Priority Sector Lending: Policy Guidelines
(updated as on March 15, 2021)

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Session Plan

1. Objectives of Priority Sector Lending (PSL)
2. Evolution of PSL guidelines
3. Priority Sector Targets for different banks
4. Categories under Priority Sector Lending
5. Priority Sector Lending Certificates-PSLCs
6. Compliance aspects
Objectives / Philosophy of PSL

1. Credit linking the *deserving but deprived* segments of the economy.

2. To ensure flow of credit to certain *productive sectors* of the economy / unserved persons who may not get timely and adequate credit in the absence of this special dispensation.

3. Not a Corporate Social Responsibility but a normal business operation for banks.

4. Lend directly to beneficiaries instead of routing these loans through intermediaries.
## Evolution of PSL guidelines

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1968</td>
<td><strong>National Credit Council Meeting</strong> – Banks to increase priority sector financing viz. Agriculture / SSI</td>
</tr>
<tr>
<td>1972</td>
<td>Based on the report of <strong>Informal Study Group of 1971</strong> on Statistics • Description of priority sectors and categories formalised • No targets fixed</td>
</tr>
<tr>
<td>Nov. 1974</td>
<td><strong>Target of 33.33%</strong> of total advances to PS to be achieved by <strong>March, 1979</strong></td>
</tr>
<tr>
<td>Mar. 1980</td>
<td>Meeting of Fin. Min. with CEOs of banks, &amp; Working group (Dr. K S Krishnaswamy) • Target of <strong>40% to be achieved</strong> by March 1985 and sub-targets given</td>
</tr>
<tr>
<td></td>
<td><strong>SEVERAL Changes in scope and targets/Sub-targets over the years</strong></td>
</tr>
<tr>
<td>2007</td>
<td>Guidelines revised based on IWG (Shri C S Murthy) recommendations</td>
</tr>
<tr>
<td>July 2012</td>
<td><strong>M V Nair</strong> Committee set up in August 2011 to re-examine the existing classification and suggest revised guidelines which were issued in 2012</td>
</tr>
<tr>
<td>April 2015</td>
<td>Internal WG set up in 2014 to re-examine the guidelines <strong>Guidelines revised on April 23, 2015</strong></td>
</tr>
<tr>
<td>September 2020</td>
<td><strong>Comprehensive Review. Guidelines revised on September 4, 2020</strong></td>
</tr>
</tbody>
</table>
Categories of Priority Sector Lending

1. Agriculture
2. MSME
3. Export Credit
4. Education loan
5. Housing
6. Social Infrastructure
7. Renewable energy
8. Others
Salient changes to guidelines in 2015

1. Targets for Foreign Banks- 2 categories
2. Sub-target of 7.5 per cent for micro enterprises
3. Sub-target of 8 % of ANBC for small and marginal farmers
4. Direct and Indirect agriculture distinction done away with
5. Loans to food and agro processing units to form part of Agriculture
6. Loans to medium enterprises a part of PSL.
7. Loans to sanitation, health care, drinking water & renewable energy, and incremental loans to exports a part of PSL
8. Revised loan limits for housing loans and MFI loans
9. Targets to be achieved on quarterly average basis
10. Introduction of PSLCs
Salient changes to guidelines in September 2020

1. Targets for lending to small and marginal farmers increased
2. Targets for lending to Weaker Sections increased
3. Regional disparities in flow of PSL: WEIGHTS assigned to incremental PSL in ‘identified districts’ where PSL is comparatively lower/higher
4. Fresh categories:
   i. Bank finance to start-ups (up to ₹50 crore)
   ii. Loans to farmers for installation of solar power plants for solarisation of grid connected agriculture pumps
   iii. Loans for setting up Compressed Bio Gas (CBG) plants
5. Loan limits for renewable energy increased.
6. Higher credit limit 5 Crores—for FPOs undertaking farming with assured marketing of their produce at a pre-determined price.
7. Credit limit for health infrastructure doubled.
8. Educational Loans up to Rs. 20 lakhs eligible for PSL classification
9. Harmonised PSL instructions issued to SCBs, SFBs, RRBs, UCBs & LABs
TARGETS
<table>
<thead>
<tr>
<th>Categories</th>
<th>Domestic Commercial Banks (excl. RRBs, SFBs) &amp; Foreign Banks with 20 &amp; more branches</th>
<th>Foreign banks with less than 20 branches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Priority Sector</td>
<td>40% of ANBC or CEOBE, whichever is higher. For foreign banks - w.e.f March ‘18</td>
<td>40% of ANBC or CCOBE, whichever is higher: wef Mar 20</td>
</tr>
<tr>
<td></td>
<td><strong>CEOBE</strong> = Credit equivalent amount of Off-Balance Sheet exposure</td>
<td>• up to 32% can be in the form of lending to Exports &amp;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• not less than 8% can be to any other priority sector</td>
</tr>
<tr>
<td>Agriculture</td>
<td>• 18% of ANBC or CEOBE for total agriculture</td>
<td>Not applicable</td>
</tr>
<tr>
<td></td>
<td>• <strong>10%</strong> of ANBC for Small and Marginal farmers, within 18% target for agriculture</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Micro Enterprises</td>
<td>• 7.5% of ANBC</td>
<td>Not applicable</td>
</tr>
<tr>
<td></td>
<td>• No target for MSME as a whole</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Advances to Weaker Sections</td>
<td><strong>12%</strong> of ANBC or CEOBE, whichever is higher</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

**Revised targets – Phase wise Implementation**

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>SMF target *</th>
<th>Weaker Sections target *</th>
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</thead>
<tbody>
<tr>
<td>2020-21</td>
<td>8%</td>
<td>10%</td>
</tr>
<tr>
<td>2021-22</td>
<td>9%</td>
<td>11%</td>
</tr>
<tr>
<td>2022-23</td>
<td>9.5%</td>
<td>11.5%</td>
</tr>
<tr>
<td>2023-24</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>Categories</td>
<td>RRBs</td>
<td>SFBs</td>
</tr>
<tr>
<td>----------------------</td>
<td>----------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>Total Priority Sector</td>
<td>75% of ANBC or CEOBE, whichever is higher.</td>
<td>75% of ANBC or CEOBE, whichever is higher.</td>
</tr>
<tr>
<td></td>
<td>• However, lending to Medium Enterprises, Social Infrastructure and Renewable Energy shall be reckoned for PSL achievement <strong>only up to 15%</strong> of ANBC.</td>
<td></td>
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<tr>
<td></td>
<td>• Exports not a priority sector. therefore 7 sectors only.</td>
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<tr>
<td></td>
<td>• No target for MSME as a whole</td>
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<tr>
<td>Weaker Sections</td>
<td>15% of ANBC or CEOBE whichever is higher.</td>
<td>12%* of ANBC or CEOBE whichever is higher.</td>
</tr>
</tbody>
</table>

*Phase wise implementation of SMF & weaker section targets by 2023-2024

CEOBE = Credit equivalent amount of Off-Balance Sheet exposure
Targets - Agriculture

- Domestic banks to ensure that the overall lending to non-corporate farmers does not fall below the system-wide average of the last three years achievement.

- The applicable system wide average figure for computing achievement under PSL to be notified every year. For FY 2020-21 the applicable system wide average figure is 12.14%.

- All efforts should be maintained to reach the level of 13.5 percent direct lending to the beneficiaries who earlier constituted the direct agriculture sector.

- Agricultural Credit target for **FY 2020-21** fixed by the GoI was Rs. 15 lakh Crores and for **FY 2021-22** it has been budgeted at ₹16.5 lakh crore.
Adjustments for weights in PSL Achievement

To address regional disparities in the flow of PSL at district level:

- Districts RANKED on the basis of per capita credit flow to PS
- An incentive framework for districts with comparatively lower flow of credit &
- A dis-incentive framework for districts with comparatively higher flow of PSL
- Accordingly, from FY 2021-22 onwards-for incremental priority sector credit:
  - a higher weight (125%) in the identified districts where the credit flow is comparatively lower (per capita PSL less than ₹6000)
  - a lower weight (90%) in the identified districts where the credit flow is comparatively higher (per capita PSL greater than ₹25,000).
  - All other districts --existing weightage of 100%.

- The list of districts valid up to FY 2023-24 and will be reviewed thereafter.
- RRBs, UCBs, LABs and foreign banks (including WoS) would be exempted from adjustments of weights in PSL achievement
Categories of Priority Sector Lending

1. Agriculture
2. MSME
3. Export Credit
4. Education loan
5. Housing
6. Social Infrastructure
7. Renewable energy
8. Others
1. AGRICULTURE
AGRICULTURE

The lending to agriculture sector INCLUDES:

i. Farm Credit
   (which will include short-term crop loans and medium/long-term credit to farmers)

ii. Agriculture Infrastructure

iii. Ancillary Activities
Loans to

– individual farmers (including groups of individual farmers like SHGs/ JLGs) , and

– Proprietorship firms of farmers directly engaged in Agriculture and Allied Activities (dairy, fishery, animal husbandry, poultry, bee-keeping and sericulture)

This will include:
Farm Credit (Individual).... 2

i. Crop loans to farmers (will include traditional / non-traditional plantations, horticulture and allied activities)

ii. Medium & Long-term loans to farmers for agriculture & allied activities (purchase of agricultural implements and machinery, loans for irrigation and other developmental activities undertaken in the farm and development loans for allied activities)

iii. Loans for pre-harvest and post-harvest activities viz., spraying, weeding, harvesting, sorting, grading and transporting of their own farm produce.

iv. Loans under the Kisan Credit Card Scheme

v. Loans to distressed farmers indebted to non-institutional lenders
vi. Loans to small and marginal farmers for purchase of land for agricultural purposes.

vii. Loans against pledge/hypothecation of agricultural produce (including warehouse receipt) for a max. period of 12 months subject to a limit up to ₹50 lakh.

NEW ADDITIONS

viii. Loans to farmers for installation of stand-alone Solar Agriculture Pumps and for solarisation of grid connected Agriculture Pumps.

ix. Loans to farmers for installation of solar power plants on barren/fallow land or in stilt fashion on agriculture land owned by farmer.
Loans to

- corporate farmers,
- FPOs,
- companies of individual farmers,
- partnership firms and cooperatives of farmers directly engaged in Agriculture and Allied Activities (dairy, fishery, animal husbandry, poultry, bee-keeping and sericulture) upto specified limits:
a) Loans upto a limit of **₹2 crore per borrower** for the following:
   i. Crop loans to farmers which will include (traditional / non-traditional plantations, horticulture and loans for allied activities)
   ii. Medium & Long-term loans for agriculture & allied activities (purchase of agricultural implements and machinery,
   iii. Loans for Pre-harvest and post-harvest activities viz., spraying, weeding, harvesting, sorting, grading and transporting of their own farm produce.

b) Loans **upto Rs.50 lakh against pledge / hypothecation of agri. produce (incl. warehouse receipts)** for a period not > 12 months

c) Loans **up to ₹5 crore per borrowing entity to FPOs/FPCs undertaking farming with assured marketing of their produce at a pre-determined price.**

d) UCBs are not permitted to lend to co-operatives of farmers.
Agriculture Infrastructure

Loans for agriculture infrastructure subject to an aggregate sanctioned limit of ₹100 crore/borrower from the banking system.

i. Loans for construction of storage facilities (warehouses, market yards, godowns & silos) including cold storage units/cold storage chains designed to store agriculture produce/products

ii. Soil conservation and watershed development

iii. Plant tissue culture and agro-biotechnology, seed production, production of bio-pesticides, bio-fertilizer and vermi composting.

iv. Loans for construction of oil extraction/processing units for production of bio-fuels, their storage and distribution infrastructure along with loans to entrepreneurs for setting up Compressed Bio Gas (CBG) plants
Ancillary activities…..1

1. Loans upto Rs.5 crore to cooperative societies of farmers for disposing of the produce of members (Not for UCBs)

2. Loans for Food & Agro-processing upto an aggregate sanctioned limit of Rs.100 crore per borrower from the banking system.

3. Loans up to ₹50 crore to Start-ups, as per definition of Ministry of Commerce and Industry, Govt. of India that are engaged in agriculture and allied services.

4. Loans for setting up of Agri-clinics and Agri-business centres

5. Loans to Custom Service Units managed by individuals, institutions/organizations who maintain a fleet of tractors, bulldozers, well-boring equipment, threshers etc., and undertake farm work on contract basis.
Ancillary activities…..2

5. Bank loans to PACS, Farmers’ Service Societies (FSS) and Large-sized Adivasi Multi-Purpose Societies (LAMPS) for on-lending to agriculture.

6. Loans sanctioned by banks to MFIs for on-lending to agriculture sector as per specified conditions.

7. Loans sanctioned by banks to registered NBFCs (other than MFIs) as per conditions specified.

8. Outstanding deposits under RIDF and other eligible funds with NABARD on account of priority sector shortfall.
2. MICRO, SMALL & MEDIUM ENTERPRISES
Revised Definition of MSMEs-w.ef. July 1, 2020

-Gazzette Notifications dated June 1, and June 26, 2020

**COMPOSITE CRITERIA----- A.T.@ 5 times INV**

### Existing MSME Classification

<table>
<thead>
<tr>
<th>Classification</th>
<th>Micro</th>
<th>Small</th>
<th>Medium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mfg. Enterprises</td>
<td>Investment &lt; Rs. 25 lac</td>
<td>Investment &lt; Rs. 5 cr.</td>
<td>Investment &lt; Rs. 10 cr.</td>
</tr>
<tr>
<td>Services Enterprise</td>
<td>Investment &lt; Rs. 10 lac</td>
<td>Investment &lt; Rs. 2 cr.</td>
<td>Investment &lt; Rs. 5 cr.</td>
</tr>
</tbody>
</table>

### Revised MSME Classification

<table>
<thead>
<tr>
<th>Classification &amp; Services</th>
<th>Micro</th>
<th>Small</th>
<th>Medium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing &amp; Services</td>
<td>Investment &lt; Rs. 1 cr. and Turnover &lt; Rs. 5 cr.</td>
<td>Investment &lt; Rs. 10 cr. and Turnover &lt; Rs. 50 cr.</td>
<td>Investment &lt; Rs. 50 cr. and Turnover &lt; Rs. 250 cr.</td>
</tr>
</tbody>
</table>
Loans to MSME as Priority sector

• All bank loans to MSMEs (as defined by GoI) qualify for classification under priority sector lending.
• Loans up to ₹50 crore to Start-ups, as per definition of Ministry of Commerce and Industry, Govt. of India that confirm to the definition of MSME
• All loans sanctioned to units in the KVI sector will be eligible for classification under the sub-target of 7.5% prescribed for Micro enterprises under priority sector.
• ‘With Recourse’ Factoring transactions by banks wherever the ‘assignor’ is a MSME would be eligible for classification under MSME category. (X-RRBs)
• Factoring transactions pertaining to MSMEs taking place through the TReDS eligible for PSL classification. (not applicable to RRBs)
3. EXPORT CREDIT

Export credit under agriculture and MSME sectors can be classified as PSL in the respective categories viz. agriculture and MSME.

Export Credit (other than in agriculture and MSME) will be allowed to be classified as priority sector as per the following table:

<table>
<thead>
<tr>
<th>Domestic banks / WoS of Foreign banks/ SFBs/ UCBs</th>
<th>Foreign Banks with 20 branches and above</th>
<th>Foreign Banks with &lt; 20 branches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incremental export credit over corresponding date of the preceding year, up to 2 percent of ANBC or CEOBE whichever is higher, subject to a sanctioned limit of up to ₹ 40 crore per borrower.</td>
<td>Incremental export credit over corresponding date of the preceding year, up to 2 percent of ANBC or CEOBE whichever is higher</td>
<td>Export credit up to 32 per cent of ANBC or CEOBE whichever is higher.</td>
</tr>
</tbody>
</table>
4. EDUCATION

Loans to individuals for educational purposes, including vocational courses, not exceeding ₹ 20 lakh will be considered as eligible for priority sector classification.

Loans currently classified as priority sector will continue till maturity.
5. HOUSING....1

i. Loans to individuals **upto Rs. 35 lakh** in **metropolitan centres** for purchase / construction of a dwelling unit per family is considered as eligible for priority sector. (overall cost of the unit not to exceed Rs. 45 lakh)

ii. Loans to individuals **upto Rs. 25 lakh** in other centres (**other than metropolitan**) for purchase / construction of a dwelling unit per family is considered as eligible for priority sector. (overall cost of the unit not to exceed Rs. 30 lakh)

iii. Housing loans to banks’ own employees will not be eligible for classification under the priority sector.

iv. Since Housing loans which are backed by long term bonds are exempted from ANBC, banks should not classify such loans under priority sector.
i. Loans up to ₹10 lakh in metropolitan centres and up to ₹6 lakh in other centres for repairs to damaged dwelling units conforming to the overall cost of the dwelling unit

ii. Loans to any governmental agency for construction of dwelling units or for slum clearance and rehabilitation of slum dwellers subject to dwelling units with carpet area of not more than 60 sq.m.

iii. Loans for affordable housing projects using at least 50% of FAR/FSI for dwelling units with carpet area of not more than 60 sq.m.

iv. Bank loans to HFCs (approved by NHB for their refinance) for on-lending, up to ₹20 lakh for individual borrowers, for purchase/construction/reconstruction of individual dwelling units or for slum clearance & rehabilitation of slum dwellers, subject to conditions.

v. Outstanding deposits with NHB on account of priority sector shortfall
6. SOCIAL INFRASTRUCTURE

i. Bank loans up to a limit of ₹5 crore per borrower for setting up schools, drinking water facilities and sanitation facilities including construction/ refurbishment of household toilets and water improvements at household level, etc.

ii. Loans up to a limit of ₹10 crore per borrower for building health care facilities including under ‘Ayushman Bharat’ in Tier II to Tier VI centres.

| Tier 2-       | 50,000 to 99,999 | Tier 6-       | Less than 5000 |

iii. Bank loans to MFIs extended for on-lending to individuals and also to members of SHGs/JLGs for water and sanitation facilities subject to the certain criteria.
7. RENEWABLE ENERGY

• Bank loans upto a **limit of Rs.15 crore** Rs. 30 Crores to borrowers for purpose like solar based power generators, biomass based power generators, wind mills, micro-hydel plants and for non-conventional energy based public utilities viz., street lighting systems and remote village electrification.

• For individual households, the loan limit will be **Rs.10 lakh per borrower**.
8. OTHERS

1. Loans not exceeding ₹50,000/- Rs. 1 lakh per borrower provided directly by banks to individuals and indiv. members of SHG / JLG (borrower’s household annual income not to exceed Rs.1,00,000/- in rural areas and Rs.1,60,000/- in non-rural areas).

2. Loans not exceeding ₹2.00 lakh provided directly by banks to SHG/JLG for activities other than agriculture or MSME, viz., loans for meeting social needs, construction or repair of house, construction of toilets or any viable common activity started by the SHGs.

3. Loans to distressed persons (other than farmers-already included) not > Rs.1,00,000/- per borrower to prepay their debt to non-institutional lenders.

4. Loans sanctioned to State Sponsored Organizations for SCs / STs for the specific purpose of purchase and supply of inputs to and/or the marketing of the outputs of the beneficiaries of these organizations.

5. Loans up to ₹50 crore to Start-ups, as per definition of Ministry of Commerce and Industry, Govt. of India that are engaged in activities other than Agriculture or MSME.
Weaker Sections

Priority sector loans to the following borrowers will be considered under Weaker Sections category.
Weaker Sections Category

i. Small and Marginal Farmers

ii. Artisans, village and cottage industries where individual credit limits do not exceed ₹1 lakh

i. Beneficiaries under Government Sponsored Schemes such as NRLM, NULM and SRMS

iv. Scheduled Castes and Scheduled Tribes

v. Beneficiaries of DRI scheme

vi. Self Help Groups

vii. Distressed farmers indebted to non-institutional lenders
Weaker Sections Category

viii. Distressed persons other than farmers, with loan amount not exceeding ₹1 lakh per borrower to prepay their debt to non-institutional lenders

ix. Individual women beneficiaries up to ₹1 lakh per borrower

x. Persons with disabilities

xi. Overdrafts under PMJDY accounts, as per limits and conditions prescribed by Department of Financial Services, Ministry of Finance

xii. Minority communities as may be notified by Government of India from time to time.
PSLCs
Priority Sector Lending Certificate (PSLC) – Rationale and Objectives

**Rationale:**

- Comparative advantage of banks in sectoral lending
- Focus on Lending to priority sectors by the banking system as a whole, regardless of which bank does it.

**Objectives:**

- To enable banks to achieve the PSL targets by purchase of these instruments in the event of shortfall
- Incentivise the overachievers.
- Enhancing lending to the categories under priority sector.
Traded through the CBS portal (e-Kuber) of RBI.

No transfer of credit risk on the underlying as no transfer of tangible assets or cash flow.

All PSLCs expire by March 31st, irrespective of the date it was first sold.

The PSLCs have a standard lot size of ₹ 25 Lakhs and multiples thereof.

Eligible participants are SCBs (including RRBs and SFBs), UCBs & Local Area Banks.
TYPES OF PSLCs

- PSLC – Agriculture (PSLC-A)
- PSLC – Small and Marginal Farmers (PSLC-SM)
- PSLC – Micro Enterprises (PSLC-ME)
- PSLC – General (PSLC-G)
Value:
The nominal value of PSLC would get deducted from the PSL portfolio of the seller and added to the PSL portfolio of the buyer.

Computation of PSL achievement:
A bank’s PSL achievement would be computed as the sum of outstanding priority sector loans, and the net nominal value of the PSLCs issued and purchased.
Compliance Aspects
Common Guidelines.....1

• Issue of Acknowledgment of Loan Applications

Banks should provide acknowledgement for loan applications received under priority sector loans.

- Bank Boards should prescribe a time limit within which the bank communicates its decision in writing to the applicants.

• Receipt, Sanction/Rejection/Disbursement Register

A register / electronic record should be maintained by the bank wherein the date of receipt, sanction / rejection / disbursement with reasons thereof etc., should be recorded and made available to all inspecting agencies.
• **Service Charges**

No loan related and adhoc service charges / inspection charges should be levied on priority sector loans upto **Rs.25,000/-** For SHGs/ JLGs, this limit will be applicable per member and not to the group as a whole

• **Monitoring end-use of loans**

Banks should ensure that loans extended under priority sector are for the **approved purposes** and the **end use is continuously monitored**. Banks should put in place proper **internal controls** and systems in this regard
Common Guidelines.....3

- **Collateral**

- Banks mandated not to accept collateral security in case of loans upto **Rs.10 lakh** extended to units in the MSE sector
- Based on the track record and financial position of the MSE units, banks **may increase** the limit of dispensation of collateral requirement for loans **upto Rs.25 lakh** (with the approval of the appropriate authority)
- Banks to **encourage** their branch level functionaries to avail of the **Credit Guarantee Scheme** cover, including making performance in this regard a criterion in the evaluation of their field staff.
Common Guidelines.....4

• Collateral Circular dated February 7, 2019

• Keeping in view the overall inflation and rise in agriculture input cost over the years since 2010, it has been decided to raise the limit for collateral free agricultural loans from the existing level of 1 lakh to 1.6 lakh. Accordingly, banks may waive margin requirements for agricultural loans upto 1.6 lakh.
Monitoring of Priority Sector Lending targets

To ensure continuous flow of credit to priority sector, the compliance of banks will be monitored on ‘quarterly’ basis.

The data on priority sector advances has to be furnished by banks at quarterly and annual intervals as per the reporting formats prescribed vide Circular FIDD.CO.Plan.BC.58/04.09.01/2014-15 dated June 11, 2015 on Priority Sector Lending – Revised Reporting System.
Non-achievement of Priority Sector targets

- Non-achievement of priority sector targets/sub-targets taken into account while granting regulatory clearances/approvals.
- SCBs having any **shortfall in PSL** are allocated amounts for contribution to the **RIDF established with NABARD** and other Funds with NABARD/NHB/SIDBI/ MUDRA, as decided by RBI.
- While computing achievement, shortfall / excess lending for each quarter will be monitored separately. A simple average of all quarters will be arrived at and considered for computation of overall shortfall / excess in target/ subtarget at the year end.
- The misclassifications reported by DBS would be adjusted/ reduced from the achievement of that year, to which the amount of declassification/ misclassification pertains, for allocation to various funds in subsequent years.
Thanks

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