

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

On 13th May, 2020

Specific to MSME Sector

Post1

ऋण हुए आसान देखिने लगा नया आसमान! अब चैपयिन 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

Post2

Udyam se Udyogka Naya 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

Post3

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

Post4

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.1 crore 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

Post5

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.