

MINISTRY OF MSME SHOWS THE WAY TO MAKE MSMEs BREAK THEIR BARRIERS AND BECOME CHAMPIONS

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Industry & Services Sector incl. MSMEs and PSUs

In a historic move, bold initiative and landmark decision, Ministry of Micro, Small and Medium Enterprises (MSME) has come out with a consolidated notification in the form of guidelines for classification and registration of MSMEs. It may be recalled that Ministry had published a Notification on 1st June, 2020 with new criteria for classification of MSMEs based on Investment and Turnover. It was also said that it will be effective from 1st July, 2020.

Accordingly, the MSME Ministry has moved in advance towards implementing the new norms from the next month. For this purpose, Ministry had undertaken a series of consultations with various stakeholders including the advisory committee, officials of Income Tax, GST, State Governments and MSME Associations in the month of June.

Based on the same, MSME Ministry has issued a detailed notification on 26th June, 2020.

Udyam Registration can be filed online based on self-declaration with no requirement to upload documents, papers, certificates or proof.

Officials said that this is possible because the Udyam Registration process has been fully integrated with the Systems of Income Tax and GST and the details filled in can be verified on the basis of PAN number or GSTIN details.

Other Highlights of the Notification include:

Minister of MSME, Shri Nitin Gadkari while releasing the new guidelines today said that their new system of classification, registration and Facilitation of MSMEs will be an extremely simple and yet fast-track, seamless and globally benchmarked process and a revolutionary step towards **Ease of Doing Business**. These steps and strategies also give a strong message that the Ministry is standing strongly behind the MSMEs who are facing several challenges at this time.

Ministry officials are upbeat about these developments and say that this is making of a history in the Ministry. Others in the Ministry also say that this is one more step towards fulfillment of Ministry's commitment of making Indian MSMEs **National and International Champions** and to enable them to break their barriers and capture global markets.

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