

New Eligibility Criteria for MSMEs

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The Government vide notification no. S.O. 2119 dated 26.06.2020 has notified the composite criteria of classification of MSMEs based on investment in plant and machinery or equipment and turnover of the enterprises by simplifying the Udyam Registration process for MSMEs by making it fully online, digital, paperless and based on self-declaration. No documents or proof are required to be uploaded for registering as a Micro, Small and Medium Enterprise. Aadhaar and PAN are required for registration. PAN, GSTIN linked details on investment and turnover of enterprises are taken automatically from relevant Government databases. The turnover with respect to exports is not counted in the limits of the turnover for any category of MSMEs. The new criteria become applicable to all States/UTs with effect from 01.07.2020. Promotion and development of enterprises is a State subject. The Central Government supplements the efforts of the State/UT Governments through various schemes, programmes and policy initiatives for promotion, development and enhancing the competitiveness of MSMEs in the country uniformly including tier 2 and tier 3 cities.

This information was given by Union Minister for MSME Shri Narayan Rane in a written reply in Lok Sabha today.