



## **Policy pertaining to MSE sector**

(An extract of Bank's Board approved Retail Asset Policy)

### **Priority sector**

The Bank will adhere to the guidelines prescribed by RBI from time to time with respect to meeting the priority sector targets as well as direct and indirect agricultural targets. The bank shall set up a focused team to develop agricultural and related assets.

Bank shall extend credit facilities to Micro, Small & Medium Enterprises as per the guidelines prescribed by RBI from time to time.

MSME comprises of Manufacturing Sector & Services Sector.

### **Manufacturing Sector**

Manufacturing sector refers to enterprises engaged in manufacture or production, processing or preservation of goods. The definition of Micro, Small and Medium Enterprises under the Manufacturing sector is as below:

- i. A Micro Enterprise is an enterprise where investment in plant and machinery [original cost excluding land and building and the items specified by the Ministry of Small Scale Industries vide its notification No. S.O. 1722(E) dated October 5, 2006] does not exceed Rs. 25 lakh.
- ii. A Small Enterprise is an enterprise where the investment in plant and machinery [original cost excluding land and building and the items specified by the Ministry of Small Scale Industries vide its notification No. S.O. 1722(E) dated October 5, 2006] is more than Rs.25 lakh but does not exceed Rs.5 crore.
- iii. A Medium Enterprise is an enterprise where the investment in plant and machinery (original cost excluding land and building and the items specified by the Ministry of Small Scale Industries vide its notification No. S.O. 1722(E) dated October 5, 2006) is more than Rs.5 crore but does not exceed Rs.10 crore.

**Services Sector**

Services sector refers to enterprises engaged in providing or rendering of services. The definition of Micro, Small and Medium Enterprises under the Services sector is as below:

- i. A Micro Enterprise is an enterprise where the investment in equipment does not exceed Rs.10 lakh
- ii. A Small Enterprise is an enterprise where the investment in equipment is more than Rs.10 lakh but does not exceed Rs.2 crore and
- iii. A Medium Enterprise is an enterprise where the investment in equipment is more than Rs.2 crore but does not exceed Rs.5 crore.

Bank shall ensure Restructuring / Rehabilitation of credit facilities to potentially viable Sick units / Enterprises from Micro, Small & Medium Enterprises as per the Guidelines prescribed by RBI from time to time.

The Restructuring / Rehabilitation of Sick units / Enterprises shall be by way of allowing extended tenor for loans / facilities already extended by the bank and for which payment pattern is not as desired by the bank or are irregular as per norms defined by the bank from time to time.

Bank shall facilitate Non-discretionary One Time Settlement for recovery of Non-performing loans / facilities extended to Micro, Small & Medium Enterprises as per the Guidelines prescribed by RBI from time to time. For one time settlement, various factors pertaining to Non-performing loans such as reason for non-payment, past track record, Current financial strength etc. shall be taken into consideration.

Non-performing loans shall be defined as per the prevailing guidelines of RBI.