

Bill Summary

The Micro, Small and Medium Enterprises (Amendment) Bill, 2015

- The Micro, Small and Medium Enterprises (Amendment) Bill, 2015 was introduced in the Lok Sabha by the Minister for Micro, Small and Medium Enterprises, Mr. Kalraj Mishra on April 20, 2015. The Bill amends the Micro, Small and Medium Enterprises Act, 2006. The Act classifies and regulates enterprises as micro, small and medium enterprises.
- The Bill seeks to increase the allowance for investment in plants and machinery in micro, small and medium enterprises. Key provisions of the Bill include:
- The limit of investment in plant or machinery for enterprises engaged in the manufacture or production of goods, and the limit of investment in equipment for enterprises engaged in services has been increased. Changes in allowance made under the Act are given in Tables 1 and 2.

Table 1: Comparison of investment limits for enterprises in manufacture/production (in Rs)

Type of Enterprise	MSME Act, 2006	MSME Bill, 2015
Micro	25 lakh	50 lakh
Small	25 lakh to 5 crore	50 lakh to 10 crore
Medium	5 crore to 10 crore	10 crore to 30 crore

Table 2: Comparison of investment limits for enterprises providing services (in Rs)

Type of Enterprise	MSME Act, 2006	MSME Bill, 2015
Micro	10 lakh	20 lakh
Small	10 lakh to 2 crore	20 lakh to 5 crore
Medium	2 crore to 5 crore	5 crore to 15 crore

- The central government may change these investment limits, up to three times the specified limits, through a notification.
- Under the Act, the central government may classify micro, tiny or village enterprises as small enterprises. The Bill seeks to extend this to allow the classification of micro, tiny or village enterprises as small as well as medium enterprises.

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