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

In fulfilment of the aspirations of individual SSI units and SSI associations, Government have decided to reduce the investment limit on plant and machinery in respect of SSI/ancillary industrial undertakings from Rs.3 crore to Rs.1 crore. This decision has been notified vide Order No.S.O.1288(E), dated 24th December, 1999.

2. Subsequently, there have been many queries from the individual entrepreneurs, SSI units, State Governments etc. seeking clarifications on the status of SSI units set up prior to the issue of order dated the 24th December, 1999. The matter has been carefully considered and the position is clarified as under:-

(i) units that have obtained permanent registration based on the order dated 10th December, 1997 would continue to remain as SSI units, in spite of the order dated 24th December, 1999, reducing the investment limit to Rs.1 crore;

(ii) units which had switched over to the SSI status based on the order dated 10th December, 1997 would continue to remain as SSI units, in spite of the order dated 24th December, 1999; and

(iii) units which have got provisional registration with the State authorities for their SSI status would continue to remain as SSI units, in spite of the order dated 24th December, 1999, provided the provisional registration had taken place within the period of limitation of 180 days specified in the order dated 10th December, 1997.

3. This is for information of all concerned.
( N. Ganapathi )
Deputy Secretary to the Govt. of India

F.No.10(6)/97-IP(Vol.III) New Delhi, the 14th March, 2000.