



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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RBI/2012-13/354

RPCD.MSME & NFS. BC. No. 54/06.02.31/ 2012-13

December 31, 2012

The Chairman/Managing Director/
Chief Executive Officer
All Scheduled Commercial Banks
(excluding Regional Rural Banks)

Dear Sir / Madam

Revision in existing investment limits in plant and machinery / equipment for lending to Micro Enterprises in the 40:20 proportion

In terms of paragraph II (i) of the Priority Sector [Circular RPCD.CO.Plan.BC 13/04.09.01/2012-13 dated July 20, 2012](#), 40 percent of total advances to micro and small enterprises sector should go to Micro (manufacturing) enterprises having investment in plant and machinery up to Rs.5 lakh and micro (service) enterprises having investment in equipment up to Rs.2 lakh; and 20 percent of total advances to micro and small enterprises sector should go to Micro (manufacturing) enterprises with investment in plant and machinery above Rs. 5 lakh and up to Rs.25 lakh, and micro (service) enterprises with investment in equipment above Rs.2 lakh and up to Rs.10 lakh.

2. We have been receiving representations from banks that in view of increase in price index and cost inputs, there is a case to revisit the limits within the overall ceiling of Rs.25 lakh for micro enterprises as defined in the MSMED Act. The matter was discussed in the 14th Standing Advisory Committee meeting held on November 21, 2012 wherein it was decided to revise the existing guidelines. Consequently, the existing ceiling of lending to Micro enterprises in the 40:20 proportions has since been revised, as detailed in the **Annex**, with immediate effect.

3. You are requested to issue suitable instructions to your branches / controlling offices for meticulous compliance.

4. Please acknowledge receipt.

Yours faithfully,

(C.D. Srinivasan)

Chief General Manager

ग्रामीण आयोजना और ऋण विभाग, केंद्रीय कार्यालय, 10वीं मंजिल, केंद्रीय कार्यालय भवन, मुंबई 400 001,

टेलिफोन /Tel No: 91-22-22661000 फैक्स/Fax No: 91-22-22621011/22610948/22610943 ई-मेल/ Email

ID:cgmincrpcd@rbi.org.in

Rural Planning & Credit Department, Central Office, 10th Floor, C.O. Building, Post Box No.10014 Mumbai -400 001

हिंदी आसान है, इसका प्रयोग बढ़ाइये

"चेतावनी: - रिज़र्व बैंक द्वारा, डाक, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्तिगत जानकारी जैसे बैंक के खाते का ब्यौरा, 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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| Sector | Existing sub targets for lending to MSE sector | Revised sub targets for lending to MSE sector |
|---------------------------------|--|--|
| Micro & Small Enterprises (MSE) | <p>(ii) 40 percent of total advances to micro and small enterprises sector should go to Micro (manufacturing) enterprises having investment in plant and machinery up to <u>Rs.5 lakh</u> and micro (service) enterprises having investment in equipment up to <u>Rs. 2 lakh</u>;</p> <p>(ii) 20 percent of total advances to micro and small enterprises sector should go to Micro (manufacturing) enterprises with investment in plant and machinery above <u>Rs.5 lakh</u> and up to Rs.25 lakh, and micro (service) enterprises with investment in equipment above <u>Rs.2 lakh</u> and up to Rs.10 lakh</p> | <p>(ii) 40 percent of total advances to micro and small enterprises sector should go to Micro (manufacturing) enterprises having investment in plant and machinery up to <u>Rs.10 lakh</u> and micro (service) enterprises having investment in equipment up to <u>Rs. 4 lakh</u>;</p> <p>(ii) 20 percent of total advances to micro and small enterprises sector should go to Micro (manufacturing) enterprises with investment in plant and machinery above <u>Rs.10 lakh</u> and up to Rs.25 lakh, and micro (service) enterprises with investment in equipment above <u>Rs.4 lakh</u> and up to Rs.10 lakh</p> |