Subject: Categorization of activities under manufacture or service under the MSMED Act 2006 -reg.

References were received by this office for clarification on categorization of activities under manufacturing or service. These were examined under the provisions of MSMED Act 2006 and it is clarified:

A) Activities considered as manufacturing:
   i) Seed Processing (for genetic enhancement).
      (Involving collection of germplasm, cleaning, gravity separation, chemical treatment etc.)
   ii) Composite unit of Poultry with Chicken (Meat) Processing
      [Poultry Farm without Chicken (Meat) Processing shall not be classified either as manufacturing or as service enterprise because this is a farming activity]

B) Activities considered as Service:
   i) Medical Transcription Service,
   ii) Production of T.V. Serial and other T.V. Programmes,
   iii) Ripening of Raw Fruits under controlled conditions,
      [Subject to norms prescribed by Food Safety and Standards Authority of India,
      (Ministry of Health and Family Welfare, Government of India)]
   iv) Service Rating Agency
      (Rating and grading services across sectors based on set methodology and standards)

2. This supercedes all earlier clarifications issued in this regard.

3. Credit to Micro, Small and Medium Enterprises (MSMEs) by financial institutions are as per guidelines/instructions issued by Reserve Bank of India from time to time.

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

To
1. Principal Secretaries/ Secretaries, I/c of matters of MSMEs, All States/UTs,
2. Chairman, NABARD, Mumbai,
3. Chairman & Managing Director, SIDBI, Lucknow,

Contd...2/-
4. Chairman, Indian Bank Association, Mumbai,
5. Dy. Governor, RBI, Mumbai,
6. Chairman & Managing Directors, Commercial Banks and Financial Institutions including State Financial Corporations as per mailing list,
7. Chairman & Managing Director, NSIC, New Delhi,
8. Commissioner/Director of Industries/ I/c of matters of MSMEs, All States/UTs,
9. Director/Dy. Director, I/c MSME Dis/ Br. MSME Dis, All States/UTs,
10. President, Associations of MSMEs, as per mailing list.
11. President, ICAI, P.B. No. 7100, ICAI Bhavan, IP Estate, New Delhi-110104
12. CEO, Credit Guarantee Fund Trust for MSEs, 7th Floor, SME Development Centre, C-11, G Block, Bandra, Kurla Complex, Bandra (East), Mumbai-51

Copy to:
1. Director, MSME DI, Narsapur X Road, Balanagar, Hyderabad-500 037 (AP) - for information w.r.t. their letter No. D(SI/H/EI82(1)/2008-09/3455 dated 10.11.2010
4. Shri. B. Ravinder Rao, H.No.16-3-892/2, Fort Road, Warangal, Andhra Pradesh-506002 w.r.t. his letter dated 03.1.2011
5. Shri. T.Sujani Devi, H.No.16-3-785/1, Ekalshinanagar, Fort Road, Warangal, Andhra Pradesh-506002 w.r.t. her letter dated 03.1.2011.

(P.K. Sinha)