



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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RBI/2009-10/409

RPCD.CO.RRB.No. 76 /03.05.33/2009-10

April 21, 2010

The Chairman

All Regional Rural Banks (RRBs)

Dear Sir,

Priority Sector Lending - Advances to Micro and Small Enterprises engaged in exports

Please refer to our circular [RPCD.CO.RRB.BC.No. 20/03.05.33/2007-08](#) dated August 22,2007 on lending to priority sector, in terms of which finance granted by banks to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act,2006,is eligible for classification under priority sector.

2. Some banks have sought clarification in respect of classification of loans granted to micro and small enterprises engaged in exports, under priority sector. The issue has been examined and it is clarified that loans granted by RRBs to micro and small enterprises (MSE) (manufacturing and services) are eligible for classification under priority sector, provided such enterprises satisfy the definition of MSE sector as contained in MSMED Act, 2006, irrespective of whether the borrowing entity is engaged in export or otherwise.

3. The export credit granted to MSEs may be reported separately under heading "Export credit to micro and small enterprises sector".

4. Please acknowledge receipt of the circular.

Yours faithfully

(R.C.Sarangi)

Chief General Manager

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हिन्दी आसान है , इसका प्रयोग बढ़ाइये।