



SPONSORED BY THE MINISTRY OF COMMERCE & INDUSTRY

Ref. No: GJEPC/MSME Definition/2020-21

4th June, 2020

To,

All the Members of the Council

Dear Members,

Sub: Revision in MSME Definition (w.e.f. 01.07.2020)

Members are aware that the GJEPC has been working on revision of MSMEs definition for the cause of trade. The issue has been of greater relevance to MSMEs dominated G & J Sector that are engaged in high value goods; the composite criteria with turnover cap recently proposed during press briefing by the Finance Minister, Gol, being more restrictive, needed suitable modifications to accommodate current business realities including investment value, Turnover etc;

The Council leadership therefore had to put their concerted efforts in co-ordination with various stakeholder, trade bodies, like FIEO, FICCI etc; through MoC&I for incorporating necessary modification in criteria proposed by FM on MSME definition. Upon extensive consultations including GJEPC, we are pleased to advise that the Government has announced revision in composite criteria after accommodating trade/ Council representations on investment value and turnover etc; the revised definition notified on 01.06.2020, approved by the Government in a special meeting of Cabinet Committee on Economic Affairs (CCEA) under the Chairmanship of Prime Minister, will be effective from 1st July 2020, is given below:

(Amt in Rs)

| Category | Old Capital | Old Turnover | New Capital | New Turnover |
|----------|-------------|--------------|-------------|--------------|
| Micro | 25 Lakh | 10 Lakh | 1 Crore | 5 Crore |
| Small | 5 Crore | 2 Crore | 10 Crore | 50 Crore |
| Medium | 10 Crore | 5 Crore | 50 Crore | 250 Crore |

The notable features of the new and revised definition being the distinction between Manufacturing and Service has been removed and export turnover is not factored.

Members may please note that the above definition is as per the PIB, Release dated 2nd June, 2020. However, specific inclusion of exemption of export sales was omitted in the subsequent gazette notification by the Govt., dated 1st June, 2020. Council is pursuing with the Govt. for clarification on omission of the same in the gazette notification.

रत्न तथा आभूषण निर्यात संवर्धन परिषद् | The Gem & Jewellery Export Promotion Council

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Members are requested to take a note of above revision in MSME definition.

Members may refer/download PIB release dated 2nd June, 2020 on Council's Website: www.gjepc.org

Encl : [PIB Release MSME Classification June 2020](#)

Thanking you.

With best regard,

Sd/-

SABYASACHI RAY
EXECUTIVE DIRECTOR

रतन तथा आभूषण निर्यात संवर्धन परिषद | The Gem & Jewellery Export Promotion Council

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