Summary of the Announcements made by the Government for the MSME Sector

On 13th May, 2020

Specific to MSME Sector

Post 1

ऋण हुए आसान देखिने लगा नया आसमान! अब चैंपियन बनना आसान! Government of India announces Collateral Free Automatic Loans worth Rs.3 lakh crores for MSMEs, with:

- 100% Credit Guarantee
- 12 month moratorium on payment of principal
- No Guarantee Fee & Collaterals
- Tenor – 4 years
- To benefit 45 lakh MSME Units

Post 2

Udyam se UdyogkaNaya Bharat! Government to support Stressed MSMEs with infusion of Rs.20,000 crore equity support through Subordinate Debt

- Stressed MSMEs or MSMEs with NPA loans will be eligible
- More than 2 lakh MSMEs likely to be benefitted
- Government to infuse Rs.4000 crore in Credit Guarantee Trust Fund for MSEs

Post 3

Big boost for the MSME Sector! Fund of Funds created to infuse equity worth Rs.50,000 crore in the MSME Sector

- A Rs.10,000 crore Corpus Fund created.
- To help potential MSMEs in expansion

Post 4

Growth beyond leaps and bounds with new defined MSMEs- Distinction between manufacturing and services MSMEs removed. Investment limits revised upwardly. Criterion of turnover added.

Breaking the shackles of old definition, MSMEs to grow leaps and bounds

- **Micro enterprises** – investment upto Rs.1crore and turnover upto Rs.5 crore
- **Small enterprises** – investment upto Rs.10 crore and turnover upto Rs.50 crore
- **Medium enterprises** – investment upto Rs.20 crore and turnover upto Rs.100 crore

Post 5

Local hoga Global! In a major initiative, Global tenders to be disallowed for Government
tenders upto Rs.200 crore to enable MSMEs to participate in the Government procurement process.

**Post6**

Government of India and CPSEs to clear all receivables of MSMEs in the next 45 days

**Post7**

E-market linkages for MSMEs across the board to provide marketing opportunities.

Social Media Posts relating to other Announcements having positive impact on MSMEs.

**Post1**

Rs.2,500 crores EPF support for businesses and workers for three more months August, 2020. This will benefit more than 3.5 lakh units and 72 lakh employees.

**Post2**

Special Liquidity Scheme for Non-Banking Financial Companies, Micro-Finance Institutions, Housing Finance Companies worth Rs.30,000 crore.

**Post3**

To cater to liquidity needs of MSMEs, Partial Credit Guarantee Scheme 2.0 for NBFCs worth Rs.45000 crore introduced. Government of India to bear the first 20% of loss.

**Post4**

Major Relief to Contractors

All Central Agencies like Railways, Ministry of Road Transport & Highways, Central Public Works Dept, etc. to grant extensions of contracts up to 6 months without costs to contractor.

**Post5**

Expediting refunds to partnerships, proprietorship & LLPs will help the MSMEs immensely.