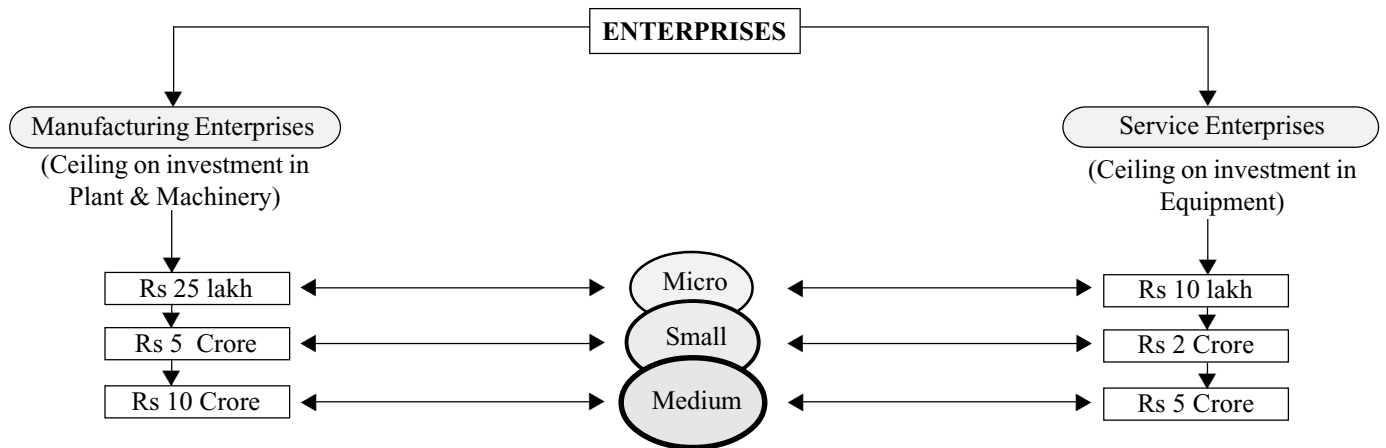


THE MICRO, SMALL & MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006 BECOMES OPERATIONAL FROM 2 OCTOBER 2006

Heralding the commencement of renewed efforts for facilitating promotion and development and enhancing the competitiveness of micro, small and medium enterprises

NEW NOMENCLATURE AND CLASSIFICATION OF MSME



Salient Features

Definitions	Memorandum	Statutory Frame
<ul style="list-style-type: none"> ❖ Defines “Enterprise” instead of “Industry” to give due recognition to the Service Sector. ❖ Pride of place to Micro Enterprises. ❖ Investment ceiling for Manufacturing Small Enterprises raised to Rs 5 Crore. ❖ Defines “Medium Enterprises” to facilitate technology upgradation and graduation 	<ul style="list-style-type: none"> ❖ Two-stage registration process of SSI substituted with optional filing of memorandum with District Industries Centres (DICs) by all micro and small enterprises ❖ Filing of memorandum by Medium enterprises rendering services also optional. ❖ Filing of memorandum by manufacturing medium enterprises with District Industries Centres (instead of the Central Government) 	<ul style="list-style-type: none"> ❖ Provides statutory basis (legally enforceable) to Procurement Preference Policies of Central & State Govts. for goods & Services provided by micro & small enterprises. ❖ Strengthens the legal provisions to check delayed payment to micro and small enterprises. ❖ Representatives of enterprises Associations included in the MSE Facilitation Councils for adjudicating on cases of delayed payment. ❖ Provision for ensuring timely and smooth flow of credit to MSMEs. ❖ All Schemes/Programmes of assistance being notified under the Act. ❖ Provides for a statutory National Board for Micro, Small & Medium enterprises to advise the Central Government on matters under the Act.