

# CABINET APPROVES UPWARD REVISION OF MSME DEFINITION AND MODALITIES/ ROAD MAP FOR IMPLEMENTING REMAINING TWO PACKAGES FOR MSMES (A) RS 20000 CRORE PACKAGE FOR DISTRESSED MSMES AND (B) RS 50,000 CRORE EQUITY INFUSION THROUGH FUND OF FUNDS

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Industry & Services Sector incl. MSMEs and PSUs

In line with Government of India's top focus on energising MSMEs in the country, a special meeting of Cabinet Committee on Economic Affairs (CCEA) was convened under the Chairmanship of Prime Minister Shri Narendra Modi, here today, which approved the upward revision of MSME definition and modalities/ road map for laying down effective implementation mechanism for the remaining two announcements under the Atmanirbhar Bharat Package. These include:

## Category

**Old**

**Capital**

**Old**

**Turnover**

**New**

**Capital**

**New**

**Turnover**

Micro

25 Lakh

10 Lakh

1 Crore

5 Crore

Small

5 Crore

2 Crore

10 Crore

50 Crore

Medium

10 crore

5 Crore

50 Crore

250 Crore

With today's approval, implementation Modalities and Road Map for entire components of the Atmanirbhar Bharat Abhiyan package are in place. This will help in attracting investments and creating more jobs in the MSME sector.

In the aftermath of COVID-19 pandemic, Prime Minister Shri Modi was quick to recognise the role of MSMEs in building the Nation. As such, MSMEs formed a very prominent part of the announcements made under the Atmanirbhar Bharat Abhiyaan. Under this package, the MSME sector has not only been given substantial allocation but has also been accorded priority in implementation of the measures to revive the economy. To provide immediate relief to MSME sector, various announcements have been made under the Package. The most important ones also included:

Government of India has been taking all necessary steps to ensure that the benefit of these landmark decisions reaches to the MSMEs at the earliest. In this regard, following necessary policy decisions have been already taken and the implementation strategy has been put in place.

To manage all this, a robust ICT based system called CHAMPIONS has also been launched by the Ministry of MSME. The portal is not only helping and handholding MSMEs in the present situation, but is also providing guidance to grab the new business opportunities and in the long run, become national and international Champions.

MSME Ministry is committed to support the MSMEs, and the people who depend on them. All efforts are being made to encourage MSMEs to take benefit of the initiatives under the Atmanirbhar Bharat package and our other schemes.

**Background:**

Micro, small and Medium Enterprises (MSMEs) popularly called as MSMEs are the backbone of Indian economy. Silently operating in different areas across the country, more than 6 crore MSMEs have a crucial role to play in building a stronger and self-reliant India. These small economic engines have a huge impact on the country's GDP-making a contribution of 29 percent. They contribute to almost half of exports from the country. Additionally, more than 11 crore people are employed in the MSME sector.

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VRRK/SH

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**END**

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