

**Priority Sector Lending Targets and Classification- Key Changes from 1.4.2025**  
Reference: Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2025

Sr	Related To	Old Provision	New Provision										
I.	Criteria for Eligible Categories under Priority Sector – Monetary ceilings for eligibility criteria enhanced in following cases												
1)	Farm Credit – Individual Farmers: loans against warehouse receipts: (a) Negotiable/Electronic Negotiable Warehouse Receipts (b) Other Warehouse Receipts	₹75 lakh ₹50 lakh	₹90 lakh ₹60 lakh										
2)	Farm Credit - Corporate farmers, Farmer Producer Organisations/ Companies (FPOs)/(FPCs) of Individual Farmers, Partnership firms and Co-operatives of farmers engaged in Agriculture and Allied Activities												
A	Loans against warehouse receipts: (a) Negotiable/Electronic Negotiable Warehouse Receipts (b) Other Warehouse Receipts	₹75 lakh ₹50 lakh	₹4 crore ₹2.5 crore										
B	Loan to FPOs/FPCs undertaking farming with assured marketing of their produce at a pre-determined price	₹5 crore	₹10 crore										
C	Loans for purchasing the produce of members directly engaged in agriculture and allied activities ( <i>Now included</i> )	Not covered.	₹10 crore										
3)	Ancillary Services –Loans to Start-ups engaged in agriculture and allied services enhanced	₹5 crore	₹50 crore										
4)	Lending to Small and Marginal Farmers: Loans to individuals solely engaged in allied activities without any accompanying land holding criteria	₹2 lakh	₹2.5 lakh										
5)	Other Finance to MSMEs: Credit outstanding under General Credit Cards (including Artisan Credit Card, Laghu Udyami Card, Swarojgar Credit Card and Weaver's Card etc. in existence and catering to the non-farm entrepreneurial credit needs of individuals) ( <i>Removed</i> )	Was covered.	Not covered.										
6)	Export Credit: For incremental export credit sanctioned limit per borrower	₹40 crore	₹50 crore										
7)	Education: Loans to individuals for educational purposes, including vocational courses												
8)	Housing Loans:												
A	Loans to individuals for purchase/construction of a dwelling unit per family: (i) Loan Amount: (ii) Cost of Dwelling Unit At centres with population - (a) Of 50 lakh and above  (b) Of 10 lakh and above but below 50 lakh  (c) Below 10 lakh	Metro: (i) ₹35 lakh; (ii) ₹45 lakh  Others: (i) ₹25 lakh; (ii) ₹30 lakh	(a) (i) ₹50 lakh; (ii) ₹63 lakh  ((b) i) ₹45 lakh; (ii) ₹57 lakh  (c) (i) ₹35 lakh; (ii) ₹44 lakh										
B	Loans for repairs to damaged dwelling units: (i) Loan Amount: (ii) Cost of Dwelling Unit At centres with population - (a) Of 50 lakh and above  (b) Of 10 lakh and above but below 50 lakh  (c) Below 10 lakh	Metro: (i) ₹10 lakh; (ii) ₹45 lakh  Others: (i) ₹6 lakh; (ii) ₹30 lakh	(a) (i) ₹15 lakh; (ii) ₹63 lakh  ((b) i) ₹12 lakh; (ii) ₹57 lakh  (c) (i) ₹10 lakh; (ii) ₹44 lakh										
9)	Social Infrastructure												
A	Loans for setting up schools, drinking water facilities and sanitation facilities including construction/refurbishment of household toilets and water improvements at household level, etc. (per borrower)	₹5 crore	₹8 crore										
B	Loans for building health care facilities in Tier II to Tier VI centres. In case of UCBs, the equivalent centres are those in Category 'D' (per borrower)	₹10 crore	₹12 crore										
10)	Weaker Sections												
A	Individuals and individual members of SHGs/JLGs, as per criteria in Microfinance Loans Directions, dt. 14/3/2022 ( <i>Now included</i> )	Not covered.	Now covered.										
B	Individual women beneficiaries (per borrower)		₹2 lakh										
C	Transgenders	Not covered.	Now covered.										
II.	Miscellaneous												
1)	Investments by banks in securitisation notes: Cap on interest to the ultimate borrower – <i>Removed</i> .	MCLR+10% or EBLR + 14%	No cap.										
2)	Bank loans to NBFCs for On-Lending to Micro & Small enterprises: Condition: Provided banks maintain disaggregated data of such loans in the portfolio.	-	Condition added.										
3)	Non-achievement of Priority Sector Targets: Interest rates for banks on RIDF and other funds.	Not specified.	Now specified.										
	<table border="1"> <thead> <tr> <th>Shortfall in overall PS Lending Target (%)</th> <th>Deposit Rates (% below Bank Rate)</th> </tr> </thead> <tbody> <tr> <td>&lt; 5</td> <td>2</td> </tr> <tr> <td>≥ 5 but &lt; 10</td> <td>3</td> </tr> <tr> <td>≥10</td> <td>4</td> </tr> <tr> <td>Only in sub-target(s)</td> <td>2</td> </tr> </tbody> </table>	Shortfall in overall PS Lending Target (%)	Deposit Rates (% below Bank Rate)	< 5	2	≥ 5 but < 10	3	≥10	4	Only in sub-target(s)	2		
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4)	Common guidelines for Priority Sector Loans												
A	Service charges: Not to be levied for loans up to	₹25,000	₹50,000										
B	Conditions Added: (i) To grant PSL for approved purposes, monitor the end use - have proper internal systems and controls. (ii) A loan be classified only in any one category.												

Version: 29.3.2025