



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA



RBI/2022-23/50
FIDD.CO.Plan.BC.No.5/04.09.01/2022-23

May 13, 2022

The Chairman/ Managing Director/
Chief Executive Officer
All Scheduled Commercial Banks (Including Small Finance Banks)
(Excluding Regional Rural Banks, Urban Co-operative Banks and Local Area Banks)

Dear Sir/Madam,

Lending by Commercial Banks to NBFCs and Small Finance Banks (SFBs) to NBFC-MFIs, for the purpose of on-lending to priority sectors

Please refer to para nos. 21.2, 21.3, 22 and 24 of the [Master Directions on Priority Sector Lending dated September 4, 2020](#) (updated from time to time), along with [notifications FIDD.CO.Plan.BC.No.15/04.09.01/2021-22 dated October 8, 2021](#) and [FIDD.CO.Plan.BC.No.10/04.09.01/2021-22 dated May 5, 2021](#) wherein lending by commercial banks to NBFCs and lending by Small Finance Banks (SFBs) to NBFC-MFIs, for the purpose of on-lending to certain priority sectors, was permitted up to March 31, 2022.

2. To ensure continuation of the synergies that have been developed between banks and NBFCs in delivering credit to the specified priority sectors, it has been decided to allow the above facility on an on-going basis.

3. Bank credit to NBFCs (including HFCs) for on-lending will be allowed up to an overall limit of 5 percent of an individual bank's total priority sector lending in case of commercial banks. In case of SFBs, credit to NBFC-MFIs and other MFIs (Societies, Trusts, etc.) which are members of RBI recognized 'Self-Regulatory Organisation' of the sector, will be allowed up to an overall limit of 10 percent of an individual bank's total priority sector lending. These limits shall be computed by averaging across four quarters of the financial year, to determine adherence to the prescribed cap.

4. SFBs are allowed to lend to registered NBFC-MFIs and other MFIs which have a 'gross loan portfolio' (GLP) of up to ₹500 crore as on March 31 of the previous financial year, for the purpose of on-lending to priority sector. In case the GLP of the NBFC-MFIs/other MFIs exceeds the stipulated limit at a later date, all priority sector loans created prior to exceeding the GLP limit will continue to be classified by the SFBs as PSL till repayment/maturity, whichever is earlier.

Yours faithfully,

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

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हिंदी आसान है, इसका प्रयोग बढ़ाइए

चेतावनी: रिज़र्व बैंक द्वारा -डॉक, 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।

Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.