

May 11, 2010

The Chairman
All Regional Rural Banks (RRBs)

Dear Sir,

Priority Sector Lending – Export Credit for agriculture and allied activities

Please refer to our circular [RPCD.CO.RRB.BC.No.20/03.05.33/2007-08 dated August 22, 2007](#) on Priority Sector Lending in terms of which loans granted by banks to agriculture and allied activities are eligible for classification under priority sector.

2. Some banks have sought clarification in respect of classification of working capital limits granted to borrowers engaged in agricultural and allied activities and to food and agro-based processing units by way of export credit, under priority sector. The issue has been examined and it is clarified that loans granted by RRBs for agricultural and allied activities are eligible for classification under priority sector, irrespective of whether borrowing entity is engaged in export or otherwise.

3. The export credit granted for agricultural and allied activities may be reported separately under heading: "Export credit to agriculture sector"

4. Please acknowledge receipt of the circular to our Regional Office concerned.

Yours faithfully,

(R.C. Sarangi)
Chief General Manager