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Weekly updates

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**Ministry of MSME gears up to implement the New Norms of classification of MSMEs**

## **Ministry of MSME gears up to implement the New Norms of classification of MSMEs**

- ❖ The upper ceiling for classification of MSMEs now has been raised
- ❖ New definition and criterion notified; and will come into effect from 1st July, 2020
- ❖ Exports will not be counted in turnover for any enterprises whether micro, small or medium
- ❖ Detailed guidelines along with other clarifications and regulations being issued separately
- ❖ Handholding mechanism named “Champions” in place to assist MSMEs

**MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES****NOTIFICATION**

New Delhi, the 1st June, 2020

**S.O. 1702(E).**—In exercise of the powers conferred by sub-section (1) read with sub-section (9) of section 7 of the ‘Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) and in supersession of the notification of the Government of India, Ministry of Small Scale Industries, dated the 29<sup>th</sup> September, 2006, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section(ii), vide S.O. 1642(E), dated the 30<sup>th</sup> September 2006 except as respects things done or omitted to be done before such supersession, the Central Government, hereby notifies the following criteria for classification of micro, small and medium enterprises, namely:—

- (i) a micro enterprise, where the investment in Plant and Machinery or Equipment does not exceed one crore rupees and turnover does not exceed five crore rupees;
- (ii) a small enterprise, where the investment in Plant and Machinery or Equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees;
- (iii) a medium enterprise, where the investment in Plant and Machinery or Equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees.

This notification shall come into effect from 01.07.2020.

[F. No. 2/1(5)/2019-P&G/Policy (Pt.-IV)]

A. K. SHARMA, Secy.

# New Updates & Measures regarding MSME Sector

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- Ministry vide Gazette Id no. CG-DL-E-01062020 -219680 and S.O. 1702(E) has officially notified criteria for classification of micro, small and medium enterprise.
- The new definition and criterion will come into effect from 1st July, 2020.
- Revision in MSME definition was announced in the Atmnirbhar Bharat package on 13th May, 2020.
- The Government of India on 01.06.2020 decided for further upward revision of the MSME Definition. For medium Enterprises, now it will be Rs. 50 Crore of investment and Rs. 250 Crore of turnover.
- It has been decided to further increase the limit for medium Units. This has been done in order to be realistic with time and to establish an objective system of classification and to provide ease of doing business.
- There will be no difference between manufacturing and service sectors. Also, a new criterion of turnover is added.
- The provision of excluding the exports from counting of turnover will encourage the MSMEs to export more and more without fearing to loose the benefits of a MSME unit.

# Atmanirbhar Bharat Package Scheme for MSME

## Businesses including MSMEs

1. Rs 3 lakh crores Collateral free Automatic Loans for Business, incl MSME
2. Rs 20,000 crore Subordinate Debt for MSMEs
3. Rs 50,000 cr equity infusion through MSME Fund of Funds
4. New definition of MSMEs
5. Global tender to be disallowed upto Rs 200 crores
6. Other interventions for MSMEs
7. Rs 2500 crores EPF support for Businesses and Workers for 3 more months
8. EPF contribution reduced for Business & Workers for 3 months- Rs 6750 crores
9. Rs 30,000 crores Liquidity Facility for NBFC/HCs/MFIs
10. Rs 45,000 cr Partial Credit Guarantee Scheme 2.0 for NBFC
11. Rs 90,000 cr Liquidity Injection for DISCOMs
12. Relief to contractors
13. Extension of Registration and Completion Date of Real Estate Projects under RERA
14. Rs 50,000 cr liquidity through TDS/TCS reductions
15. Other Direct tax Measures
16. Other Direct Tax Measures

# Champions Portal for MSME

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- Ministry of MSME has reiterated that it has put in place a very strong handholding mechanism for MSMEs and new entrepreneurs in the name of Champions ([www.champions.gov.in](http://www.champions.gov.in)) launched by the Prime Minister.
- Interested Enterprises/People can take benefit of this mechanism can also put their queries or complaints.
- The CHAMPIONS is also a technological platform created to enable MSMEs to stay up to date and take benefit of information regarding latest measures, notifications and events related to it.

# CHAMPIONS

## Creation and Harmonious Application of Modern Processes for Increasing the Output and National Strength

It has been felt necessary to put up and promote a unified, empowered, robust, bundled and technology driven platform for helping and promoting the Micro, Small and Medium Enterprises (MSMEs) of the country. As the name suggests it will aim at Creation and Harmonious Application of Modern Processes for Increasing the Output and National Strength. Accordingly, the name of the system is CHAMPIONS. This is basically for making the smaller units big by helping and handholding.

### Three basic objectives of the CHAMPIONS:

1. To help the MSMEs in this difficult situation in terms of finance, raw materials, labour, permissions, etc.
2. To help the MSMEs capture new opportunities including manufacturing of medical items & accessories.
3. To identify the sparks, i.e., the bright MSMEs who can withstand at present and become national and international champions.



### WHAT'S NEW

- > Measures announced by the government under "Atmanirbhar Bharat" for MSMEs
- > PM Modi Launches CHAMPIONS: Technology Platform to empower MSMEs.
- > Production of medical equipments and Auxiliaries by MSMEs.
- > Invitation for Covid-19 related Crowd Sourcing: Making SOPs for re-start of units in various sectors.

### LATEST NEWS & EVENTS

**NEW** New Criteria for classification of micro, small and medium enterprises - GAZETTE NOTIFICATION - 1st June, 2020

**NEW** PM Modi Launches CHAMPIONS: Technology Platform to empower MSMEs

Amendment in Export Policy of Masks

COVID-19 manufacturing

### ADVISE PLEASE **NEW**

Invitation for Covid-19 related Crowd Sourcing: Making SOPs for re-start of units in various sectors... [Click for more.](#)

Posted By: Secretary MSME, Date: 14/05/2020

[Click here to give advice](#)



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## New definitions

“Enterprises” – already notified (shall come into effect from 01.07.2020):

- **Micro enterprises:** Where the investment in Plant and Machinery or Equipment does not exceed one crore rupees and turnover does not exceed five crore rupees;
- **Small enterprises:** Where the investment in Plant and Machinery or Equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees;
- **Medium enterprises:** Where the investment in Plant and Machinery or Equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees

# This is a S & B Initiative

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