

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 749
TO BE ANSWERED ON 04.12.2025

UDYAM REGISTRATION CERTIFICATE

749. MS KANGNA RANAUT:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the MSME 'Udyam' registration issued by the Government is a valid document for registered Micro, Small and Cottage Industries to open current accounts in banks, if so, the details thereof;
- (b) the details of the banks where 'Udyam' certificate is accepted/not accepted for opening current accounts and the reasons therefor;
- (c) the Government may issue directions to all banks to recognize MSME registration 'Udyam' as a valid document for opening current accounts; and
- (d) if so, the details thereof along with the time by which it is likely to be done?:

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SUSHRI SHOBHA KARANDLAJE)

(a) to (d): As per information received from Reserve Bank of India- for opening of account of proprietorship firms, apart from Customer Due Diligence of individual (proprietor), banks are required to obtain any two of the eight documents prescribed in RBI Commercial Bank KYC Directions, 2025 28.11.2025 as a proof of business/ activity in the name of the proprietary firm. The Udyam Registration Certificate (URC) is not an Official Verified Document (OVD), instead, it is one of the eight documents for proof of business/ activity to be obtained from proprietorship firm. The banks accepts only one document (including URC) as proof of business activity, in terms of the said Directions, the bank is required to undertake contact point verification, collect other information to confirm the business presence and satisfy itself about the business activity from the address.

The URC related instructions are applicable to Commercial Banks (CBs), Urban Co-operative Banks (UCBs), Rural Co-operative Banks (RCBs), Regional Rural Banks (RRBs), Small Finance Banks (SFBs), Payments Banks (PBs), and Local Area Banks (LABs), as per the KYC Directions, 2025. The instructions contained in the above Directions are applicable to all account-based relationships entered to by the said banks, and we have not issued any specific instructions for any account- type (such as current account or savings account, etc.) except the small accounts.
