

F.No. A-54/76/2014-SME
Government of India
Ministry of Micro, Small and Medium Enterprises
(SME Section)

Udyog Bhawan, New Delhi.
Dated 14th June, 2023.

To
All Chief Secretaries
State/Union Territory Governments

Subject: Role of NSIC as 'Supplier' and not 'Buyer' and 'Co-Applicant along with MSE units' for applicability of interest on delayed payment Under the MSMED Act, 2006 — Reg.

Sir/Madam,

The National Small Industries Corporation Ltd (NSIC), a CPSE under the Ministry of Micro, Small & Medium Enterprises (MSME) is engaged in facilitating MSMEs through its various Marketing schemes, such as Consortia & Tender Marketing Scheme to provide marketing support for Micro & Small Enterprises.

2. Accordingly in the MSMED Act, 2006, NSIC has been defined as a Supplier under its Section 2(n) sub clause (i). NSIC at no stage becomes the beneficiary or buyer or end user of the goods being supplied by the MSEs to the PSUs and other Govt. Departments. NSIC acts only as a Facilitator in bringing together MSEs (the supplying units) and various buyers.

3. It is also further clarified that NSIC is not classified as 'Buyer' in terms of Section 15 & 16 of the MSMED Act 2006 for the purpose of interest on delayed payments. The PSUs or other Govt. Departments being beneficiary buyer of the goods or services are responsible for making payment of the goods or services supplied by MSEs and also for the interest on delayed payment to MSEs in terms of Section 15 & 16 of MSMED Act, 2006.

4. In this connection, this is to reiterate that wherever PSUs or Government Departments are not making the payments on time, the MSEs as an applicant (having Udyam Registration Number) may file claim in the MSE Facilitation Council to claim the interest on delayed payment against the beneficiary buyer. Therefore, NSIC being a Facilitator and supplier on behalf of MSEs, shall act as Co-Applicant of MSE Units for filing the interest claim along with MSE Units and not to be treated as a Buyer. The above may kindly be circulated to all Departments, PSUs pursuing MSME growth in your state.

Yours faithfully,



(Mercy Epao)

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Copy for information and necessary action to:

- 1) Secretaries to Ministries/Departments of the Government of India, with a request to issue necessary instructions to their concerned Offices/CPSEs for compliance.
- 2) Secretary Industries, State Governments/Union Territories.
- 3) Secretary, Department of Public Enterprises, CGO Complex, Lodhi Road, New Delhi with a request to issue suitable instructions to all Public Undertakings under Government of India.
- 4) Development Commissioner (MSME), Nirman Bhawan, New Delhi.
- 5) CMD, NSIC, Okhla Industrial Estate, New Delhi.