

विकास आयुक्त का कार्यालय  
(सूक्ष्म, लघु एवं मध्यम उद्यम)  
सूक्ष्म, लघु एवं मध्यम उद्यम मंत्रालय  
भारत सरकार  
निर्माण भवन, सातवीं मंजिल, मौलाना आजाद रोड,  
नई दिल्ली - 110 108



OFFICE OF THE DEVELOPMENT COMMISSIONER  
(MICRO, SMALL & MEDIUM ENTERPRISES)  
MINISTRY OF MICRO, SMALL & MEDIUM ENTERPRISES  
GOVERNMENT OF INDIA

Nirman Bhawan, 7th Floor, Maulana Azad Road,  
New Delhi-110 108

Ph. EPABX-23063800, 23063802, 23063803, 23063804, 23063805 & 23063806

Udyami Helpline: 1800 180 6763

No.17(26)/2020-21-CGTMSE (Pt.1)

Dated the 12<sup>th</sup> February, 2021

To

All Industry Associations

Subject: - Credit to MSME entrepreneurs – Reg.

Dear All,

Reserve Bank of India has issued a notification dated 5<sup>th</sup> February, 2021 (copy enclosed) facilitating credit to MSME entrepreneurs. The notification provides opportunity for new MSME borrowers who have not availed any credit facility from the banking system as on 1<sup>st</sup> January, 2021. Scheduled commercial banks are allowed to deduct the amount equivalent to credit disbursed to new MSME borrowers from their net demand and time liabilities for calculation of the cash reserve ratio (CRR).

For those micro units in the MSME sector who have not availed any credit from the banking system, it is a very good opportunity for them to take the credit if required. Therefore, it is requested that this information may be widely circulated among all MSME units so that they can avail the benefit.

Encl.: Notification dated 5.2.2021

Yours faithfully,

(D.K. Singh)

Additional Secretary  
& Development Commissioner



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
[www.rbi.org.in](http://www.rbi.org.in)

RBI/2020-21/92

DOR.No.Ret.BC.37/12.01.001/2020-21

February 05, 2021

All Scheduled Commercial Banks

Dear Sir / Madam

**Credit to MSME Entrepreneurs**

In terms of paragraph 5 of the Statement on Developmental and Regulatory Policies of February 5, 2021, Scheduled Commercial Banks will be allowed to deduct the amount equivalent to credit disbursed to 'New MSME borrowers' from their Net Demand and Time Liabilities (NDTL) for calculation of the Cash Reserve Ratio (CRR). For the purpose of this exemption, 'New MSME borrowers' shall be defined as those MSME borrowers who have not availed any credit facilities from the banking system as on January 1, 2021. This exemption will be available only up to ₹25 lakh per borrower disbursed up to the fortnight ending October 1, 2021, for a period of one year from the date of origination of the loan or the tenure of the loan, whichever is earlier.

2. Banks are required to report the exemption availed at the end of a fortnight, in Annex A to Form A as per Master Circular on Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) dated July 1, 2015, under the item "Any other liabilities coming under the purview of zero prescription" at VIII.1. Proper fortnightly records of credit disbursed to new MSME borrowers/CRR exemption claimed, duly certified by the Chief Financial Officer (CFO) or an equivalent level officer, must be maintained by banks for supervisory review.

Yours faithfully

(Thomas Mathew)  
Chief General Manager