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September 20, 2019

The Chairman/Managing Director & CEOs All Scheduled Commercial Banks including SFBs (Excluding Regional Rural Banks)

Madam/Dear Sir,

Priority Sector Lending (PSL) - Classification of Exports under priority Sector

In order to boost credit to export sector, it has been decided to effect following changes in para 8 of the "Master Direction on Priority Sector Lending-targets and Classification" dated July 7, 2016 (updated as on December 4, 2018) pertaining to export credit.

- (i) Enhance the sanctioned limit, for classification of export credit under PSL,from ₹ 250 million per borrower to ₹ 400 million per borrower.
- (ii) Remove the existing criteria of 'units having turnover of up to ₹ 1 billion'
- 2. The existing guidelines for domestic scheduled commercial banks to classify 'Incremental export credit over corresponding date of the preceding year, upto 2 per cent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher' under PSL will continue to be applicable subject to the criteria mentioned at (i) above.
- 3. There is no change in the present instructions in respect of foreign banks.

Yours faithfully,

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

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