



Day 21/09/2019

To,  
**Shri Mansukh Mandaviya**  
Union Minister of State for Shipping and  
Union Minister of State for Chemical and Fertilizers  
New Delhi

**Durgesh V. Buch**  
President

**Natubhai Patel**  
Sr. Vice President

**Bhargav Thakkar**  
Vice President

**Sanjeev Chhajer**  
Secretary

**Dilip M. Padhya**  
Secretary (R)

**Pathik S. Patwari**  
Treasurer

**SUB: CLARIFICATION IN MSME ACT 2006 FOR WORKS CONTRACT & ALL CONSTRUCTION SERVICES ARE INCLUDED FOR GETTING BEINFITS OF ALL SECTIONS INCLUDING CHAPTER V OF THE MSME ACT 2006.**

Respected Sir,

We are Apex body for Industry & Commerce, having ADRC (Alternate Dispute Resolution Center) also for, the MSFC Council of Gujarat / other state. MSFC Council Gujarat have sent references U/s 18(3) of MSME Act 2006 of Delayed Payments mostly resulting out of Services provided through CONSTRUCTION SERVICES/ Construction- industry / WORKS CONTRACTS ( i.e. All works of combination of good supply and services ).

The Problem is of receiving many queries from our members and many registered MSME that many sections are not getting benefits on ground that they are works contract (*i.e. combination of goods-supply and services*) for various issues like non process or objection for delay payments adjudication under CHAPTER V DELAYED PAYMENT TO MICRO SMALLL ENTERPISES U/s 15 to 25 of the MSME Act 2006, and other relevant provision and polices under the MSME Act 2006.

The Effect caused by problem is all delay payment matters before all MSFC Council & increased unwanted litigation for provisions under Chapter V of adjudication of Delay Payments Cases. **Furthermore** Thousands of Micro- Small Enterprises with valid registration & who are trying/can take advantage of various sections under the Act-2006: Section: 10: Credit Facilities. Section 11, Section: 12: Funds. Section: 13: Grants. & Section: 15 to 25: Delayed Payments to Micro & Small Enterprises. Etc. are not getting proper benefits of the MSME Act 2006 and polices under the same, this is giving huge rise to sickness, increase NPA in the sector, and affecting the economy directly.



Our Chamber so urgently seek Clarification on behalf of the Micro Small Enterprises of Gujarat and India holding valid SSI /EM-II /Udyog Adhar for solution of the Problem to avoid the vast Effect. Total nearly 90% transactions **are works contract which are combination of goods and services**. The not granting of such advantages and diluting the definition will defeat the purpose and object of the MSME Act. So please clarify that **works contract- (combinations of goods and services)** all polices and all sections of MSME Act 2006 SHALL apply to such transaction in India.

The Solution and Request:

Please give urgent Clarification Order or Circular or notification u/s 31 of MSME Act or u/o 16 of PPP 503 Dt 26/3/2012 or Clarification that the D.O. No.2 (3)11/2007- MSME POL dated. 16.11.2007 applies to all policies and no negative list for all policies under the Act. Further to avoid confusion also please clarify **MAKING APPLICABILITY OF All Construction Works / WORKS CONTACTs ( i.e. All works of combination of good supply and services )** being covered under MSME Act FOR ALL POLICIES AND WHOLE MSME ACT 2006 , in interest of justice and public at large. Requested to be taken our matter please oblige.

Further take up the matter with concerned MSME Central Ministry/Department to do the needful in interest of Micro, Small & Medium Enterprises of Gujarat.

Thanking you,

Yours faithfully,

**Durgesh Buch**  
President