



EC No. 184/DoS- 18 /2019

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Ref. No. NB. DoS/ POL/ 1281 /J-1/2019-20

The Chairman
All Regional Rural Banks

Dear Sir

Lending by RRBs to NBFC-mFI under Priority Sector –Clarification

It has been brought to our notice that some of the RRBs classify loans to NBFC-mFIs for on-lending to individual farmers or their SHGs/JLGs as Priority Sector Advances.

2. We advise that loans to NBFC-mFIs for on-lending to individual farmers or their SHGs/JLGs is not an eligible activity for being classified as a Priority Sector Advance in terms of the Priority Sector guidelines issued by RBI vide their circular No. FIDD. CO. Plan. BC. No. 14/04.09.01/2015-16 (RBI/2015-16/257) dated 3 December 2015. Accordingly, these loans may be kept outside the priority sector and may also be reported accordingly.

3. Please acknowledge receipt of this circular to our Regional Office concerned.

Yours faithfully

(K. R. Rao)
Chief General Manager

राष्ट्रीय कृषि और ग्रामीण विकास बैंक

National Bank for Agriculture and Rural Development

पर्यवेक्षण विभाग

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