

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 876**  
**TO BE ANSWERED ON 02.12.2021**

**NEW ELIGIBILITY CRITERIONS FOR MSMEs**

876. DR. AMAR SINGH:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the Government recognizes that the new criterion for classifying micro, small and medium enterprises based on investment and turnovers is suitably set considering the scale of such enterprises and also in light of the disruptions caused by the COVID-19 crisis, if so, the details thereof along with expected revision;
- (b) whether the Government is in some way aiding the process of meeting the new eligibility criterions of MSMEs for entrepreneurs from tier 2 and tier 3 cities, if so, the details thereof;
- (c) whether the Government has drawn an action plan to encourage more enterprises to come up, post the interruptions from multiple sudden lockdowns in the country and if so, the details thereof; and
- (d) whether the action plan is inclusive and doesn't carry with it any apparent losses of concessions consistent with the status of MSMEs?

**ANSWER**

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI NARAYAN RANE)

(a) to (d): 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.

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