



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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RBI/2017-18/21

FIDD.MSME & NFS.BC.No.10/06.02.31/2017-18

July 13, 2017

All Scheduled Commercial Banks
(Excluding Regional Rural Banks)

Dear Sir / Madam,

Investment in plant and machinery for the purpose of classification as Micro, Small and Medium Enterprises – documents to be relied upon

Please refer to our [Master Direction FIDD.MSME&NFS.3/06.02.31/2016-17 dated July 21, 2016](#) on 'Lending to Micro, Small & Medium Enterprises (MSME) Sector' together with notification [No. S.O. 1722\(E\) dated October 5, 2006](#) issued by Ministry of MSME, GoI, New Delhi. In terms of para 2 of the said notification, while calculating the investment in plant and machinery, the original price thereof, shall be taken into account, irrespective of whether the plant and machinery are new or second hand.

2. In this regard, Ministry of MSME, GoI, vide their Office Memorandum (OM) F. No. 12(4)/2017-SME dated March 8, 2017, have clarified that for ascertaining the investment in plant and machinery for classification of an enterprises as Micro, Small and Medium, the following documents could be relied upon:

- (i) A copy of the invoice of the purchase of plant and machinery; or
- (ii) Gross block for investment in plant and machinery as shown in the audited accounts; or
- (iii) A certificate issued by a Chartered Accountant regarding purchase price of plant and machinery.

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हिंदी आसान है, इसका प्रयोग बढ़ाइये

“चेतावनी - :रिज़र्व बैंक द्वारा मेल, डाक, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्तिगत जानकारी जैसे बैंक के खाते का ब्यांर, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।”

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3. Further, the Ministry has clarified that for the investment in plant and machinery for the purpose of classification of an enterprise as Micro, Small or Medium, the purchase value of the plant and machinery is to be reckoned and not the book value (purchase value minus depreciation).

4. In terms of OM F. No. 12(4) / 2017 – SME dated May 31, 2017, issued by the Ministry, the effective date for the above provision would be from the date MSMED Act, 2006 came into force and not prospectively. Further, the above provisions would be applicable to section 7 (1) (a) and section 7 (1) (b) of the MSMED Act, 2006 i.e. enterprises engaged in manufacturing of goods and rendering of services as well.

Yours faithfully

(Uma Shankar)
Chief General Manager-In- Charge