



## CHANGES IN MSME DEFINITIONS (W.E.F 1<sup>ST</sup> JULY 2020)

### New Classification of MSMEs which is either a Manufacturing or a Service enterprise -

**Micro** - Investment up to Rs. 1Cr & Turnover up to Rs. 5Cr

**Small** - Investment exceeds Rs. 1Cr but up to Rs. 10Cr & Turnover exceeds Rs. 5Cr but up to Rs. 50Cr

**Medium** - Investment exceeds Rs. 10Cr but up to Rs. 50Cr & Turnover exceeds Rs. 50Cr but up to Rs. 250Cr

*Note: - Export Turnover to be excluded from while working out above Turnover limit*



**CONSULTINGEDGE**

### Other Points -

- MSME Registration to be renamed as “Udyam Registration”
- Any Person who intends to establish a micro, small or medium enterprise may file Udyam Registration online in the Udyam Registration portal, based on self-declaration with no requirement to upload documents, papers, certificates or proof
- An e-certificate, namely, — Udyam Registration Certificate shall be issued on completion of the registration process
- **All existing enterprises registered UAM (Udyog Aadhaar Memorandum) shall register themselves again on the Udyam Registration portal on or after the 1st July 2020**
- Enterprises registered prior to 30th June 2020, shall continue to be valid only for a period up to the 31st March 2021
- Investment in Plant & Machinery or Equipment to be considered from Income Tax Return (ITR) of previous year filed. For new enterprise, where previous year ITR is not available, Investment to be considered as per self-declaration provided by Promoter of the enterprise. However, relaxation ends after enterprises files its first ITR
- Meaning of Plant & Machinery or Equipment aligned to definition as per Income Tax Act, 1961 shall include all Tangibles Assets other than Land and Building, Furniture and Fittings