The Chairman/ Managing Director/
Chief Executive Officer
[All scheduled commercial banks
(excluding Regional Rural Banks)]

Madam/Dear Sir,

Priority Sector Lending-Targets and Classification-Bank loans to MFIs for on-lending-
Amendment in income generation criteria

Please refer to Paragraph VIII (a) of circular No. RPCD.CO.Plan. BC.13/04.09.01/2012-13
dated July 20, 2012 on Priority Sector Lending-Targets and Classification wherein it has been
mentioned, inter alia, that bank credit to MFIs for onlending will be eligible for
categorization as priority sector advance if aggregate amount of loan, extended for income
generating activity, is not less than 75% of the total loans given by MFIs.

2. On a review of the above provision, it has been decided that bank credit to MFIs for
onlending will now be eligible for categorization as priority sector advance if aggregate
amount of loan, extended for income generating activity, is not less than 70% of the total
loans given by MFIs.

3. All other guidelines in terms of Para VIII of circular No. RPCD.CO.Plan. BC.13/04.09.01/
2012-13 dated July 20, 2012 will remain unchanged.

Yours faithfully,

(A. K. Misra)
General Manager