

Revision in classification criteria for MSMEs

Currently, over 1 crore registered MSMEs, employing 7.5 crore people, and generating 36 per cent of our manufacturing, have come together to position India as a global manufacturing hub. With their quality products, these MSMEs are responsible for 45 per cent of our exports. To help them achieve higher efficiencies of scale, technological upgradation and better access to capital, the investment and turnover limits for classification of all MSMEs will be enhanced to 2.5 and 2 times respectively. This will give them the confidence to grow and generate employment for our youth.

Rs. in Crore	Investment		Turnover	
	Current	Revised	Current	Revised
Micro Enterprises	1	2.5	5	10
Small Enterprises	10	25	50	100
Medium Enterprises	50	125	250	500

Significant enhancement of credit availability with guarantee cover

- To improve access to credit, the credit guarantee cover will be enhanced:
 - For Micro and Small Enterprises, from ` 5 crore to 10 crore, leading to additional credit of ` 1.5 lakh crore in the next 5 years;
 - For Startups, from ` 10 crore to 20 crore, with the guarantee fee being moderated to 1 per cent for loans in 27 focus sectors important for Atmanirbhar Bharat; and
 - For well-run exporter MSMEs, for term loans up to ` 20 crore.

Credit Cards for Micro Enterprises

- We will introduce customized Credit Cards with a ` 5 lakh limit for micro enterprises registered on Udyam portal. In the first year, 10 lakh such cards will be issued.

Fund of Funds for Startups

- The Alternate Investment Funds (AIFs) for startups have received commitments of more than ` 91,000 crore. These are supported by the Fund of Funds set up with a Government contribution of ` 10,000 crore. Now, a new Fund of Funds, with expanded scope and a fresh contribution of another ` 10,000 crore will be set up.

Scheme for First-time Entrepreneurs

1. A new scheme will be launched for 5 lakh women, Scheduled Castes and Scheduled Tribes first-time entrepreneurs. This will provide term loans up to ` 2 crore during the next 5 years. The scheme will incorporate lessons from the successful Stand-Up India scheme. Online capacity building for entrepreneurship and managerial skills will also be organized.

Measures for Labour-Intensive Sectors

1. To promote employment and entrepreneurship opportunities in labour-intensive sectors, our Government will undertake specific policy and facilitation measures.