

# MSME Development (Amendment) Bill, 2026



## Salient Features

UDYAM



- Composite twin criterion for classification of MSMEs based on '**turnover**' and '**investment in plant and machinery or equipment**' made part of the Act.
- Udyam Portal accorded permanence as a national digital platform for free and voluntary registration of MSMEs.



- For all Central Public Sector Enterprises, routing of settlement of invoices through TReDS made compulsory for procurement of goods and services from MSMEs.
- States empowered to adopt similar provision for their Public Sector Enterprises.



- Facilitates State Governments to establish additional Micro and Small Enterprises Facilitation Councils for faster disposal of disputes.

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- Prescribes stringent timelines for MSE Facilitation Councils to ensure faster adjudication of delayed payment disputes.



- Ensures recovery of payments of MSEs by allowing the arbitral award to be recovered as arrears of land revenue.



- Facilitates faster payments for MSEs. Empowers the courts to order for payment at least fifty per cent. of the awarded amount to the MSEs suppliers, if appeal is pending for more than six months



- Decriminalises offences by replacing conviction-based fines with graded penalties and only warning at the first instance.