

Update on MSMEs registration

(w.e.f. 01.07.2020)

*The Ministry of MSME by notification dated 26th June 2020 has updated the procedures for seeking registration as MSME. The Registration of MSMEs would going forward be called as **Udyam Registration**.*

Classification criteria for micro, small and medium enterprises under Udyam- There is a composite criteria of investment in plant and machinery or equipment and turnover for classification:

Enterprise	Investment	Turnover
Micro	≤ Rs. 1Cr	≤ Rs. 5Cr
Small	≤ Rs. 10Cr	≤ Rs. 50Cr
Medium	≤ Rs. 50Cr	≤ Rs. 250Cr

The aforesaid criteria removes the bifurcation of investment limits for Manufacturing and Service industry which were previously prevalent.

Who can register on the portal?

- **New enterprises** - Can be registered in the **Udyam registration portal** with:
 1. Aadhaar for Individuals and HUF
 2. Aadhaar + GSTIN + PAN for Others

- **Existing enterprises** - The registration done for before 30th June 2020 shall be valid for a period up to 31st of March 2021 and the enterprise needs to register again on the portal on or after the 1st day of July 2020.
- Enterprise will be assigned “Udyam Registration Number and "Udyam Registration Certificate” shall be issued

How to compute investment and turnover?

Investment includes tangible assets other than land and building, furniture and fittings:

- **For a new enterprise**, the investment based on self-declaration with the purchase value excluding GST and such relaxation to end after the 31st March of the financial year in which it files its first ITR.
- **For existing enterprises**, it will be linked to the Income Tax Return (ITR) of the previous years filed.

Turnover

- For this purpose, turnover **excludes exports** of goods or services or both
- Such information to be linked to the Income Tax return and the GSTIN.

How can we help?



For any assistance and advice, please feel free to contact Rajesh on +91 98453 48828 / +91 9632988828 or email: r.joseph@annveshan.com