The Chairman/ Managing Director/
Chief Executive Officer
[All Scheduled Commercial Banks
(excluding RRBs)]

Dear Sir/ Madam,

Priority Sector Lending – Targets and Classification - Bank loans to MFIs for on-lending - Qualifying asset - Revised loan limit

Please refer to paragraph 19 (b) (iv) of the Master Direction on Priority Sector Lending – Targets and Classification FIDD.CO.Plan.No.1/04.09.001/2016-17 dated July 7, 2016.

2. The limit of the loans extended by Non-Banking Financial Company- Micro Finance Institutions (NBFC-MFIs) for which the tenure of the loan shall not be less than 24 months, has been raised to ₹ 30,000/- from the earlier limit of ₹ 15,000/-.

3. Accordingly, paragraph 19 (b) (iv) of the above Master Direction stands modified as follows:

“Tenure of loan is not less than 24 months when loan amount exceeds ₹ 30,000/- with right to borrower of prepayment without penalty.”

Yours faithfully,

(A.Udgata)
Principal Chief General Manager