RAJASTHAN FINANCIAL CORPORATION
(Credit Appraisal Section-1)

Udyog Bhawan
Tilak Marg
Jaipur-302005

Ref. RFC/LA-13(2)/194

CIRCULAR
(CAS No. 22...

Reg: Documents to be relied upon for ascertaining the investment in plant & machinery for MSME classification

The SIDBI vide its Circular dated 08.08.2017 (copy enclosed as Annexure 'A') has circulated the instructions/guidelines issued by the RBI vide its letter/circular dated 13.07.2017 (copy enclosed as Annexure 'B') regarding documents to be relied upon for ascertaining the investment in plant & machinery for MSME classification.

All concerned are advised to take a note of it and act accordingly.

(Anoop Khinch)  
Managing Director

Encl: as above

Copy to:
1. All BOs/SOs/FC
2. Standard Circulation at HO
3. Manager(Management Services) for hoisting on Website
परिपक्व एक्टर.संध्या.01 / 2017-18

Circular FII No.07/2017-18

मोहदाया / प्रिय मोहदाया
Madam / Dear Sir,

एमएसपीएम वर्गीकरण के लिए संबंध और मशीनरी में निवेश को सुनिश्चित करने हेतु विश्वसनीय दस्तावेज़-

Documents to be relied upon for ascertaining the investment in plant & machinery for MSME classification

भारतीय रिजर्व बँक मे अपने परिपक्व संदेह से. आर्थिक/2017-18/21
एक्टर.संध्या.एमएसपीएम & एमएसपीएम.बी.सी.स.10/06.02.31/2017-18 दिनांक जुलाई 13, 2017 में एमएसपीएम वर्गीकरण के लिए संबंध और मशीनरी में निवेश को सुनिश्चित करने हेतु विश्वसनीय दस्तावेज़ के संबंध में अनुदेश जारी किया है। उक्त पत्र की प्रति इसके साथ चुनौती संदेह हेतु संलग्न है। यह पत्र आर्थिक/2017 के वैलिडाइट पर भी उपलब्ध है।

Reserve Bank of India vide its Circular with Ref. No. RBI/2017-18/22 FIDD.MSME & NFC.BC.No.10/06.02.31/2017-18 dated July 13, 2017 has Issued instructions on documents to be relied upon for ascertaining the investment in plant & machinery for MSME classification. A copy of the letter is enclosed herewith for ready reference. The same is also available at the website of RBI.

अतः, आपके अनुरोध है कि इस संबंध में आर्थिक/दस्तावेज़ जारी अनुदेश /दिशानिर्देशों का कार्य से अनुसरण /निरंतर नियंत्रण पाना है। संबंधित दिशानिर्देश निदेशक भागल की अगली बैठक में सूचना एवं आवश्यक 

दर्शनियों के लिए प्रस्तुत किए जाएंगे।

You are, therefore, requested to strictly follow / implement / adhere to the instructions/ guidelines issued by RBI in this regard. The guidelines in the matter may be placed at the next meeting of the Board of Directors for information and necessary action.

भवदाया / Yours faithfully,

[एस.एस. बक्शी/ S.S Bakshee]

महाप्रबंधक / General Manager

संलग्न - यथास्थित
Encl: As above
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.
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