

Ref No. 106/3738

19 Dec. 2008

Shri Madhav Lal, I.A.S,
AS & DC MSME,
Ministry of Micro, Small and Medium Enterprises,
Govt of India
Nirman Bhawan, 7th Floor
Maulana Azad Road, New Delhi-110108

Subject: Withdrawal of the facility of the exemption of security deposit to MSME's by the Railway Board.

Dear Sir,

Small Scale Industries registered with NSIC are exempted from depositing security Money upto the monitory limits for which the unit is registered for supplying materials to the Govt Bodies/Undertakings.

We regret to inform you that the Railway Board has withdrawn the facility of the exemption of Security deposit vide their letter No. 2004/Rs(G)/779/11 dt. 15.10.2008(Copy enclosed at **Annexure-I**).

We are also enclosing a letter of M/s Frontier Metaprod (India) Pvt. Ltd which they have written to the Branch Manager, NSIC Kanpur highlighting their problem for your kind reference at **Annexure-II**.

In the past several such instances has happened and several departments are repeatedly violating the policies of Govt. specially meant for MSME Sector.

We are approaching you with the request that this matter may be taken up forcefully at appropriate level so that such violations are effectively stopped and MSME Sector is promoted to contribute fully in the Socio Economic development of the Country.

Thanking you,

Yours truly,

D.S. Verma
Executive Director