Substitution of the term 'Micro and Small Enterprises' in place of term 'Small Scale Industries' in the documents -req.

A small scale industry (SSI) was earlier defined under the provisions of Industries [Development & Regulation] Act, I(D&R) Act 1951. However, after the implementation of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, the term industry is replaced with enterprise and categorized into two categories i.e. manufacturing and service. Each of these categories are classified into micro, small and medium enterprises. This classification has been provided in section 7(1) of the MSMED Act, 2006 and also notified vide Notification No.S.O.1642 (E) dated 29.9.2006 (copy enclosed). The erstwhile 'small scale industries' (SSIs) has been equated with micro and small enterprise (MSE) as defined in MSMED Act, 2006.

2. The Principal Notification No.S.O.857(E) dated 10.12.1997 issued under the provision of I(D&R) Act, 1951 for classification of Small Scale Industries has since been rescinded, after the implementation of MSMED Act, 2006, vide Notification No.S.O.563(E) dated 27.2.2009 (copy enclosed).

3. This office has received references that the term ‘Small Scale Industry’ (SSI) is still being used in the statutes/rules/notifications/guidelines/instructions etc. wherein schemes/programmes/facilities/incentives etc. have been provided for MSEs. This is creating problems for micro and small enterprises as the transformation of the term ‘small scale industry’ into ‘micro and small
enterprises' has not taken place in the above documents. Lack of awareness about this change at the operational level of the Government machinery of the Centre/State has further added to the problem.

4. It is, therefore, requested that necessary amendments in terminology, as above, may kindly be made in all documents concerned to avoid problems for MSE sector.

5. Further, with the implementation of MSMED Act 2006, the earlier process of SSI registration has been done away with and a new procedure of filing of Entrepreneurs' Memorandum has been introduced in accordance with section 8 of the MSMED Act. However, some of the statutes/rules/notifications/guidelines/instructions etc. still prescribe for permanent SSI registration instead of EM acknowledgement for eligibility under schemes/programmes/facilities/incentives etc. meant for micro and small enterprises. The same may kindly be amended accordingly in the documents concerned.

6. To sum up, it is requested to substitute the term micro and small enterprise (MSE) in place of small scale industry (SSI) and EM acknowledgement in place of permanent SSI registration in the statutes/rules/notifications/guidelines/instructions etc. as detailed above.

Action taken in this regard may kindly be communicated to this office for record.

Encl.: as above

(P.K. Sinha)
Dy. Director (MSME Pol.)

To

As per mailing list.