

**CLARIFICATION**

**Subject: Udyam Registration: Clarification regarding Financial Year in respect of the data of Investment, Turnover and Export from the IT Department and GSTN for effecting the Classification of MSMEs -reg.**

Ministry of MSME has received a number of representations from MSMEs and industry associations and other MSME stakeholders with respect to the selection of the year of data in respect of Investment and Turnover and also of the export value for the MSME classification while registering on Udyam Portal (<https://udyamregistration.gov.in>).

2. It is brought to the notice of the enterprises/ entrepreneurs/ general public that Gazette Notification No. S.O. 2119(E) dated 26.06.2020, and subsequent to its implementation, classification of MSMEs through online UDYAM Registration Portal has been put in place with effect from 01.07.2020. Subsequently, this notification has been amended on 05.03.2021 with the objective of facilitating the exemption from the requirement of having GSTIN as per the provision of CGST Act, 2017.

3. Further, it is added that the data of Investment and Turnover either get auto filled/ fetched from the Income Tax Department and GSTN (for those enterprises who have filed IT and GST Returns) or is filed on a self-declaration basis (by those enterprises who are yet to file the IT and GST Returns). The data which gets auto filled/ fetched from the IT Department and GSTN is the data which had been finalized by the above respective Departments after rectification, wherever necessary, for the relevant Financial Year.

4. For example, for filing on Udyam Portal the Financial Year 2020-21, the data of 2018-19, in respect of Investment and Turnover from the IT Department and GSTN, were fetched/auto-populated to avoid any deviation/ dispute in such data that may affect the MSME classification. This has been adopted due to the following reason:

*For the Financial year 2018-19, the timeline for filling of IT Return was July, 2019 and time may be required for further processing. In the case of companies/ enterprises, the accounts gets audited and completed by October or November, 2019. Also, the process of GST Return for the Financial Year 2018-19 follows similar timelines. Hence, frozen data of 2018-19 has been considered for MSME registration and classification during the year 2020-21.*

5. To summarise, the following procedure has been adopted in relation to data (auto filled/ fetched) in the UDYAM Registration Portal w.e.f. 01.07.2020 onwards:-

**For Registration and Classification of MSME:**

Financial Year of Registration in Udyam Portal and classification as MSMEs	Data (Investment, Turnover and Export) taken or to be taken from IT Department and GSTN from the relevant Financial Year
2020-21	2018-19
2021-22	2019-20
2022-23	2020-21

*A. K. Tamaría*  
28.09.21  
(A.K. Tamaría)

Deputy Director (Policy)

To,

NIC-for uploading on Udyam Registration Portal of DC (MSME) website for the notice of enterprise/ entrepreneurs/ other MSME stakeholders.