

TO: ALL MEMBERS OF THE COUNCIL

Sub: Revised definition of Ministry of Micro, Small And Medium Enterprises

Dear All,

Members are aware that the GJEPC has been working for revision of MSMEs definition for the benefit of trade. The issue has been of greater relevance to MSMEs dominated G & J Sector that are engaged in high value goods; As around 85% of our G & J sector come under MSME, Council has consistently approached Ministry of MSME and Government officials at various forums for incorporating necessary modification in criteria to suit the present day requirements of the Indian Gem & Jewellery industry.

As a result, a notification dated 01.06.2020 on revised definition of MSMEs was issued in which the value of plant /machinery was substantially increased but a cap on the maximum turnover was included

Existing and Revised MSME classification as per the notification dated 1st July 2020 is given in the below table:

Existing MSME Classification			
Criteria: Investment in Plant and Machinery or Equipment			
Classification	Micro	Small	Medium
Manufacturing Enterprises	Investment < Rs. 25 lac	Investment < Rs. 5 Cr	Investment < Rs.10 Cr
Services Enterprises	Investment < Rs. 10 lac	Investment < Rs. 2 Cr	Investment < Rs. 5 Cr
Revised MSME Classification			
Composite Criteria: Investment and Annual Turnover			
Classification	Micro	Small	Medium
Manufacturing & Services	Investment < Rs. 1 Cr and Turnover < Rs.5 Cr	Investment < Rs.10 Cr and Turnover < Rs.50 Cr	Investment < Rs. 50 Cr and Turnover < Rs. 250 Cr

The notable features of the new and revised definition being the removal of distinction between Manufacturing and Service. However, the turnover criteria introduced was not suiting our G&J sector as the turnover of Rs.250 crores was too low considering the high value of the raw materials used. Hence, Council had diligently pursued with Government to exclude the export turnover criteria from the revised MSME definition dated 1st June, 2020.

We are pleased to inform you that based on GJEPC's representation and it's consistent efforts, Ministry of Micro, Small And Medium Enterprises has notified through the notification dated 26th June, 2020 that "**Exports of goods or services or both, shall be excluded while calculating the turnover of any enterprise whether micro, small or medium, for the purposes of classification**". A copy of this notification has been attached herewith for your reference.

Further, revised guidelines for "Udyam Registration" - Have also been notified. Members are requested to note that with effect from the 1st day of July, 2020, in addition to new MSME's also all existing MSME members will have to re-register themselves on Udyam Registration.



MSME booklet mentioning complete details of the same is uploaded on MSME website.

For more details please find attached the Ministry of MSME's Notification.

For further queries, please contact Ms. Mrunali. Elle, Asst. Manager, MSME, GJEPC at:

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Thanking you,
With best regards,

Sd/-

**SABYASACHI RAY
EXECUTIVE DIRECTOR**

Encl: 1. Notification on Revised MSME Definition

Click- <https://gjepc.org/download/NotificationonRevisedMSMEDefinition.pdf>

2. Udyam Registration Booklet

Click- <https://gjepc.org/download/UdyamRegistrationBooklet1.pdf>

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