

Standing Committee Report Summary

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

- The Micro, Small and Medium Enterprises (MSME) (Amendment) Bill, 2015 was introduced in Lok Sabha by the Minister for Micro, Small and Medium Enterprises, Mr. Kalraj Mishra on April 20, 2015. The Bill seeks to amend the MSME Act, 2006. The Act classifies and regulates enterprises as micro, small and medium enterprises.
- The Bill seeks to: (i) increase the allowance for investments in MSMEs, and (ii) allow the central government to classify micro, tiny or village enterprises as small or medium enterprises based on their turnover and employment.
- The Standing Committee on Industry (Chair: Mr K.C. Tyagi) submitted its report on the Bill on August 5, 2015. The Committee adopted the Bill without any changes. However, it made some broad recommendations:
- **Definition of Village Industries:** The Bill seeks to allow the central government to classify village industries as medium enterprises. Enterprises under the MSME Act are defined on the basis of investment, whereas under the Khadi Village Industries Commission (KVIC) Act, 1988, they are defined on the basis of investment in land and building. It recommended that the definition of village industries, which is currently not included in the Act, be included in order to avoid confusion in its interpretation.
- **Miscellaneous:** The Committee recommended that more government schemes should be made accessible to micro enterprises, especially for the unregistered micro sector. It also stated that if registration is required for availing of government schemes, it should be done in a convenient and non-intrusive manner.
- The Committee, in an earlier report (245th), had examined the implementation of the Act and identified certain issues in that regard. It recommended that its suggestions be incorporated in any future amendments of the Act. A summary of the Committee's recommendations in the 245th report may be found [here](#).

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