BUDGETARY ANALYSIS FOR 2021-22 ON MSME SECTOR

Team TRD

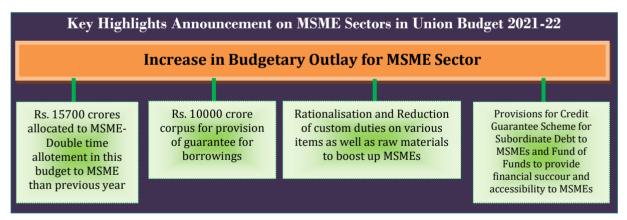
Micro, Small and Medium Enterprises (MSME) sector is one of the essential part and parcel for achieving socio-economic growth in India.

In the Union Budget 2021-22 on 1st February 2021 Hon'ble Finance Minister, Mrs Nirmala Sitharaman has announced multiple proposals for *MSMEs* to increase push towards *Atmanirbhar Bharat (self-reliant India)* by promoting domestic enterprises.

The vision of the Union Budget 2021-22 is to extend the goal of Atmanirbhar Bharat by increasing self-reliance and India's ability to become a global manufacturing hub across sectors.









Changes to the Companies Act, 2013 to help MSMEs

- 1. A revised definition of Small Companies under Companies Act, 2013 has been declared by increasing their thresholds for
 - ➤ Paid-up capital from "not exceeding Rs 50 Lakh" to "not exceeding Rs. 2 Crore"
 - Turnover from "not exceeding Rs. 2 Crore" to "not exceeding Rs. 20 Crore".
- 2. Incentivizing the incorporation of one-person companies ('OPC') by
 - Allow OPC to go without restrictions on turnover and capital.
 - OPCs can convert to any other entity.
 - Reducing the residency limit for an Indian citizen to set up an OPC from 182 days to 120 days.
 - (d) NRIs can incorporate OPCs.

For Infrastructural development of MSMEs F.M has announced several measures

Funding will be increased for the **National Infrastructure Pipeline** to implement the following actions:

- Creation of institutional structures:
- Promotion of asset monetization, and
- Enhancing the share of capital expenditure in central and state budgets.

Last but not least, Micro, small and medium Enterprises (MSMEs) are the growth accelerators of the Indian economy, However, skilled and trained manpower is one of the main pillar for sustained growth in long run for any industry. In this connection F.M has announced realignment of National Apprenticeship Training Scheme (NATS) for providing post education apprenticeship, training of graduates and diploma holders in Engineering which will increase employability boost up MSMEs and Start Ups and elevate Indian Economy to become global.