

Government of India

Ministry of Commerce and Industry

Department of Industrial Policy and Promotion

PRESS NOTE NO. 4

(2000 SERIES)

Subject:- Reduction in the investment limit on SSI/ancillary undertakings - clarification of - regarding.

The new investment limit in fixed assets in plant and machinery in respect of small scale/ancillary industrial undertakings has been notified vide Order No.S.O.1288(E), dated 24th December, 1999. Subsequently, doubts raised by the individual entrepreneurs, SSI units, State Governments etc. have been clarified vide Press Note dated 14th March, 2000.

2. Still, a doubt has been raised as to whether the time limit of 180 days mentioned in para 2(iii) of the Press Note dated the 14th March, 2000 is applicable to the new units which have got provisional registration with the State authorities for their SSI status, based on the notification dated 10.12.97.

3. It is now clarified that the units that have obtained provisional registration on the basis of the notification dated 10th December, 1997 and have taken concrete steps for implementing the project such as preparation of project report, sanction of loan, purchase of land, civil construction, placement of orders for plant and machinery, etc. prior to 24th December, 1999 would continue to enjoy the SSI status so long as the investment in plant and machinery does not exceed Rs.300 lakh, notwithstanding the revised investment limit of Rs.100 lakh notified on 24th December, 1999.

(N. Ganapathi)

Deputy Secretary to the Govt. of India