

Proposed changes in MSME definition

June 3, 2020

MSME stands for Micro, Small, and Medium Enterprises in accordance with the Micro, Small, and Medium Enterprises Development (MSMED) Act in 2006, the enterprises are classified into two manufacturing enterprises and Service enterprises.



This act defined MSMEs based on the investments in the plants and machinery.

- **Proposed changes**



- Classification criteria of MSMEs from “investment in plant and machinery” to “annual turnover.”
- There will be no distinction between manufacturing and service enterprises.