

RBI: fresh loans to medium enterprises to be priority sector advance

The Reserve Bank of India on Tuesday allowed [banks](#) to treat [loans](#) given to medium manufacturing enterprises after November 13 as priority sector advance, in its efforts to provide enhanced liquidity support to the medium and small enterprises.

The [RBI](#) also allowed incremental bank loans to medium services enterprises extended after November 13 to up to Rs 10 crore and raised the loan limit given to micro and small service enterprises to Rs 10 crore from Rs 0.5 crore that will be treated as priority sector advance.

This facility will remain open till March 31, 2014.

Under priority sector advance, most banks have to lend 40% of their loans to agriculture, micro and small enterprises, poor people for housing, students for education and other low income groups and weaker sectors.

(Business standard)