

TABLE OF GOVERNMENT RELIEF MEASURES FOR MICRO-SMALL-MEDIUM ENTERPRISES

SN	RELIEF MEASURES	DETAILS OF RELIEF																								
1.	Digital Portal for assisting MSMEs	<p>The Government has recently launched an online portal called 'CHAMPIONS' at http://www.champions.gov.in/ which stands for Creation and Harmonious Application of Modern Processes for Increasing the Output and National Strength.</p> <p>This Portal aims to facilitate and support MSMEs and help them to resolve their grievances.</p>																								
2.	Changes in definition of MSME under the Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 (the Act)	<p style="text-align: center;"><u>Earlier classification of MSME under Section 7 of the Act</u></p> <p style="text-align: center;">Criteria: Investment in Plant & Machinery or Equipment</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Classification of Enterprise</th> <th style="text-align: center;">Micro</th> <th style="text-align: center;">Small</th> <th style="text-align: center;">Medium</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Industry</td> <td style="text-align: center;"><u>Investment</u> < Rs. 25 Lakhs</td> <td style="text-align: center;"><u>Investment</u> > Rs. 25 Lakhs, but < Rs. 5 Crores</td> <td style="text-align: center;"><u>Investment</u> > Rs. 5 Crores, but < Rs. 10 Crores</td> </tr> <tr> <td style="text-align: center;">Services Enterprise</td> <td style="text-align: center;"><u>Investment</u> < Rs. 10 Lakhs</td> <td style="text-align: center;"><u>Investment</u> > Rs. 10 Lakhs, but < Rs. 2 Crores</td> <td style="text-align: center;"><u>Investment</u> > Rs. 2 Crores, but < Rs. 5 Crores</td> </tr> </tbody> </table> <p>The persons intending to establish a micro/small/medium enterprise have to file an Entrepreneurs Memorandum with the District Industries Centre in their area.</p> <p style="text-align: center;"><u>Revised classification of MSME</u></p> <p>The Central Government has decided to revise the definition of MSME, wherein the <u>investment and annual turnover limits would be raised</u> and the classification between manufacturing and service sector would be eliminated. But the amendment to the Act is yet to be passed.</p> <p style="text-align: center;">Criteria: Investment and Annual Turnover</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Classification of Enterprise</th> <th style="text-align: center;">Micro</th> <th style="text-align: center;">Small</th> <th style="text-align: center;">Medium</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Manufacturing or services Enterprise</td> <td style="text-align: center;"><u>Investment</u> < Rs. 1 Crore</td> <td style="text-align: center;"><u>Investment</u> < Rs. 10 Crores</td> <td style="text-align: center;"><u>Investment</u> < Rs. 20 Crores</td> </tr> <tr> <td></td> <td style="text-align: center;"><u>Turnover</u> < Rs. 5 Crores</td> <td style="text-align: center;"><u>Turnover</u> < Rs. 50 Crores</td> <td style="text-align: center;"><u>Turnover</u> < Rs. 100 Crores</td> </tr> </tbody> </table>	Classification of Enterprise	Micro	Small	Medium	Industry	<u>Investment</u> < Rs. 25 Lakhs	<u>Investment</u> > Rs. 25 Lakhs, but < Rs. 5 Crores	<u>Investment</u> > Rs. 5 Crores, but < Rs. 10 Crores	Services Enterprise	<u>Investment</u> < Rs. 10 Lakhs	<u>Investment</u> > Rs. 10 Lakhs, but < Rs. 2 Crores	<u>Investment</u> > Rs. 2 Crores, but < Rs. 5 Crores	Classification of Enterprise	Micro	Small	Medium	Manufacturing or services Enterprise	<u>Investment</u> < Rs. 1 Crore	<u>Investment</u> < Rs. 10 Crores	<u>Investment</u> < Rs. 20 Crores		<u>Turnover</u> < Rs. 5 Crores	<u>Turnover</u> < Rs. 50 Crores	<u>Turnover</u> < Rs. 100 Crores
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3.	Special Liquidity Package	<p>A special economic and comprehensive Package of Rs 20 Lakh Crore has been announced for reviving the economy. The said Package would also focus on cottage industry, MSMEs, middle class sector, industries, etc.</p>
4.	Emergency Working Capital Facility	<p>Those following businesses including MSMEs, are eligible for borrowing additional loan of 20% of their outstanding credit as on 29-02-2020, to finance their daily business operations:</p> <p>i. They already have an outstanding loan of up to Rs. 25 Crores with a bank or a non-banking financial company (NBFC), and</p> <p>ii. They have a turnover of up to Rs 100 Crores.</p> <p>Such additional loan would be available in the form of a term loan, at lower rates of interest.</p> <p>Further, the said borrowers need not provide any guarantee or collateral of their own to the creditors, as the Government would provide a credit guarantee of Rs. 3.0 Lakh Crores to such creditors.</p>
5.	Subordinate Debt to stressed MSMEs	<p>Those MSMEs that are stressed or are non-performing assets (NPAs) for banks, can avail subordinate debt from banks.</p> <p>Subordinate debts rank below other debts and are repayable after other debts have been repaid, in case the borrower goes into liquidation.</p> <p>The Government has made a provision for Rs. 20,000 Crores subordinate debt for two Lakh stressed MSMEs.</p>
6.	Ban on global tenders for Government procurement	<p>The Government has decided not to allow foreign parties to apply for Government tenders valued at less than Rs 200 Crores, in order to provide opportunity to MSMEs to compete and supply goods and services for Government tenders.</p>
7.	Government contribution to Employees' Provident Fund	<p>Under the Pradhan Mantri Garib Kalyan Yojana (PMGKY), the Government would contribute 12% of employer's salary and 12% of employee's salary to Employees' Provident Fund (EPF) for the salary months of June, July and August 2020.</p> <p>This Scheme is applicable to those employers who have employed up to 100 people and whose 90% of the employees draw wages less than Rs. 15000.</p>
8.	Reduced EPF contribution by employer-employee	<p>EPF is a fund contributed by both employer and employee on a regular basis. Earlier, the employer and the employee used to contribute 12% each of the employee's salary to EPF.</p> <p>But now, the Government has reduced the statutory contribution by both employer and employee towards EPF to 10% each for next 3 months, so that the take-home salary of employees is higher than before.</p>

9.	Government investment in securities market	<p>As per various newspaper reports, a number of NBFCs, housing finance companies and micro-finance institutions, etc have not been able to raise money in debt markets.</p> <p>But the Government has now decided to invest up to Rs 30,000 Crore in the primary and secondary market transactions, in investment grade debt papers of such finance institutions, that are relatively at low risk of default.</p>
10.	Sovereign guarantee to public sector banks	<p>In order to encourage borrowings by low rated NBFCs, housing finance companies and micro-finance institutions, etc, the Government has decided to provide 20% first loss sovereign guarantee of up to Rs. 45,000 Crores, to public sector banks. This is to partially guarantee the repayments of loan by such finance institutions to public sector banks.</p>
11.	Liquidity injection for power distribution companies	<p>The Power Finance Corporation and Rural Electrification Corporation of the Government of India, have decided to inject up to Rs 90,000 Crores in power distribution companies (DISCOMS) in two equal instalments, so that DISCOMS can pay their dues to transmission and generation companies.</p>
12.	Relief to contractors of Government contracts	<p>The Central Government agencies including Railways, Ministry of Road Transport and Highways, and Central Public Works Department of India (CPWD) would give extension of up to 6 months to contractors, for completion of their contractual obligations, in respect of engineering, procurement and construction (EPC) contracts and concession agreements, etc.</p>
13.	Relief for real estate project completions	<p>The Government has decided to extend the deadline for completion of real estate projects for a period of 6 months, which may be further extended, if required.</p> <p>The State Governments have been advised to invoke the force majeure clause under Real Estate (Regulation and Development) Act, 2016 as amended thereof (RERA), that may allow extension of the registration granted to a project.</p> <p>This would help to protect the interests of the builders, as they would get extra time to complete the construction and would not have to pay any penalty for delayed work.</p>
14.	Tax reliefs	<p>The Government has decided to give the following tax reliefs:</p> <ol style="list-style-type: none"> i. The due date of all Income Tax Returns for Assessment Year 2020-21 would be extended to 30-11-2020. ii. The tax deducted at source (TDS) rates for payments, other than salary, to residents, and tax collected at source rates would be reduced by 25 percent of the rates specified for each category of product or service, for the remaining period of FY 20-21.