

Ministry of Finance



## INVESTMENT AND TURNOVER LIMITS FOR CLASSIFICATION OF ALL MSMEs TO BE ENHANCED TO 2.5 AND 2 TIMES RESPECTIVELY

CREDIT GUARANTEE COVER FOR MICRO AND SMALL  
ENTERPRISES ENHANCED FROM 5 CRORE TO 10  
CRORE

10 LAKH CUSTOMIZED CREDIT CARDS WITH A 5 LAKH  
LIMIT FOR MICRO ENTERPRISES REGISTERED ON  
UDYAM PORTAL TO BE INTRODUCED IN THE FIRST  
YEAR

NEW FUND OF FUNDS of Rs. 10,000 CRORE TO BE SET  
UP FOR START-UPS

A NEW SCHEME TO PROVIDE LOANS UP TO 2 CRORE  
DURING THE NEXT 5 YEARS FOR 5 LAKH WOMEN,  
SCHEDULED CASTES AND SCHEDULED TRIBES FIRST-  
TIME ENTREPRENEURS TO BE LAUNCHED

EXPORT PROMOTION MISSION TO FACILITATE EASY  
ACCESS TO EXPORT CREDIT AND SUPPORT MSMEs TO  
TACKLE NON-TARIFF MEASURES IN OVERSEAS  
MARKETS ANNOUNCED

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The Union Budget 2025-26 sees the next five years as a unique opportunity to realize 'Sabka Vikas', stimulating balanced growth of all regions and achieving the goal of Viksit Bharat.

The Union Budget defines MSMEs as one of the powerful engines for the story of development and the proposed development measures supports MSMEs to accelerate growth and secure inclusive development.

### **Revision in classification criteria for MSMEs**

While presenting the Union Budget 2025-26 in Parliament today, the Union Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman said “To help MSMEs 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.” The details are in Figure 1.

She further said that 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     |

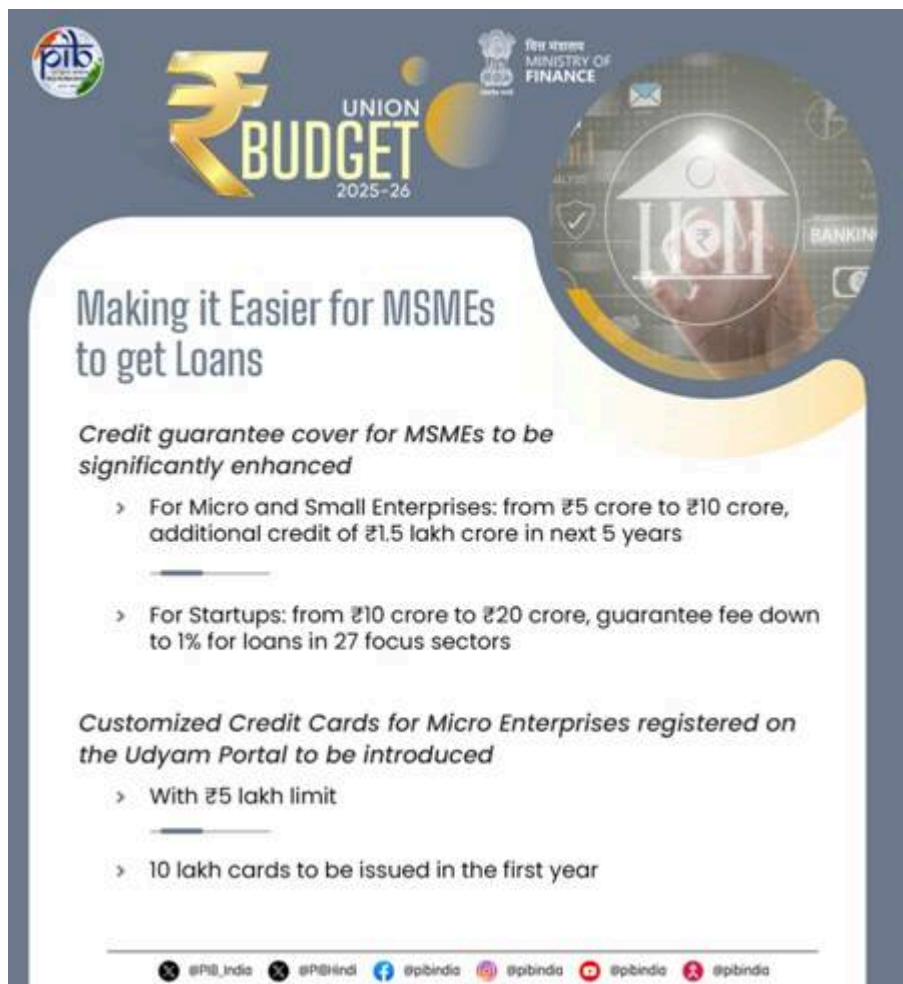
(Figure 1)

Union Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman stated that 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. She also remarked “With their quality products, these MSMEs are responsible for 45 per cent of our exports.”

### **Significant enhancement of credit availability with guarantee cover**

Union Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman said that 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**

Union Minister Smt. Nirmala Sitharaman announced that customized Credit Cards with a 5 lakh limit for micro enterprises registered on Udyam portal will be introduced. She further remarked that in the first year, 10 lakh such cards will be issued.

### **Fund of Funds for Startups**

In her Budget speech, Union Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman said, “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.” She announced that 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**

Union Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman announced that a new scheme will be launched for 5 lakh women, Scheduled Castes and Scheduled Tribes first-time entrepreneurs. She informed that this will provide term loans up to 2 crore during the next 5 years. In her speech she said, “The scheme will incorporate lessons from the successful Stand-Up India scheme. Online capacity building for entrepreneurship and managerial skills will also be organized.”



The graphic features the Union Budget 2025-26 logo with a large Rupee symbol and the text 'UNION BUDGET 2025-26'. To the right is a circular inset image of a woman in an orange sari working on a laptop. The text 'Powering Entrepreneurship' is prominently displayed. Below it, a headline reads 'New Fund of Funds for Startups to be set up'. A bullet point states: 'Fresh contribution of another ₹10,000 crore, in addition to existing government contribution of ₹10,000 crore'. A 'Did You Know?' box mentions that Alternate Investment Funds (AIFs) for startups, supported by the Fund of Funds, have received commitments of more than ₹91,000 crore. Another headline reads 'New Scheme for 5 lakh Women, Scheduled Castes and Scheduled Tribes first-time entrepreneurs'. Two bullet points follow: 'To provide term loans up to ₹2 crore during next 5 years' and 'To provide online capacity building for entrepreneurship and managerial skills'. At the bottom, social media handles for PIB India are listed.

**Powering Entrepreneurship**

**New Fund of Funds for Startups to be set up**

- > Fresh contribution of another ₹10,000 crore, in addition to existing government contribution of ₹10,000 crore

**Did You Know?**

Alternate Investment Funds (AIFs) for startups, supported by Fund of Funds, have received commitments of more than ₹91,000 crore

**New Scheme for 5 lakh Women, Scheduled Castes and Scheduled Tribes first-time entrepreneurs**

- > To provide term loans up to ₹2 crore during next 5 years
- > To provide online capacity building for entrepreneurship and managerial skills

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### **Deep Tech Fund of Funds**

Union Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman informed that a Deep Tech Fund of Funds will also be explored to catalyze the next generation startups as a part of this initiative.

### **Export Promotion Mission**

Union Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman stated that an Export Promotion Mission, with sectoral and ministerial targets, driven jointly by the Ministries of Commerce, MSME, and Finance will be set up. She also informed that the Mission will facilitate easy access to export credit, cross-border factoring support, and support to MSMEs to tackle non-tariff measures in overseas markets.

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**NB/KS/SK/RJ**

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