5(6)/2/2009-MSME POL

Dated 21.7.2009

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) Separation of iron scrap from slag pots.
   ii) Generation of electricity through windmill.*

(* the activity was earlier classified as service activity vide this office letter No. 5(2)/(1)/2008 MSME Pol. dated 4.11.2008, however, in the light of the amendment in the definition of the manufacturing enterprises vide notification No. S.O.199(E) dated 16.1.2009, the activity is re-classified a manufacturing activity under MSMED Act 2006.)

B) Activities considered as Service:
   i) Educational Institutions
   ii) Development of Software and providing software services

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

Yours faithfully,

(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,
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