



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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RBI/2021-22/27

FIDD.CO.Plan.BC.No.10/04.09.01/2021-22

May 5, 2021

The Chairman/ Managing Director
Chief Executive Officer
Small Finance Banks

Dear Sir/Madam,

Priority Sector Lending (PSL) - On-lending by Small Finance Banks (SFBs) to NBFC-MFIs

As per extant guidelines, lending by Small Finance Banks (SFBs) to Micro-Finance Institutions (MFIs) for on-lending is not reckoned for priority sector lending (PSL) classification. In view of the fresh challenges brought on by the COVID-19 pandemic and to address the emergent liquidity position of smaller MFIs, it has been decided to allow PSL classification to the fresh credit extended by SFBs to registered NBFC-MFIs and other MFIs (Societies, Trusts etc.) which are members of RBI recognised 'Self-Regulatory Organisation' of the sector and which have a 'gross loan portfolio' of upto ₹500 crore as on 31 March 2021, for the purpose of on-lending to individuals. Bank credit as above will be permitted up to 10% of the bank's total priority sector portfolio as on 31 March, 2021.

2. The above dispensation shall be valid upto March 31, 2022. However, loans thus disbursed will continue to be classified under Priority Sector till the date of repayment/maturity whichever is earlier. Further, banks will be required to adhere to the conditions prescribed for on-lending under para 21 of our [Master Directions on PSL dated September 4, 2020](#) (updated as on April 29, 2021).

3. The guidelines shall come into effect from the date of the issuance of this circular.

Yours faithfully

(Sonali Sen Gupta)
Chief General Manager-in-Charge

वित्तीय समावेशन और विकास विभाग, केंद्रीय कार्यालय, 10वीं मंजिल, केंद्रीय कार्यालय बिल्डिंग, शहीद भगत सिंह मार्ग, मुंबई 400 001

टेलीफोन: Tel No.: +912222601000/ फैक्स: +91-22-22621011/22610948/22610943 ईमेल: cgmincfidd@rbi.org.in

Financial Inclusion and Development Department, Central Office, 10th Flr, Central Office Building, Shahid Bhagat Singh Marg, Mumbai 400001

हिंदी आसान है, इसका प्रयोग बड़ाइए

चेतावनी: रिज़र्व बैंक द्वारा -ड्राक, मेल एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्तिगत जानकारी जैसे बैंक के खाते का ब्यौरा, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।

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