



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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RPCD.SME & NFS.No.BC. 90 /06.02.31/2009-10

June 29, 2010

**The Chairman/ Managing Directors/
Chief Executive Officer**
All Scheduled Commercial Banks

Dear Sir

Recommendations of the Prime Minister's High Level Task Force on MSMEs

As per extant instructions contained in para 1.3 and para 2.1.3 of the Master Circular on lending to Micro, Small and Medium Enterprises (MSME) sector banks are advised to ensure that:

- (a) 40 per cent of the total advances to MSE 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;
- (b) 20 per cent of the total advances to MSE 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. (Thus, 60 per cent of MSE advances should go to the micro enterprises).

2. In terms of the recommendations of the Prime Minister's Task Force on Micro, Small and Medium Enterprises (MSMEs) (Chairman: Shri T K A Nair) constituted by the Government of India banks are advised as under:

- i. Achieve a 20 per cent year-on-year growth in credit to micro and small enterprises to ensure enhanced credit flow;
- ii. The allocation of 60% of the MSE advances to the micro enterprises is to be achieved in stages viz. 50% in the year 2010-11, 55% in the year 2011-12 and 60% in the year 2012-13 and
- iii. Achieve a 10% annual growth in number of micro enterprise accounts.

ग्रामीण आयोजना और ऋण विभाग, केन्द्रीय कार्यालय, 10वीं मंजिल, केन्द्रीय कार्यालय भवन, शहीद भगतसिंह मार्ग, पोस्ट ऑफिस सं.10014,
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हिंदी आसान है, इसका प्रयोग



3. It is further advised that banks should open more MSE focused branch offices at different MSE clusters which can also act as Counselling Centres for MSEs. Each lead bank of a district may adopt at least one MSE cluster.
4. You are requested to issue suitable instructions to your controlling offices/branches for strict compliance in this regard and submit an Action Taken Report to us by July 2010.
5. Please acknowledge receipt.

Yours faithfully

(B P Vijayendra)

Chief General Manager