

VDA BULLETIN- 05

Topic - New Definition of MSME

Date – 09th June, 2020

Definition of MSME has been recently changed by the Government.

According to new definition, MSME are defined and Classified based on the following criteria of Investment in Plant and Machinery and Turnover:-

Sr.No	Type of Enterprises	Investment in Plant and Machinery or Equipment	Turnover
1	Micro enterprises	Less than Rs.1 Crore	Less than Rs.5 Crore
2	Small enterprises	Less than Rs.10 Crore	Less than Rs.50 Crore
3	Medium enterprises	Less than Rs.50 Crore	Less than Rs.250 Crore

Further , the Government has removed the difference between the definition of Manufacturing-based MSMEs and Service-based MSMEs.

This move will strengthen the MSME Sector and its growth.