

सुरेन्द्र नाथ त्रिपाठी, भा.प्र.से.  
अपर सचिव एवं विकास आयुक्त (सू.ल. और म.उ.)

**Surendra Nath Tripathi, IAS**  
Additional Secretary & Development Commissioner (MSME)



**MSME**  
सूक्ष्म, लघु एवं मध्यम उद्यम मंत्रालय

भारत सरकार

सूक्ष्म, लघु एवं मध्यम उद्यम मंत्रालय  
निर्माण भवन, नई दिल्ली-110108

GOVERNMENT OF INDIA  
MINISTRY OF  
MICRO, SMALL & MEDIUM ENTERPRISES  
NIRMAN BHAWAN, NEW DELHI-110 108

D.O. No.4/2(2)/2017-MSME Pol.

6<sup>th</sup> March, 2017

Dear Shri *Sharma ji*

Kindly refer to your D.O. No.29805/IES/2/2016 dated 01.02.2017 regarding clarification in respect of filing of references with MSEFC claiming interest alone even though the principal amount due to the supplier was already settled.

2. In this regard, it is informed that section 15 to 25 of the MSMED Act, 2006 (under chapter V) deals with the provisions of delayed payment to MSE units. The provision under the Act does not bar claiming of interest by the supplier of unit. On the other hand, section 16 reads as:

"Where any buyer fails to make payment of the amount to the supplier, as required under section 15, the buyer shall, notwithstanding anything contained in any agreement between the buyer and the supplier or in any law for the time being in force, be liable to pay compound interest with monthly rests to the supplier on that amount from the appointed day or, as the case may be, from the date immediately following the date agreed upon, at three times of the bank rate notified by the Reserve Bank".

3. As you are aware that MSEFCs are semi-judiciary in nature and established by State Government/UTs as per the provisions u/s 20, 21 and 30 of the MSMED Act. The MSEFCs are competent authority to take decisions in respect of cases related to delayed payment to MSEs. In view of this, MSEFC in your State may take a decision as per the provisions of the MSMED Act or seek legal opinion, as deemed fit.

With regards, *Sir*

Yours sincerely,

*[Signature]*  
(Surendra Nath Tripathi)

Shri Ambuj Sharma, IAS  
Additional Chief Secretary  
Industries Commissioner and Director  
of Industries and Commerce  
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