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**INTERNATIONAL CONFERENCE ON DIGITAL
TRANSFORMATION IN COMMERCE AND MANAGEMENT**
CERTIFICATE

This is to certify that Dr./Mr./Ms. **A. SAFIA**, ASSISTANT PROFESSOR, DEPT. OF COMMERCE, MUSLIM ARTS COLLEGE, THIRUVITHANCODE participated in the International Conference on Digital Transformation in Commerce and Management held on 29th April 2022 organised by PG & Research Department of Commerce, St. John's College of Arts & Science, Ammandivilai.

He / She also presented paper / delivered and Invited talk / chaired a technical session titled "A STUDY ON AWARENESS REGARDING UDYOG AADHAR MEMORANDUM OF MSME AMONG THE ENTREPRENEURS"


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A STUDY ON AWARENESS REGARDING UDYOG AADHAR MEMORANDUM OF MSME AMONG THE ENTREPRENEURS

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ABSTRACT

Micro, Small, and Medium Enterprise is the full form of MSMEs. MSMEs are considered one of the backbones of the Indian economy and an engine for the growth and development of our country. The Government has introduced a lot of schemes, subsidies, and incentives to promote MSMEs with the MEMED Act 2006. But to avail of those benefits, every entrepreneur should register accordingly to the provisions of the MSME Act. Many owners are getting confused with MSME registration and Udyog Aadhar registration. While considering the two, both are similar but different. So Udyog Aadhar is an easy way of acquiring MSME registration. It is an online method by which MSME can get the 12 digit Udyog Aadhar number and after it, they can do for MSME registration. So Udyog Aadhar registration is one of the new ways of getting MSME registration. Udyog Aadhar is an Aadhar for Micro, Small, and Medium Enterprises in India. The Government provides a unique 12 digit to the MSMEs; just like there is an Aadhar card for a citizen. There are more than 48 lakh enterprises registered under Udyog Aadhar in India. It is a twelve-digit unique number that includes all relevant details regarding Micro, Small, and Medium Enterprises. This scheme is not mandatory as the state Government can also provide services and support to them. This will help them to know all the finance-related schemes available from the government. The enterprise registered under Udyog Aadhar only can be available for the benefits given by the Government. So my study is concerned about the awareness regarding Udyog Aadhar Memorandum among MSME entrepreneurs special reference to the Thiruvananthapuram district.

Keywords: *Entrepreneurs, Udyog Aadhar Memorandum, MSMEs, unique, incentives*

INTRODUCTION

Now a day MSMEs are an integral part of our Indian economy. Because it generates crores of job opportunities every year and contributes immensely to the growth of India. Back to the implementation of the MSME Act 2006, the sector was under the control of the Industrial Development and Regulation (IDR) Act 1951 as Small Scale Industries (SSI) Sector and its constituent tiny and auxiliary units as per the periodic revision of criteria for defining such units. The scope and coverage of the MSME sector widened significantly under the MSME Act 2006, which recognized the concept of "enterprise" and include both the Manufacturing and Service sectors besides defining the Medium enterprises under the MSME sector. By the survey, it is found that the MSMEs and other Small businesses will give 16 crores of Indians employment opportunities in 2023 and can contribute

about 30% towards India's GDP. Because of the MSMEs, 40% of exported activity in India takes place. It clearly shows that small businesses and enterprises spread across the length and breadth of India have tremendous potential and have a great fascinating future.

STATEMENT OF THE PROBLEM

In recent times, for boosting Small Scale businesses in the country the Government of India had initiated the registration of MSMEs which is known by the name UdyogAadhar Memorandum. Recently the UdyogAadhar Memorandum is transformed into Udyam Registration. The concept of UdyogAadhar and ease of its registration have thus originated to ensure wider coverage of MSMEs to avail the benefits under various schemes of Central and State Governments. So, this study is carried out to make awareness regarding the UdyogAadhar Memorandum of MSME to Entrepreneurs in Thiruvananthapuram District.

OBJECTIVES OF THE STUDY

- To study the UdyogAadhar Memorandum of MSMEs.
- To make awareness regarding the importance of the UdyogAadhar Memorandum for registering the MSMEs.

REVIEW OF RELATED LITERATURE

Papiya Manna and Dr. Tapas Mistri (2018) found out that through the registration of MSMEs which is mostly happened in the developed districts and their contribution to state revenue is also high but the state and district which is economically less developed are insufficient to generate Manufacturing and Service sector units by MSMEs. So to get more support from the Government it is necessary to register the MSMEs properly.

Smita Mohapatra (2020) has observed that the number of new registration through UdyogAadhar Memorandum filing is higher for the states with less number of existing new MSMEs. So necessary steps to be taken for the growth of the MSMEs outside and within India by taking good policy regulations, easy methods for acquiring finance, and giving appropriate tax incentives for the states which lack the potential for growth. So the unorganized MSME units should be motivated and encouraged to register their units through EM-II or UAM. So they should avail the benefit of schemes introduced by the Government and can also acquire lower financing rates from the banks.

Syamala Devi Bhoganadam (2017) conduct a study on various challenges faced by the Indian MSME sector and divides them into internal and external factors. The study also provides a literature mixture in which all the challenges are classified into external issues, environmental issues, socio-cultural issues, marketing issues, financial issues, HR development issues, and infrastructural issues.

RESEARCH METHODOLOGY

The numbers of respondents are selected from the Thiruvananthapuram District. The data are collected by conducting a simple sample survey. There are a number of Registered MSME enterprises in the Thiruvananthapuram district, so I collected the data from only 200 entrepreneurs through the convenient sampling method. The data collected for the study is both primary and secondary in nature. The primary data is collected through the interview method and the secondary data is collected from various journals, books, and websites. There are a number of schemes, so I selected only a few numbers of schemes for analysis. The data were studied with the help of statistical tools like percentage analysis, weighted rank method, etc.

UDYOG AADHAAR MEMORANDUM

A registered Micro Small and Medium Enterprises (MSMEs) is a small business, which has been registered under the Ministry of Micro Small and Medium Enterprises. It is classified into two which include Manufacturing and Service enterprises. According to the latest rule laid down by the Government in May 2020, it may be defined as follows;

1. A company that has its investment is under ₹1crore and turnover is under ₹5crore is known as a micro-enterprise.
2. If a company's initial investment is less than ₹10crore and its turnover is under ₹50crore is called a Small enterprise.
3. When a company's investment is lower than ₹50crore and its annual turnover is under ₹250crore is called a medium enterprise.

According to the recommendations laid by the Kamath Committee, The Department of the Ministry of MSME, in collaboration with the National Board of MSMEs and the Advisory Committee on this behalf, has prepared a one-page registration form. It contains a self-declaration format under which the MSME will self-clarify its existence, details regarding the bank account, Aadhaar details of the promoter/owner and it also required other basic information. By verifying the details, the MSME can be issued online; a unique identified number is known as the UdyogAadhaar Memorandum.

BENEFITS OF UAM

- 1) **Availability of collateral free-loans:** By not giving any security, if the MSMEs are registered under UAM can get a loan from the banks.
- 2) **Subsidy on patent registration upto 50%:**MSMEs are eligible for up to 50% subsidy on patent registration, for their business ideas and process. For availing of these schemes, the certificate of registration is mandatory.
- 3) **Exemption with regards to overdraft of interest-free:** The enterprises can get a 1% discount on the interest paid on their overdraft from any bank or financial institution if such enterprises are registered.
- 4) **Eligibility for industrial promotion subsidy:** For creating awareness and information about their business, all over the world, the registered MSMEs can avail of such subsidies.
- 5) **Protection against delayed payments:** If any registered MSMEs are doing goods and services providing facilities to another business, and the payment is not received within 45 days after the delivery, then the Government empowers those MSMEs to charge compound interest on the delayed payments in every month. This interest can be paid at three times that of the interest rates approved by the RBI. This type of help is only applicable to those enterprises which are registered under UAM.
- 6) **Subsidy on payment of electricity bills:** Mainly the registered manufacturing units get subsidies in payment of electricity bills in some special cases.
- 7) **Free ISO Certification:** When the registered MSME got ISO certification then the Government of India assurance to give back the whole fees which are spent for the ISO certification.
- 8) **Tax benefits may be extended:** Credit for Minimum Alternate Tax (MAT) can be extended up to 15years, which is actually 10years.
- 9) **Chance for getting Government tenders:** There is a chance of getting additional benefits like government tenders because it is directly linked with Government e-marketplaces.
- 10) **One-time settlements fees for non-payments:** In some special cases, if the registered MSMEs are unable to pay any past payments, in such case the Government offers a one-time settlement fee to clear all past dues.

ANALYSIS TABLE

Table 1: Personal Profile of the Registered Entrepreneurs

Particulars	Criteria	No. of Respondents	Percentage
Gender	Male	145	73
	Female	55	27
Age	Below 30years	32	16
	30 – 40	54	27
	40 – 50	73	37
	50 and above	41	20
Marital status	Married	169	85
	Unmarried	31	15
Educational qualification	SSLC	38	19
	Plus Two	49	25
	UG	73	36
	PG	24	12
	Other Professional Degrees	16	8

(Primary data)

The above table shows that most of the respondents are male and only 27% are female. Most of the respondents fall under the age category of 40 – 50 years it is about 37% of the total respondents. About 85% are married and 15% of respondents are unmarried. 36% of the respondents are undergraduate and 8% bear other professional degrees.

Table 2: Industrial profile of the registered Enterprises

Particulars	Criteria	No. of respondents	Percentage (%)
Age of the enterprise	Less than 5years	74	38
	5 – 10	59	29
	10 – 15	37	18
	15 years and above	30	15
Capital investment	Below ₹5,00,000	76	38
	₹5,00,000 - ₹10,00,000	51	25
	₹10,00,000 - ₹15,00,000	45	23
	₹15,00,000 and above	28	14
Scale of operation	Micro	90	45
	Small	74	37
	Medium	36	18
Status of the building	Own building	89	45
	Rented building	111	55
Form of Organization	Sole proprietorship	95	47
	Private enterprise	67	34
	Partnership	38	19
Sources of finance	Own fund	48	24
	Borrowed fund	33	17
	Both owned and borrowed fund	119	59
Location	Urban	101	51
	Rural	99	49

(Primary data)

From the above table, we can see that the age of most of the enterprises is 5 – 10 years. About 76% of the enterprise has a capital investment of below ₹5, 00,000, and 14% has a capital investment of ₹15, 00,000. 90 respondents are doing a Micro type of business and 18% are doing a Medium type of business. Most (55%) of the enterprises are run in a rented building and 45% are doing business in their own building. 45% of the respondents are doing sole proprietorship business. Of the total of 200 respondents about 119 entrepreneurs use both owned and borrowed funds, 24% use their own funds, and 17% use borrowed funds. About 51% of the enterprises are in the urban area and only 49% of the enterprises are situated in the rural area.

Table 3: Awareness regarding UAM Registration

Sl.no	Awareness about UAM	No.of respondents	Percentage
1	Yes	186	335
2	No	14	25
	Total	200	360

(Primary data)

The above table reveals that out of 200 respondents, about 186 are aware of the UAM registration and its benefits.

Graph 1

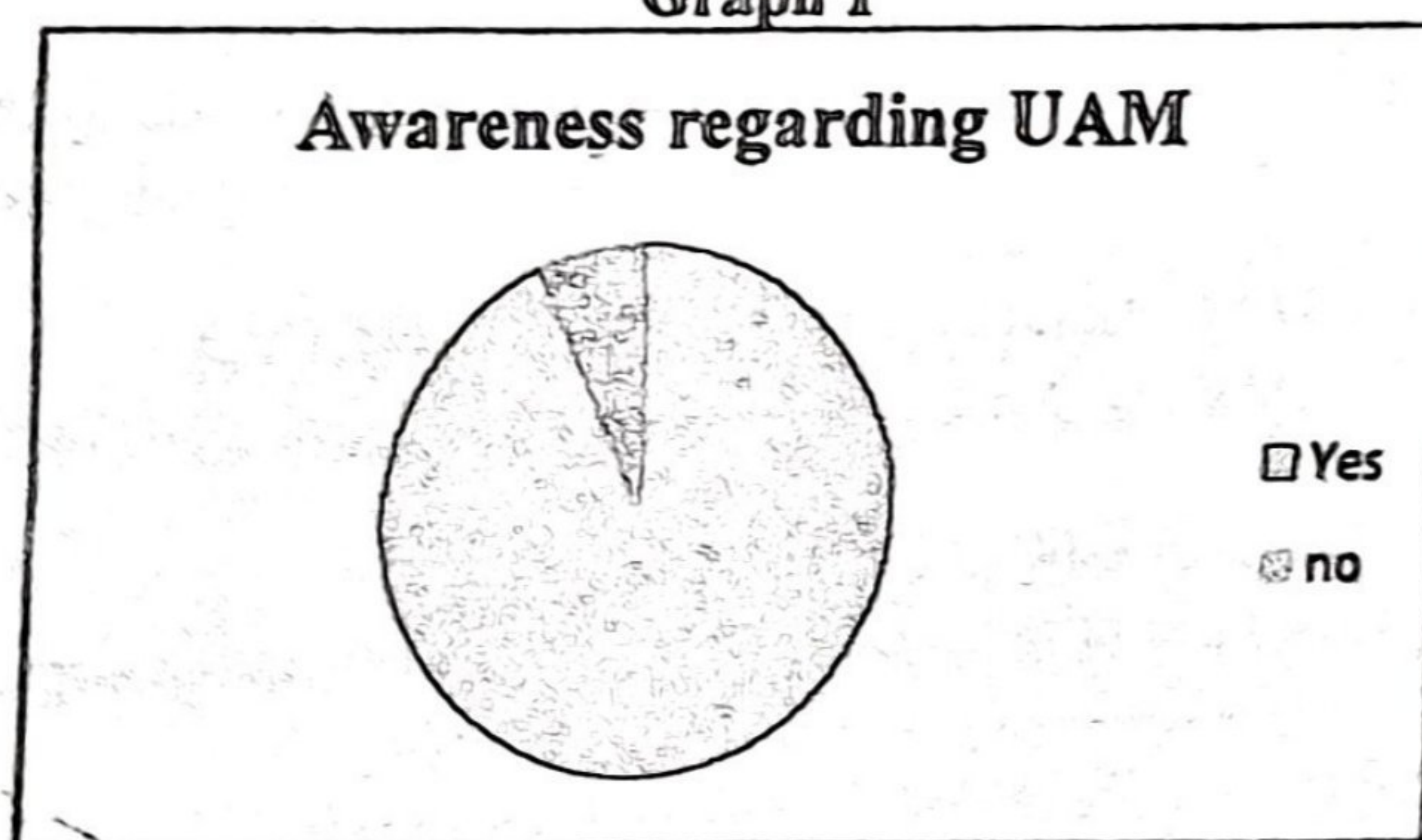


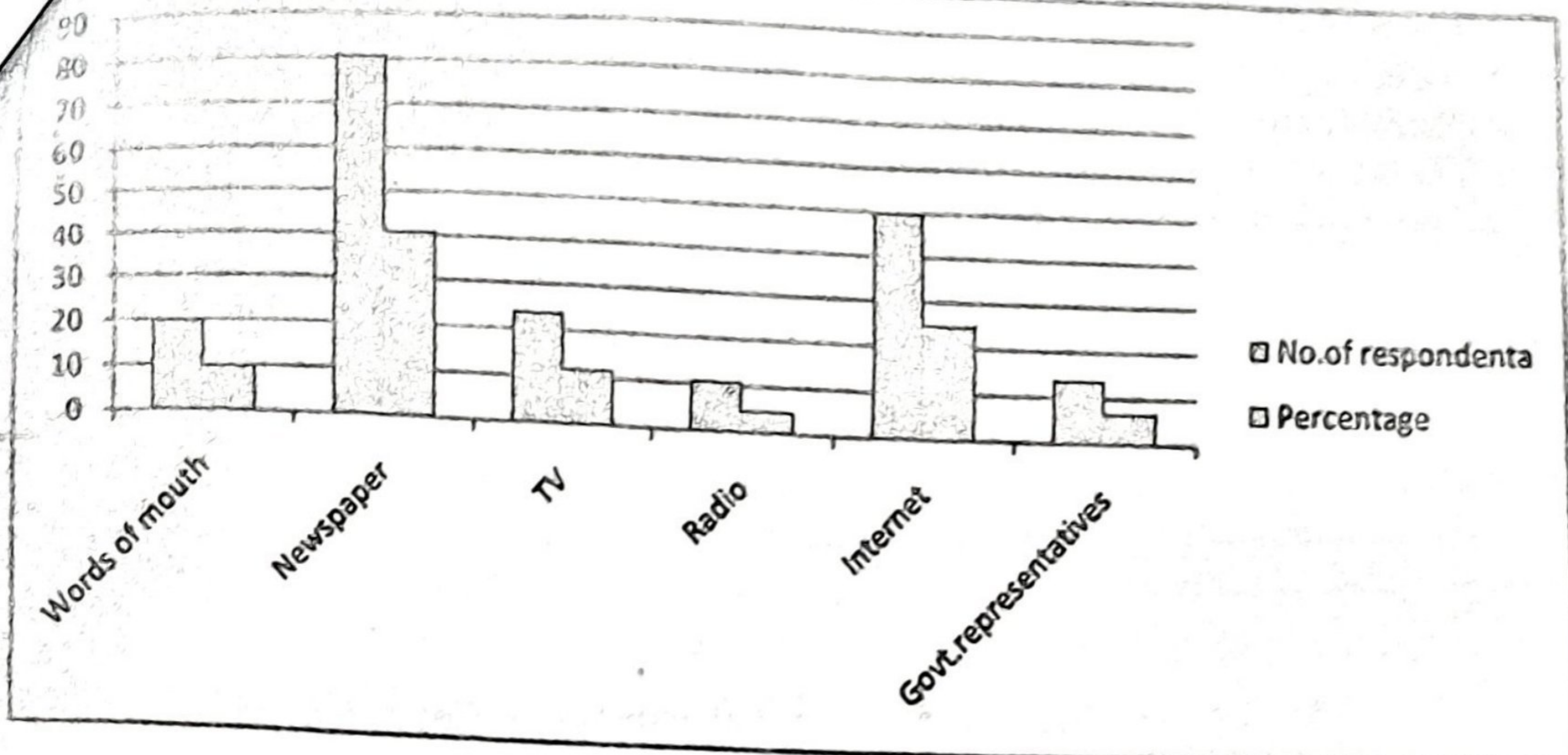
Table 4 : Way to know about the UAM Registration

Sl. No.	Way to know about the scheme	No.of respondents	Percentage
1	Words of mouth	20	10
2	News paper	81	41
3	TV	24	12
4	Radio	11	5
5	Internet	50	25
6	Govt. representatives	14	7
Total		200	100

(Primary data)

The above table shows the ways of awareness regarding the UAM registration. About 41% are known from the newspaper only 7% are known by the government representatives.

Graph 2
Way to know about the UAM Registration



(Primary data)

FINDINGS

1. Most of the respondents are male and female participation is comparatively low.
2. Majority of the respondents are from the age category of 40 – 50 years.
3. 85% of the respondents are married.
4. The educational qualification of the majority (36%) is UG level.
5. 38% of the enterprises have a lifespan of less than 5 years and only 15% have a life span of 15 years and above.
6. Only 14% have above ₹15, 00,000 investments.
7. Majority of the enterprise comes under the category of Microenterprise.
8. Most (55%) of the enterprises are run on a rented building.
9. Sole proprietorship is a popular form of business organization.
10. 119 respondents use both own and borrowed funds as a source of finance.
11. 101 enterprises are located in the urban areas.
12. 186 respondents are aware of UAM registration and its benefits.
13. Most entrepreneurs know about the UAM registration from newspapers and it clearly shows that the Government representation is very less.

SUGGESTIONS

1. Female participation should be increased.
2. Appropriate care should be given while using capital and borrowed funds.
3. Arrange comparatively good training for the entrepreneurs in management and other matters relating to the improvement of efficiency of the organization.
4. Awareness programs should be conducted by the government.
5. Ensure government participation in giving awareness about the benefits of registration under UAM.
6. Encourage the registration and ensure easiness in the registration process by the Government.

“Lots of suggestions are received by me; some of them are very interesting. Some people have suggested that the process of registration for small-scale industries should be simple. I will bring it to the notice of the government.”

Narendra Modi, Hon'ble Prime Minister
(Prime Minister's Man Ki Baat)