Dear Friends,

[b]What is the Definition of Small Scale Industries (SSI) with regards to requirements of Schedule VI as, "The names of SSI undertakings to whom the company owe any sum together with interest outstanding for more than 30 days, are to be disclosed", and requirements of CARO under section 209 (1) (d) in respect of maintenance of cost records?[/b]

:)

Paresh Bhagwat 10 May 2007
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The One Says:

This is covered by Industrial Regulations and in my view the amount invested in Plant and Machinery of the unit is the criterion for SSI which is 5 crore at the moment (as far as I know)

Correct me if I am mistaken......

Shiv Prakash

The Govt. has given various concessions to small scale industries (SSI). The most important notification giving these concessions is notification No.
8/2003 dated 1-3-2003 under central excise law. SSI is a units whose turnover is less than Rs. 4 crores are eligible for the concessions. If SSI unit does not avail Cenvat on inputs, turnover upto Rs 100 lakhs is fully exempt. If SSI unit avails Cenvat on inputs, it has to pay full normal duty on all its clearances.

by Shivprakash
shivprakash_chaurashia@yahoo.com

The One Says:

Dear friend Shiv Prakash please check the latest Micro, Small & Medium Scale Enterprises Development Act, 2006. In my opinion we should consider this definition while checking for SSI Balances due for more than 30 days. Please clarify your opinion on this point.

Shiv Prakash

THE ONE (whatever and who ever you are) but you are totally wrong that act just gives what is a SME. it has nothing to do with SSI. So you please read that act 5 times and then give advices IS THAT ALRIGHT AND OK.

by Shivprakash chaurasia
shivprakash_chaurashia@yahoo.com
The One Says:

Dear friend Shiv Prakash no need to get so worked up.

The question is how should we decide what is a Small Scale Industry ... what better source than Micro, Small & Medium Scale Enterprises Development Act, 2006. Here is why the new law was introduced. SSIs had no legal backing without it except for 2 sections of I (D&R) Act, 1951. Therefore as stated by the Ministry there was a need to define what is a Micro, what is a Small and what is a Medium Scale Industry. The act effectuates the limits of investments in a two-fold manner to indicate the classification as follows up: Micro upto Rs.25 lakh, Small: from Rs.25 lakh to Rs. 5 cr., and Medium: from Rs. 5 cr. to Rs.10 cr. for investments in Plant and Machinery (this is for product category) and Micro: up to Rs.10 lakh, Small: from Rs.10 lakh to Rs. 2 cr. and Medium: from Rs. 2 cr. To Rs. 5 cr. (this is for service category).

From the above one can conclude that to determine what is a SSI one can safely use the Micro, Small & Medium Scale Enterprises Development Act, 2006 or the I (D&R) Act, 1951. I suggest using the Specific instead of the Generic which is a sound rule of law

Please read what the original question was and then give your opinion. (you seemed to have jumped the gun and given CENVAT rules rather than interpretation of what an SSI is for Schedule VI). I would also kindly request you to refrain from giving me advice on how many reading iterations of the
Act I need. If I had to guess I would say that you my friend have never read the Act. For future posts by you my friend stick to professional conduct.

THE one whoever your are and whatever you are :::
NOW YOU ARE TOTALLY CONFUSED YOURSELF....... the question is what is SSI ??? RIGHT.... OK

so question si settled that QUESTION IS What is SSI?? right ....

so the said act gives
Section 7 of the Micro, Small & Medium Scale Enterprises Development Act, 2006:-
7.
1) Notwithstanding anything contained in section 11B of the Industries (Development and Regulation) Act, 1951, the Central Government may, for the purposes of this Act, by notification and having regard to the provisions of sub-sections (4) and (5), classify any class or classes of enterprises, whether
proprietorship, Hindu undivided family, association of persons, co-operative society, partnership firm, company or undertaking, by whatever name called,

(a) in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the Industries (Development and Regulation) Act, 1951, as –

(i) a micro enterprise, where the investment in plant and machinery does not exceed twenty five lakh rupees;

(ii) a small enterprise, where the investment in plant and machinery is more than twenty five lakh rupees but does not exceed five crore rupees; or

(iii) a medium enterprise, where the investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees;

(b) in the case of the enterprises engaged in providing or rendering of services, as –

(i) a micro enterprise, where the investment in equipment does not exceed ten lakh rupees;
(ii) a small enterprise, where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees; or

(iii) a medium enterprise, where the investment in equipment is more than two crore rupees but does not exceed five crore rupees

SO NOW I AM CLEAR THAT NOWHERE HERE MENTIONED SINGLE WORD ABOUT SMALL SCALE INDUSTRIES........

So now you tell me "[i][i]genralia spelicibus[i][i] how to apply the special term over special term.

now u read it 5 time once again bye bye..

from shiv prakash chaurasia

The One Says:

Shiv Prakash do not just copy and paste stuff give it an interpretation. The Act defines enterprise as "means an industrial undertaking or a business concern or any other establishment, by whatever name called, engaged in the manufacture or production of goods, in any manner, pertaining to any
industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 or engaged in providing or rendering of any service or services".

Also how about answering the question and enlightening us about what is an SSI for the purposes of Schedule VI in your opinion.

The One Adds:

Yeah let me add that the SSIs are required to submit an IEM in Part A and Part B. A perusal of this would provide sufficient evidence as to whether a unit is a SSI. (May be Messier Shiv Prakash would have a different opinion though ....... I await it)

Suggestion: Why don't we have a cordial discussion I am sure you are capable of it. I don't claim to be a genius. I am a mere mortal. I make mistakes (not in this case since clearly you did not read the question), everyone does ... why I am sure you may have made a few in your time. There is no need to launch any personal attacks here ..... at least I don't see the need to do that. I use a pseudonym and I am sure many here do what's wrong with that.

I sincerely await your reply hopefully this time a bit more benign but that is up to you. I hold no animosity or grudges my friend and I am sure you don't want to either but your comments portray you that way. In case you further your aggressive intentions then consider this conversation over. On the other hand a fruitful constructive one is welcome. SHARE don't try and SCARE.
WELL WELL THE ONE "my friend" (i hope so),
You should agree that Schedule 6 of the companies act straight forward ask
for the o/s balance from SSI. (I think i am right and sure i am) SO now please
tell me weather 3 different classifications are needed to be made viz. MICRO ,,medium and small enterprises under the main heading of SSI.????????
I am still very very confident that since the CENVAT notification categorically
and specifically uses the definition and language itself very very clearly
mention as to what is a SSI...... so i stick to that point and MAY i be pleased to
enlighten u and all that SSI would still be an enterprise having turnover of 4
crore limits as mentioned in that notification.

MAY now you be please to answer weather now a person needs to make 3
different classifications viz. micro,medium and small for the purpose of SSI
and ask each and every of his debtor / creditor to give amount of plant and
machinery.????????????????

I have heard and read that ACT and i do know what that act means and why
was is created NOW ......I HOPE I HAVE GIVEN ENOUGH interpretation to it
and not just cpoied and pasted the STUFF.

I put an end to this conversation from my end with following for u :-
SUGGESTION :::: with a kind prescription stop using that nortorious and
crooked "THE ONE" and show ur name to all and secondly please read that act
now 10 time with the background material from the official gazette of india
to get the interpretation AND DO not confuse other without sound
knowledge. (RIGHT BOY/GIRL whatever u are)

bye bye
from shivprakash chaurasia