

## **Lending to Priority Sector**

RPCD. CO. Plan. BC 60 / 04.09.09 / 2002-03

January 18, 2003

The Chief Executive Officer  
(All Foreign Banks operating in India)

Dear Sir

### **Lending to Priority Sector**

Please refer to our circular No. RPCD. Plan. BC.38 / 04.09.09/ 94-95 dated September 22, 1994 advising, inter alia, the rate of interest payable to foreign banks on deposits placed with Small Industries Development Bank of India (SIDBI) to make good the shortfall in achieving the priority sector lending target / sub targets, as on the last reporting Friday of March.

2. Keeping in view the declining interest rates as also the cost of funds of foreign banks, it has been decided to fix the interest rate on such deposits to be placed by foreign banks with SIDBI at the end of March 2003 at 6.75% per annum. All other instructions contained in the earlier circular dated September 22, 1994 remain unchanged.

3. Please acknowledge receipt

Yours faithfully,

Sd.  
(A.V.Sardesai)  
Chief General Manager in-charge