International Journal of Physical and Social Sciences

(ISSN: 2249-5894)

CONTENTS

Editorial Advisory Board

Associate Editors

Title

MICRO, SMALL & MEDIUM ENTERPRISES (MSMES) FINANCE – PROFITABLE BUSINESS FOR BANKS: ITS WAYS & DRIVERS

Author(s)

Dr. Ram Jass Yadav

Chief Manager & Faculty,

Bank of Baroda,

Staff College,

Ahmedabad (India.)

MSME in Indian Economy – An Overview:

The Indian industrial economy is characterized by a dynamic and versatile set of enterprise actors, who are prestigiously known as Micro, Small and Medium enterprises (MSMEs) for their scale of operations. This category has been leading a typical competitive advantage to Indian industry in terms of controlling sufficient markets globally. It is because of their ability to make available low-volume customized products, flexible response and lower fixed overhead costs. The other unique behavior of these MSMEs is that in most of the cases depending upon their specialization, they have evolved as clusters. The importance of MSMEs as compared to Corporate Enterprises with regard to their contribution towards Indian economy can be best understood that they contribute 8% in Gross Domestic Product (GDP), 45% of manufactured output, 40% of exports, manufacture over 6000 products and provide employment to around 60 million person through 26 million enterprises as per quick estimates of 4th all India census of MSMEs completed during 2009-10[1]. MSE sector has maintained a higher growth rate of Index of Industrial Production (IIP) in two digit figure at 12.60% & 13.00% in 2007 & 2008[2] respectively vis-à-vis overall industrial growth of the sector at 11.5% & 8% in 2007 & 2008 respectively.

Recognizing the significant contribution of this sector in economic growth and also in employment generation in our country, erstwhile definition of 'Small Scale Industries' has been revised with inclusion of services & trading activities in the ambit of MSME by enactment of Micro, Small & Medium Enterprises Development (MSMED) Act from 2nd October 2006. Also the Act recognizes the term 'Enterprises' instead of 'Industry' to include service in MSME segment. The units engaged in manufacturing or producing and providing or rendering of services has been defined under the Act on basis of original investment in plant & machinery and equipment as under –

Enterprises	Manufacturing	Service
Micro Enterprises	Up to Rs.25.00 lacs	Up to Rs.10.00 lacs
Small Enterprises	Above Rs.25.00 lacs to Rs.500.00 lacs	Above Rs.10.00 lacs to Rs.200.00 lacs
Medium Enterprises	Above Rs.500.00 lacs to Rs.1000.00 lacs	Above Rs.200.00 lacs to Rs.500.00 lacs

Credit flow to MSME Sector - An Analysis:

Loans to Micro & Small Enterprises (MSEs) are reckoned as part of priority sector lending target of 40% for scheduled commercial banks. The sector is the second largest employment provider and it is good vehicle to achieve inclusive and distributed growth besides a profitable avenue of banking for the banks in India. It is surprisingly noticed that only 4-5% MSMEs are covered by institutional funding given that approximately 95% of villages[3] are not covered by banks, offering huge opportunities to bring them into banking fold. The analysis of present state of credit flow to the sector has been carried out here under.

Phenomenon credit growth – Testimony for sustainable business:

The wonderful growth registered in credit flow to MSME sector during last decade exhibited in Table–1 of appendix, witnesses vast potential of business for banks. Some of the important observations on credit growth to the sector are as under -

- Credit to MSEs has increased over 6 times from Rs.46045 Crs in 2000 to Rs.278398 Crs in 2010 but in terms of % share of MSE credit to Net Bank Credit (NBC) is consecutively declined from 14.60% in 2000 to 7.80% in 2007 and 11.20% at present. Low share of MSE credit does not only cause to hamper equitable growth of economy but also fails the banks to fulfill their *social commitment to the growing society*.

- MSME sector is next to agriculture in providing employment but there is wide variance between allocated targets of 18% to NBC for agriculture lending and present share of MSE in NBC, which is merely 11.20%. Assuming the significance of MSE sector at par with agriculture sector, banks have opportunity of lending over Rs.126,500 Crores to MSE taking 2010 year as base figure and gap of over 6% in credit allocation between both the sectors, which is *significant for sustainable growth* of banks' loan books.

- Share of MSEs credit increased to 11.20% in 2010 from 7.80% in 2007. The high growth has witnessed during the review period mainly on account of re-classification of MSEs in accordance to revised definition under MSMED Act, 2006. The investment limit of small (manufacturing) unit was raised from Rs.1.00 crore to Rs.5 crore and small (services) was added to the sector with investment limit between Rs.10 lacs to Rs. 200 lacs. Also the converge of service enterprises were broadened to include small road and water transport operators, small business, professional and self employed and all other service enterprises as per definition provided under the Act. This higher growth during the above review period has mainly happened because of definitional changes of the sector and therefore, a lot to be done for catering credit need of *manufacturing segment under MSEs*.

- Similarly credit to Micro as % to MSE credit share declined from 54% in 2000 to 43.88% in 2009 despite revised MSE definition under MSMED Act, which is still far behind minimum target of 60% set for public sector banks. This testifies that micro credit under MSE has gap of around 15-17% in its share which is over Rs30000 Crs in absolute term if bridged through formal channel of finance to the sector, would not only help in achieving financial inclusion but also will *leverage on banks profitability.*

The analysis based on above historical data signifies existence of ample opportunities to improve lending to the sector for sustainable development of banking industry. This analysis also substantiate what a senior banker stated in Indian Economic Summit-2010 " Millions are living on less than half a dollar per day. We do not have inclusive growth in India, which means *we don't have sustainable growth*"[8]

MSMEs – Big group for financial inclusion & Bankers bonanza:

Further to recognize the importance of MSME sector from financial inclusion and earning point of view, following findings have been derived by making a pragmatic analysis to grab earning opportunities from the sector.

- It is witnessed from statistics available to public domain that *92.77% MSME beneficiaries have no finance*, 5.18% avail finance from institutional sources and 2.05% through non-institutional sources.

Source of finance	Distribution of MSME units			% Distribution		
	Regd	Unregd	Total	Regd	Unregd	Total
No Finance / Self Finance	1362568	22850626	24213194	87.77	93.08	92.77
Finance through Institutional sources	174060	1177212	1351272	11.21	4.80	5.18
Finance through Non-Institutional Sources	15864	520467	536331	1.02	2.12	2.05
Total	1552492	24548305	26100797	100	100	100

Source – Summary Results of 4th All-India Census of MSME

The sector is often overlooked due to its status as 'Missing Middle' from credit angle because most of the efforts by banking industry are dedicated to either Retail loan or large corporates /MNCs. The development of many emerging market economies (EMEs) *today is hindered by treating the sector 'Missing Middle'*. The large corporate / MNC has attained saturation level while retail loans failure rate is much higher in the industry due to sub-prime nature of lending. Under this pretext, the profitable and viable option available with banks is to give focused attention on SMEs to achieve national agenda of financial inclusion because exclusion over 92% of MSME units is indeed matter of concern in the history of independence for over 63 years and more than 41 years of banks nationalization in our country. Each citizen in general and banker in particular must accept this challenge of achieving financial inclusion as per road map set by our government and regulators.

- It is observed from the data on contemporary studies[4] depicted in table-2 of the appendix that merely 23.80% of surveyed micro enterprises took loans from financial institutions as compared to 31.8% of medium enterprises. More than 21% micro units as compared to merely 9% in case of medium enterprises have taken loans from friends and relatives and from moneylenders who generally charge a higher interest rate of 20-30%. The survey testifies that MSMEs are undoubtedly *bankers bonanza* and also it is big target group to be tapped by formal credit delivery channel.

i-10 Impression on Bank Credit:

Based on interaction with users and givers of credit to MSMEs *important ten (**i-10**) impressions* - five from bankers' point of view and five of MSMEs put together ten; which help in spotting the reasons of low credit flow to the sector are illustrated as under-

	Bankers-Why MSMEs are not bankable		MSMEs - Why bank credit not preferred
1	*Small Ticket size* & high transaction cost	1	Bankers prefer *security obsessed* lending
2	*First Generation* entrepreneur – lacking in experience of venturing & fails to bring promoters contribution	2	Lengthy, complex and inflexible *paper works*
3	*Highly risky* because of either Low or no credit rating, high rate of diversion/siphoning off the funds and lack of collaterals	3	*High cost of credit* due to poor rating, heavy charges for project report preparation & getting TEV Study report
4	*Weak & Inadequate* marketing, procurement bargaining, techno-know how	4	*Lower capitalization* & high Debt Equity Ratio
5	*Globally in-competitive* due to lack of product branding, high credit cost, non-compliance of laws of lands and informational inefficiency of credit schemes	5	*Taking months* to get credit & no on-line tracking of loan application

It has been observed from various surveys and statistics that credit off-take to the sector can be further improved by giving due attention to the important attributes discussed below which has direct bearings on lending to MSMEs-

a) Diagnostic decision creates customers:

The analysis of reasons for sickness as per 4th Census of MSME, reveals that failure of units mainly occurs due to lack of demand of products followed by shortage of working capital finance, marketing problems and others listed in the table-3 of the appendix.

This testifies that MSME lending is though apprehended high risky business by banks due to poor financials and also non-availability of collaterals with MSME borrowers but to the contrary what is more required is optimum funding on the basis of proper diagnostic appraisal. Under-finance for an economic, commercial and technical viable activity is like not feeding a child to the extent of required calories he/she needs to grow. It is relevant to quote management expert Prof Peter Drucker here who wrote way back in 1954 " *There is only one valid definition of business purpose – to create customer."* It is therefore most important to understand needs and problems of customer to become part of his development for customer creation rather to crime with him by offering less what he needs and force for collaterals which he does not have; it bounds him either to exit or keep away from banks.

b) Flexi Banking for more MSMEs under formal credit system:

Most importantly, SMEs face regulations and bureaucratic practices that solidify the dominance of large corporations in the formally regulated economy and incentivize small entrepreneurs to operate informally, meaning illegally and out of the government's regulatory reach.

Findings of a survey by Rajiv Gandhi Institute for contemporary studies reveals[4] that merely 43 units out of total 200 participated in MSME survey benefited from credit facilitation schemes. Besides other reasons the issues, which make it difficult for MSMEs to avail benefit of credit schemes, are *lengthy paper work, timeliness and relevance to address their business needs.* Among those survey, 83% MSMEs find application process lengthy, 80% faced delays in receiving benefits, 40% feels the schemes are unable to address their business needs and further 80% finds corruption in the system that deprives of MSMEs in accessing government schemes. These reasons attributes to absence of understanding the credit needs of MSMEs and also indicates existence of bureaucracy in formal system of lending which leaves option to avail loan from money lenders / private financiers at very high cost that making the MSMEs globally in-competitive to face cost competitiveness in global market.

The (***i-10)*** impression may be considered guiding factor for both banks & credit users too. Banks to focus activity based credit rather security obsessed for MSMEs and also to re-engineer & leaning their processes for reducing turnaround time; whilst credit users to prove their worth for becoming indispensable to banks.

Drivers of SME Lending by Banks:

MSMEs across the world are increasingly a priority for policy makers and regulators who see the sector as key to solving the challenges of improving competitiveness, raising incomes, inclusive growth and generating employment. The Government of India is committed to double the flow of credit to MSMEs in 5 years and to fulfill its commitment a good number of measures to accelerate credit growth has been taken that resulted increase in total MSEs credit from SCBs at more than double in past 4-5 years as revealed in a decade history of MSE credit flow in Table-1 of the appendix. Based on the empirical observations; the following attributes have been considered strong drivers for advocating SME credit in our country.

MSMEs are Cash Cow metaphor of growth matrix:

MSMEs are growth engine of Indian economy and as mentioned that approximately 95% of villages are not covered by banks[3]. Thus, Indian MSMEs are considered to be cash cow metaphors of growth matrix. Since cash cows are low growth, high market share business that come true for MSME sector in Indian economy and Banks have to identify this sector as cash cow for the strategic business plan because of following obvious reasons –

- MSMEs generate cash and have low costs, hence viable credit business
- They are established, successful and need less investment to maintain their market share
- In long run, when growth rate slow, STARS (e.g. MNCs & big corporate clients) become cash cows due to attaining the saturation stage of life cycle.

SME lending has been considered key sourced to exhibit true sense of patriotism of sustainability and inclusive growth in context of our economy. It is also witnessed from one of the most notable findings from an article[5] posted on website in July 2010 that Banks regard SME segment as potentially profitable because of saturation of large corporate market, and the banks desire to diversify risk for profitability and sustainable margin.

SME lending is good for profit – A Case analysis:

It is general perception that SME is high-risk industry and convincing suspicious bank managers is very tough as they are reluctant to understand funding need of the sector. However, case analysis of a new generation branch and a old branch of large size advances of a Public Sector Bank (PSB) in Agra City, north part of India which is well known center for SME clusters, reveals that *apprehension of considering SME as a high risk business is not always tenable rather default rate of SME loans is zero as compared to other business loans.* The quantitative analysis made by the author to support the hypothesis is presented below based on the quantitative information gathered through a questionnaire shown in table-4 of appendix.The most important observations derived from above case analysis are as under:

- ***Zero default*** rate in NPA testifies that SME loans bears lower or nil credit risk as against around 4% NPA in retail segment of loans
- Branches are now encouraged for collateral free lending which is guaranteed by CGTMSE and accounts considered ***without collaterals are standard*** which goes against the covenant of preferring security obsessed lending
- Though there is absolute growth in SME advances its share in total advances in large credit branch is still low ranging between 7-11% which is further a drive force for ***sustainable growth*** as large corporate advances are at saturation and this target group is very limited as compared to SMEs.
- Percentage interest earning to SME advances is much higher than such interest earning rate of total advances i.e. it has been 5.58% and 9.76% in case of SME advances against 4.23% & 7.46% earning rate to total advances for the year ended 31.03.09 and 31.03.10 respectively in new generation branch. It signifies that ***SME advances yield more*** in terms of earning and bears less concentration risk. The earning rate is lower on SME in old branches mainly because of rupee export finance, which is offered at concessional rate of interest.

Institutional leveraging & incentivised measures for SME Credit:

US President Mr Obama in a banking summit in Washington DC in December 2009 had made a business case that SME lending is good for profit. A vibrant SME sector is a powerful driver for wealth creation and economic recovery. Our Union Government has been proactive to announce regulatory measures and has put them in use that has been big strength of the economy to overcome from global meltdown very fast. The dedicated organizational set up and also other special measures announced by the government for SMEs leveraging the banks over private lenders for partnering with SME investment are discussed hereunder in the article-

Institutional advantages to Banks:

- Banks have set up dedicated processing cell & *SME Loan Factory* with a pool of specialized skills of SME credit. Also set up regional MSME care center giving different nomenclature by the banks to facilitate MSMEs for quick redressal of their grievances. Banks should therefore make best use of such capital investment in hardware and humanware of specialized delivery channels to create yielding portfolio of SME loan books.
- Banks' *exposure limits* is much higher than any other private financers to cater financial needs of big amount
- Banks are *one stop shop* i.e. loan syndication, advisory services, insurance, working capital, LC/BG and so on are offered by banks.
- Wide *branch networks* and vested huge lending powers at branch levels for MSMEs
- Banks to achieve *mandatory lending* to MSME for better profitability & regulatory compliance. As per recommendation of Prime Minister's Task Force[1] on MSME banks to take immediate action to lend as under –
  - ❖ 20% YoY growth in credit to Micro & Small enterprises
  - ❖ 60% of MSE advance to Micro enterprises to be achieved in stages viz 50% in year 2010-11, 55% in 2011-12 and 60% in 2012-13
  - ❖ 10% annual growth in number of micro enterprises accounts.
- Each lead bank of a district should *adopt* at least one MSE cluster

Incentivised measures:

- Statutory *provisions requirement* for standard advances under SME advances is merely 0.25% as against 1.00% in case of real estate and 0.40% for other advances which is an incentive for banks to make lower provision for buffer capital on SME advances

- Collateral free loans up to Rs. One crore are secured by CGTMSE guarantee which is *highly liquid* at par with cash security
- *Allocation of Zero risk weight* to SME loans guaranteed by CGTMSE for capital adequacy requirement
- *Simplified computation*[6] of working capital limit to MSE units on basis of minimum 20% of their estimated annual turnover up to limit of Rs.500 lacs.
- Union Government has schemes of felicitating Best Bank awards in recognition of contribution made by banks for promoting SME sector that builds *Corporate Brand* which is invaluable and add new feathers to the business of winner banks

Ways of augmenting SME Credit:

Indian MSMEs are though diverse and heterogeneous group and considered to be growth engine of the economy but they face common problems in getting bank credit. Bankers consider MSME lending more risky because of many reasons cited in the article namely – MSMEs don't have collaterals for loans, they have low equity base, absence of marketing tie-up, diversion of funds, poor management and book keeping, low technology level & so on. Despite these common weaknesses in MSE lending, private lenders assumes SMEs at *the best business model for higher profitability & sustainable growth* due to numerous factors namely – Lesser default rate, high yield, dispersed credit risks, no complexities of legal search of properties and fraudulent title deeds as loans are collateral free, highly potential group for Cross-selling like insurance cover of borrower & credit counseling and so many others.

In light of many incentives to banks and also driving force for MSME lending; following steps are recommended based on the facts analysis & empirical observations made in the article which probably would help bankers in making their SME Loan Book strong for their sustainable growth in particular and inclusive growth of Indian economy -

a) Recommendations for Bankers:

Humanware Transformation:

So, having identified the problems, that most of the issues in credit are self generated hindrances from individual perceptions. These are neither the hardware nor the software related but the humanware needs to be transformed for improving credit off-take. Business environment is by & large same for winners & losers but attitude and passion are most influential factors in credit decisions. Attitude has two extremes behavioral actions i.e. Positive and Negative, which can be understood well with individual perceptions of two black African personalities. One is about Idi-Amin Dada who was known as the 'Butcher of Uganda'[7] for his brutal, despotic rule whilst president of Uganda in the 1970s, and another is Nelson Mandela who symbolizes the triumph of the human spirit over man's inhumanity to man, and shared Nobel Peace Prize in 1993 besides more that 250 awards over four decades[7]. This example is cited to substantiate the fact that each black object is not coal, there are black precious diamond too and there a very few black man who falls in Amin category rather masses loves & worship blacks as their god like Lord Krishana. Same is the case with SMEs, it is apprehended that they are non-bankable undermining the fact that they are less risky & high earning guys in business society; barring a very few who made default due to external factors which are normally beyond their control. Thus what a banker need is to be positive while dealing with MSMEs. This warrants attitude transformation, which *change DRISTI (vision), not the SRISTI (world) because it is one & same for all*.

Handholding & conciliatory approach:

The most beautiful thing considered in the world is to see the patrons & partners smiling and further next best thing is to make us the cause of that smile. This convention realizes through handholding and conciliatory approach by understanding each other's business and problems and then to be part of solution instead reason of those problems. This approach also deepens the relationship as true business partner between bank & borrower and also help in diagnosing sickness at very early stage for its timely care & cure with right doses. Let a banker start experience this approach arranging frank & frequent meetings with clients to win their confidence in banking industry and make them feel that bank is true part of their business.

Desist security obsessed lending:

Security is though one of the credit risk mitigation measures; it is not always workable because of non-realization of market value, non-marketable titles deeds as it has been witnessed in recent past that financial institutions who have built their sub-prime loan books had disappeared from the market due to either non-realization of market value or high diminution provisioning. Those who have focused on activity based lending could survive. Since credit requirement of MSMEs to the largest extent are small size which qualify for guarantee under CGTMSE that is highly liquid security as compared to any other tangible collaterals. It is therefore, recommended that banks to encourage collateral free & activity oriented lending for *easier & faster realization in case of default, building zero risk weight loan books which does not charge to the precious capital of banks* and so on.

Decision today instead tomorrow:

It is well-accepted convention in the management science that *if one wants more time to take correct decision in that case even a correct decision is wrong when it is taken too late*. Banks to value the credit business like clinical treatment for healthy growth of clients, which should be given at right time with right diagnosis and right doses. It has come across in many cases that lack of knowledge bounds a banker to become business diverter & decision shyer. It is thus recommended that credit operations should be driven by a Knowledge Banker which is considered to be super power that makes the man *decision taker, today believer & tomorrow's beginner.*

b) Suggestions for Credit Users

Use for the Purpose:

Money must be used for the purpose it is given and to be repaid in time enabling the lenders to offer novel lifeline to the productive & economic activities, which are backbone of any national growth. Diversion or siphoning off funds to be treated like illegal business of stealing bloods, kidneys & other parts of human organs which are criminal and life imprisonment offences that spoils whole society and make unkind to the universe. In the same way it is moral binding on the part of credit users that they should not to be culprit of un-ethical acts and they must utilize the money for which it is granted to build lifeline of their business live and life long. *Prior counseling of lender is mandatory in case change in use of money is warranted to mitigate risk of failure*.

Honesty & transparency builds one bankable:

Things must be made clear and no hidden agenda to be kept in dealing because trust is synonyms of Banking. First impression leaves the final image of one's business and integrity with the stakeholders. Honesty and transparency are intangibles properties, which substitute tangible collaterals that are common problem a credit user faces for taking loans. Credit users need to make their intangible attributes more acceptable than tangible properties as both honesty and transparency in dealing are *bankers' first choice*

Conceive rather perceive the project:

Propose the activity, which is conceived rather one which is influenced by others because perceiving the idea make slave and normally do not allow to be independent whole life. If this approach is being adopted since beginning then major problems like demand of products, its marketing and other relating problems will never be faced by entrepreneurs. Conceiving the project is like giving birth to a child by a pregnant woman with total ownership & thus its growth and all round development is as sure as rising the sun whilst perceiving is as good as *stealing franchise without patent right & fees, which is not only a punishable offense but also sounding closure sign of the project as sure as death*.

Sum-up: "Small is mighty, profitable & good for sustainability"

Small enterprises preferred loans from private lenders mainly due to easy, adequate and timely credit even though rate of interest on loans from private lenders and informal channel of finance are higher than what is charged by banks. It has been established that *small pays high* but need speedy attention with simplification mode of delivery. Success of private lenders over banking system in our country leaves a message for bankers to re-engineer their processes and transformation of rigid approaches & mindset of the humanware to become partner in national growth through MSME route, which is very profitable business today for the banks. In the present scenario of banking in India when banks profitability is under severe strain, it is right time for the banks to coin & adopt the phrase ***"…Small is mighty, profitable & good for sustainability …"*** as their business slogan.

Appendix

Table-1: Credit Flow to MSMEs from 2000 to 2009

(Rs in Crores)

Year – 31st March	Net Bank Credit (NBC)	Credit to MSEs	% to NBC	Credit to Micro Enterprises	Credit to Micro Enterprises as % of MSE credit
2000	316427	46045	14.60	24742	54.00
2001	341291	48400	14.20	26019	53.70
2002	396954	49743	12.50	27030	54.30
2003	477899	52988	11.10	26937	50.80
2004	558849	58278	10.40	30826	52.90
2005	718722	67634	9.40	34315	50.70
2006	1017614	82492	8.10	33314	40.40
2007	1314744	102550	7.80	44311	43.21
2008	1361595	151137	11.10	66702	44.13
2009	1693876	191408	11.30	83945	43.88
2010*	2109076	278398	11.20	NA	NA

** Data are provisional*

Source: Various RBI Reports on Trend & Progress of Banking in India

Table –2: Data on contemporary studies by Rajiv Gandhi Institute

Source of Finance	Micro (%)*	Small (%)*	Medium (%)*
Loans from Money Lender	9.50	2.60	4.50
Loans from FIs	23.80	28.00	31.80
Loans from friends & relatives	11.90	4.10	4.50
Self Finance	78.50	92.10	93.20

*The total exceed 100% as some units have reported more than one sources

Source: SIDBI Report 2010

Table- 3: Reasons for Sickness in MSE Sector

S No	Reasons for sickness / incipient sickness	% Of sick units*
1	Lack of demand	71.6%
2	Shortage of working capital	48.0%
3	Non-availability of raw material	15.1%
4	Power shortage	21.4%
5	Labor Problems	7.4%
6	Marketing problems	44.5%
7	Equipment problems	10.6%
8	Management problems	5.5%
*The total will exceed 100%, as some units have reported more than one reason		

Source: SIDBI Report -2010 on MSME Sector (Table 5.20)

***Table-4:** SME Credit of a New Generation & old large size credit Branches*

(Rs in Crs)

S No	Particulars	Large Credit Branch (33 Years old)			New Generation Branch (2 Years old)	
		31.03.08	31.03.09	31.03.10	31.03.09	31.03.10
1	Total Advances	91.48	125.24	155.51	4.72	11.13
2	SME Advances	6.76	9.20	17.87	2.51	5.33
	(% To Total Advances)	7.39	7.35	11.49	53.18	47.89
3	Total NPA	0.98	1.22	2.35	-	-
	Of which – NPA in SME	-	-	-	-	-
4	Advances under CGTMSE	-	-	4.50	0.05	0.74
	Of which – NPA	-	-	-	-	-
5	Total Interest Earned	10.12	13.12	16.50	0.20	0.83
	(% Interest to total advances)	11.06	10.47	10.61	4.23	7.46
6	Interest on SME Advances	0.52	1.00	1.60	0.14	0.52
	(% To total SME Advances)	7.69	10.87	8.95	5.58	9.76

Source: Primary data collected from Bank Branches through a questionnaire

References:

- Report of Prime Minister's High Level Task Force on MSMEs, Government of India, January 2010
- Growth & Performance of MSME under Chapter – II of MSME Annual Report 2009-10, GOI, M/o MSME. Sourced from website-http://www.mospi.gov.in.
- Address by Deputy Governor of RBI – Dr K C Chakarbarthy on 21.05.10 at formal release of the Indian Micro, Small & Enterprises Report 2010 at ISED, Kochi and also address at launch of course on 'Customer Service and Banking Codes & Standards" on 12.11.10 at IIBF, Mumbai
- The extract of studies published in SIDBI Report on MSME Sector – 2010. Rajiv Gandhi Institute conducted survey on Contemporary studies taking 200 MSMEs (42 Micro, 114 Small & 44 Medium Enterprises) into its sample from all over India.
- Article 'The Status of Bank Lending to SMEs in the Middle East & North Africa (MENA) Region' posted by Roberto Rocha, Senior Adviser, MENA on google webtsite on Wed, 2010-07-28 15:16 dated 07.07.2010. The article is based on a Survey in cooperation with Union of Arab Banks on the status of Bank lending to SMEs in MENA region taking data from 139 banks, which account for about half of MENA banks and almost 2/3 of banking system loans in 16 countries.
- Lending to MSME Sector – Master circular by RBI per its number RBI/2010-11/79, RPCD.SME& NFS.BC.No. 9/06.02.31/2010-11 dated 01.07.2010
- Google Search-Biography of Idi Amin Dada available at http://africanhistory.about.com/od/biography/a/bio_amin.htm. Also Nelson Mandela from Wikipedia, the free encyclopedia at http://en.wikipedia.org/wiki/Nelson_Mandela
- Economic Times dated 16.11.2010. One of the statements made the Chairman, State Bank of India on the Indian Economic Summit-2010 organized by the World Economic Forum in New Delhi.