fittings, valued on the income-tax basis (paras 4(1)

and 4(3)). A big shed full of people and hand tools can be Micro. A unit full of dyeing ranges or forging presses mostly can't.

3. Does "Micro" Mean the Supplier Is Too Small for Me?

No, and this is the misreading that costs buyers good suppliers. Because exports are left out of turnover (para 5(1)), a business that sells almost everything abroad can be Micro whatever its export volume. The class tells you about domestic sales and machinery, not about how many containers it ships.

It's also simply where most Indian businesses are. On 18 October 2026 the portal counted 5,42,52,240 Micro registrations out of 5,48,39,318 classified, which is 98.9% by our arithmetic. Small was 5,45,060 (1.0%) and Medium 42,018 (0.08%) ([Udyam dashboard](#)). So a Small registration already puts a business in roughly the top 1%, and Medium is rarer still. A Micro maker is often the one who gives a small order its full attention.

4. When Does the Udyam Class Raise a Question?

When it meets a claim it can't carry. These are our readings of the rules, Indicative, and each is a question to ask, never a verdict.

- **Micro plus a heavy in-house process.** A supplier that says it does its own dyeing, processing, casting or CNC machining at scale, while registered Micro, may well send that step to a partner unit. That's normal job work. Ask who does it (see [job work and subcontracting in India](#)).
- **Services only, while pitching as a factory.** The activity is self-declared, so a registration showing only services next to a "we manufacture" pitch is worth one question.
- **A different legal name.** The name should match the GST record and the bank account on the invoice.

- **Suspended status.** Businesses have to update their details online within the portal's deadline, including the previous financial year's tax and GST return details, or the status can be suspended (paras 8(1) and 8(2)). It usually means paperwork slipped, but ask.

And the green version – Small or Medium, manufacturing declared, the same name and PAN as the GST record. That's a scale that fits a real plant, though it still isn't proof of one.

5. How Do I Check an Udyam Certificate?

Use the portal's Print/Verify option with the Udyam number on the certificate, and the certificate's QR code links to the portal record ([Udyam portal](#), read 18 October 2026). Then match three things – the legal name, the class and the declared activity – against what the supplier told you and against its GST record. The portal also lists a separate Udyam Assist Platform for informal micro enterprises and counts it apart from Udyam Registration. An exporter you're buying from directly needs a GST registration anyway, so expect a full Udyam record, not that one.

How Udyam fits next to GST, the export code and the company register is on [how to verify Indian suppliers](#), and the cross-record patterns we read are on [supplier signals](#).

6. What Can't an Udyam Certificate Prove?

Quality, capacity, export experience or that this business makes your goods. Its figures are bands from tax data, not output per month, and the activity is whatever the business ticked. Misstating self-declared figures can draw a penalty under the MSME Act (para 6(8)), which is a reason to take them seriously, not a reason to take them as checked. Capacity and quality still need a sample made to your spec, a video walk-through or a visit, and an

inspection. If you'd like the records read and the factory seen for you, [SourcingSync](#) does that work.

Questions Buyers Ask

Is an Udyam certificate a government approval? ^

No. It's a registration the business files itself. It shows the business exists under a PAN and has declared a size and activity.

My supplier has no Udyam registration. Is that a problem? v

Can I tell export volume from Udyam? v