



दि प्लास्टिक एक्स्पोर्ट प्रमोशन कौन्सिल
(भारत सरकार, वाणिज्य एवं उद्योग मंत्रालय, वाणिज्य विभाग द्वारा प्रायोजित)

THE PLASTICS EXPORT PROMOTION COUNCIL
(Sponsored By The Ministry Of Commerce & Industry, Deptt. Of Commerce, Government Of India)

Ref. No. Plex/cir/655

Date: 07-11-2025

To,

All Members of Plexconcil/COA Members

Dear Sir /Madam,

Subject: Clarification Regarding Reverse-Graduation due to Revised MSME Classification – S.O. 1364(E), Dated 21.03.2025.

This is to inform all members regarding the recent changes in the classification criteria for Micro, Small, and Medium Enterprises (MSMEs) as notified by the Government vide **S.O. 1364(E) dated 21.03.2025**.

As per the **Budget 2025-26**, the Government announced a revision in the investment and turnover limits for MSMEs. These revised limits have been approved by the Competent Authority and officially notified on **21st March 2025**. The new limits replace the previous classification criteria notified under **S.O. 2119(E) dated 26.06.2020**.

The notification **S.O. 1364(E)** introduces **enhanced limits of investment and turnover** for MSMEs. These enhanced limits will **come into effect from 01.04.2025 for all purposes**, including eligibility for schemes, benefits, and registrations.

Reverse-Graduation refers to the process where enterprises that were earlier classified as larger units under old limits may now **qualify as MSMEs** under the new, higher limits.

This allows certain businesses that had “graduated” out of MSME status due to previous lower limits to regain MSME status and avail associated benefits.

Implication for Members

- Members whose enterprises were previously classified above MSME limits may now fall under the MSME category.
- All members should review their classification and update relevant registrations, if required, to avail the benefits under the revised limits.

For detailed reference, members are advised to go through the Circular No. P-2025/Policy/42/Udyam (E- 4030497) dated 24.10.2025 regarding Clarification on reverse-graduation due to revised classification of MSMEs Notified vide S.O. 1364(E), dated 21.03.2025 here.

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We hope this clarification helps you understand the concept of reverse-graduation and the impact of revised MSME classification.

Best regards

Plexconcil Team