

Ref.No.106/7877

Dated: 18.08.2009

To,

Shri Dinesh Rai, I.A.S
Secretary,
Ministry of Micro, Small & Medium Enterprises,
Govt. of India,
Room No. 170, Udyog Bhawan,
New Delhi

Sub:- Case of delayed payment and exploitation of MSME by big corporate.

Sir,

We refer to the meeting of President, IIA with you on 10.08.2009 in Delhi, wherein the issue of delayed payment to MSME was discussed. As desired by you, we are submitting a live case of exploitation and inordinate delay in making the payments by M/s Leadcom Integrated Solutions Project Office India Ltd., B-1, Defence Colony, New Delhi to one of our member M/s Premier Rolling & Forging Works (P) Ltd., Aish Bagh Industrial Area, Lucknow (U.P). The brief description of the case is as under :-

1. M/s Leadcom Integrated Solutions Project office India Ltd. placed a purchase order for Horizontal Cable Tray, 300m on 14 Nov, 08 with M/s Premier Rolling Forging Work (P) Ltd. The material was supplied to them on 18th Nov, 08 and accordingly, bill for Rs.2,12,670/-, dated 18.11.2008 was submitted. **Copies of the purchase order, challan & bill are enclosed at Annexure-I.**
2. M/s Leadcom Integrated Solutions Project office India Ltd. placed another purchase order for 400 mounts on 31.12.2008, with M/s Premier Rolling Forging Work (P) Ltd. However, the transit form for 100 mounts was sent by M/s Leadcom on 17th Jan, 09 and the material was supplied on 20th Jan, 09. Accordingly, bill for Rs. 3,40,000/-, dated 20.01.2009 was submitted. **Copies of the purchase order, challan & bill are enclosed at Annexure-II.**

The remaining 300 Mounts, as per order, were also manufactured and were ready for dispatch by 27th Jan, 2009. M/s Leadcom Integrated Solution Project Office India Ltd.were requested by M/s Premier Rolling Forging Work (P) Ltd., to advise for the delivery of the remaining 300 Mounts through E-mail, dated 27th Jan, 2009. **Photocopy of E-mail is enclosed at Annexure III for ready reference.**

Since then, M/s Premier Rolling & Forging Works (P) Ltd., which is a Small Scale Unit, has been requesting M/s Leadcom Integrated Solution Project Office India Ltd. for lifting the balance quantity of 300 Mounts, ordered by them and making the payment. M/s Leadcom Integrated Solutions Project Office India Ltd. is not lifting the balance ordered quantity (300 Mounts).

Against the earlier supplied materials to M/s Leadcom Integrated Solutions Project Office India Ltd, they have made short payment of Rs. 4,00,000/- . Huge inventory of Rs. 10,20,000/-, being the inventory of 300unlifted Mounts, is blocked with M/s Premier Rolling & Forging Works (P) Ltd. as the same is not yet lifted by M/s Leadcom Integrated Solutions Project Office India Ltd.

As such, the SSI unit is suffering a loss of more that Rs. 14 lacs for more than 8 months now (Rs. 10,20,000/- inventory cost of finished product, not being lifted by M/s Leadcom Integrated Solutions Project Office India Ltd and about Rs. 4,00,000/- of short payment against earliest supplies).

This sample case is submitted for your kind information and necessary suitable action, please.

Thanking you,

Yours faithfully,

D.S.Verma
Executive Director