



### **Micro, small and medium enterprises (MSME) Guidelines for Classification, Registration and calculation of Investment/ turnover.**

Ministry of MSME has notified the criteria for classifying the enterprises as micro, small or medium enterprises and has also specified the form and the procedure for obtaining or migrating under new registration norms by filing the memorandum (herein to be known as “Udyam Registration” with effect from the 1<sup>st</sup> day of July ,2020 via **notification no. S.O. 2119(E) dated 26<sup>th</sup> June 2020** namely:-

#### **1. Classification of enterprises.-**

<b>S.no</b>	<b>Particulars</b>	<b>Investment in Plant and Machinery or equipment</b>
1.	Micro enterprises	Does not exceed one crore rupees <b>and</b> turnover does not exceed five crore rupees;
2.	Small enterprises	Does not exceed ten crore rupees <b>and</b> turnover does not exceed fifty crore rupees
3.	Medium enterprises	Does not exceed fifty crore rupees <b>and</b> turnover does not exceed two hundred and fifty crore rupees.

#### **2. Obtaining MSME Status under new norms:**

The government has prescribed the procedure for obtaining or migrating under new registration norms by filing the memorandum as under:

- Online Registration to be obtained on the Udyam Registration Portal.
- On registration ,an enterprise will be assigned a permanent identity number .
- An e-certificate, namely ,”Udyam Registration certificate” shall be issued on completion of the registration process.

3. The notification has also given guidelines for the composite criteria of arriving at the investment and turnover for classification as an MSME.

4. **Calculation of investment:** For the purpose of calculation of investment in plant and machinery or equipment the guidelines proposed to link the same with the Income tax return of the previous years filed under Income tax act,1961.

5. **Calculation of turnover:** For the purpose of calculation of turnover guidelines proposed to link the same with the Goods and Service Tax (GST) returns filed with the department. Also it is proposed that the value of exports of good or services or both will be excluded for purpose of above classification.

#### **6. Registration process**

- Form for registration shall be as provided in the Udyam registration portal.

- No fee for filing Udyam Registration will be charged.
- Aadhaar number of the key person shall be mandatory for the Udyam Registration.

#### 7. Registration of existing enterprises

- All existing enterprises registered under EM-Part II or UAM shall register again on the Udyam Registration portal.
- All enterprises registered till 30<sup>th</sup> June 2020 shall be reclassified in accordance with this notification.

#### 8. Updation of Information and transition period in Classification :

- An enterprise having Udyam Registration Number shall update their Information online in the Udyam Registration portal, including details of ITR and GST Return for previous financial years.
- Failure to update the relevant information within the period specified in the online Udyam registration portal will render the enterprise liable for suspension of its status.

#### 9. Facilitation and grievance redressal of enterprises

- The Champions control rooms functioning in various institution and offices of the ministry of MSME shall act as Single Window Systems for facilitating the registration process.
- Any person who is not able to file the Udyam Registration purposes may approach with his Aadhaar enrolment identity slip or copy of Aadhaar enrolment request.

Source: Refer to link for press release below.

<http://dcmsme.gov.in/publications/circulars/GazetteNot.htm>

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