



भारतीय रिज़र्व बैंक

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August 13, 2019

The Chairman/ Managing Director & CEOs
All Scheduled Commercial Banks
(Excluding Regional Rural Banks and Small Finance Banks)

Dear Sir/ Madam,

Priority Sector Lending – Lending by banks to NBFCs for On-Lending

In order to boost credit to the needy segment of borrowers, it has been decided that bank credit to registered NBFCs (other than MFIs) for on-lending will be eligible for classification as priority sector under respective categories subject to the following conditions:

- (i) **Agriculture:** On-lending by NBFCs for 'Term lending' component under Agriculture will be allowed up to ₹10 lakh per borrower.
- (ii) **Micro & Small enterprises:** On-lending by NBFC will be allowed up to ₹20 lakh per borrower.
- (iii) **Housing:** Enhancement of the existing limits for on-lending by HFCs vide para 10.5 of our Master Direction on Priority Sector lending, from ₹10 lakh per borrower to ₹20 lakh per borrower.

2. Under the above on-lending model, banks can classify only the fresh loans sanctioned by NBFCs out of bank borrowings, on or after the date of issue of this circular. However, loans given by HFCs under the existing on-lending guidelines will continue to be classified under priority sector by banks.

3. Bank credit to NBFCs for On-Lending will be allowed upto a limit of five percent of individual bank's total priority sector lending on an ongoing basis. Further, the above instructions will be valid for the current financial year upto March 31, 2020 and will be

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हिंदी आसान है, इसका प्रयोग बढ़ाएँ

चेतावनी: मेलरिज़र्व बैंक द्वारा-डाक, 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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reviewed thereafter. However, loans disbursed under the on-lending model will continue to be classified under Priority Sector till the date of repayment/maturity.

4. The existing guidelines on bank loans to MFIs for on-lending as detailed in para 19 of Master Directions on Priority Sector Lending will continue to be applicable for NBFC-MFIs.

5. The guidelines shall come into effect from the date of the issuance of this Circular.

Yours faithfully,

(Gautam Prasad Borah)
Chief General Manager-In-Charge