



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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Master Directions FIDD.CO.PSD.BC.13/04.09.001/2024-25

March 24, 2025

(Updated as on January 19, 2026)

**The Chairman / Managing Director/  
Chief Executive Officer  
All Commercial Banks including Regional Rural Banks,  
Small Finance Banks, Local Area Banks and  
Primary (Urban) Co-operative Banks other than Salary Earners' Banks**

Madam/Dear Sir,

**Master Directions- Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2025**

The Reserve Bank of India has, from time to time, issued a number of instructions/ guidelines to banks relating to Priority Sector Lending (PSL). The Master Directions enclosed incorporate the updated instructions/guidelines on the subject.

2. These Directions shall come into effect on April 01, 2025 and shall supersede the earlier Directions on the subject, namely, the Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2020 (Ref. [FIDD.CO.Plan.BC.5/04.09.01/ 2020-21](#)) dated September 04, 2020 (updated from time to time). All loans eligible to be categorised as Priority Sector Lending under the erstwhile Master Directions on PSL dated September 04, 2020 (updated from time to time) shall continue to be eligible for such categorisation under these Directions, till maturity.

Yours faithfully,

(Nisha Nambiar)  
Chief General Manager-in-Charge

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**हिंदी आसान है, इसका प्रयोग बढ़ाइये**

**“चेतावनी - :रिज़र्व बैंक द्वारा भेल, डाक, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्तिगत जानकारी जैसे बैंक के खाते का ब्यौरा, पासवर्ड आदि नहीं मांगी जाती है।  
यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।”**

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*Master Directions - Priority Sector Lending – Targets and Classification - 2025*

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## **Master Directions- Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2025**

In exercise of the powers conferred by Sections 21 and 35A read with Section 56 of the Banking Regulation Act, 1949, the Reserve Bank of India, being satisfied that it is necessary and expedient in the public interest so to do, hereby, issues the Directions hereinafter specified.

### **CHAPTER – I PRELIMINARY**

#### **1. Short Title and Commencement**

**1.1** These Directions shall be called the Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2025.

**1.2** These Directions shall come into effect on April 01, 2025, and shall supersede the earlier Directions on the subject, namely, the Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2020 (Ref. [FIDD.CO.Plan.BC.5/04.09.01/2020-21](#)) dated September 04, 2020 (updated from time to time).

#### **2. Applicability**

The provisions of these Directions shall, unless otherwise provided, apply to every Commercial Bank [including Regional Rural Bank (RRB), Small Finance Bank (SFB), Local Area Bank (LAB)] and Primary (Urban) Co-operative Bank (UCB) other than Salary Earners' Bank.

#### **3. Purpose**

These Directions are issued with a view to delineating a framework for ensuring adequate flow of credit from the banking system to the sectors of the economy which are crucial for their contribution to socio-economic development, with focus on specific segments whose credit needs remain underserved despite being credit worthy.

#### **4. Definitions/Clarifications**

**4.1** In these Directions, unless the context otherwise requires, the terms herein shall bear the meanings assigned to them below:



- (i) Allied activities i.e. activities allied to agriculture shall include dairy, fisheries, animal husbandry, poultry, bee-keeping, sericulture and similar activities.
- (ii) Non-Corporate Farmers (NCF) shall include individual farmers including Small and Marginal Farmers<sup>1</sup> (SMFs), proprietorship firms of farmers directly engaged in agriculture and allied activities, and Self-Help Groups (SHGs) or Joint Liability Groups (JLGs) i.e., group of individual farmers, provided banks maintain disaggregated data of such loans.
- (iii) “On-lending” means loans sanctioned by banks to eligible intermediaries for onward lending. Such loans, extended for creation of priority sector assets and which remain deployed in such assets, will be eligible for classification under PSL.

**4.2** All other expressions, unless defined herein, shall have the same meaning as has been assigned to them under the Banking Regulation Act, 1949 or the Reserve Bank of India Act, 1934 or any statutory modification or re-enactment thereto or as used in commercial parlance, as the case may be.

**4.3** All loans categorised as Priority Sector Lending (PSL) under the erstwhile Master Directions on PSL dated September 04, 2020 (updated as on June 21, 2024) shall continue to be eligible for such categorisation under these Directions till maturity.

## CHAPTER – II

### CATEGORIES AND TARGETS UNDER PRIORITY SECTOR

#### 5. Categories under Priority Sector

The categories under priority sector are as follows:

- i. [Agriculture](#)
- ii. [Micro, Small and Medium Enterprises](#)
- iii. [Export Credit](#)
- iv. [Education](#)

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<sup>1</sup> As defined in para 9.4 of this MD



- v. [Housing](#)
- vi. [Social Infrastructure](#)
- vii. [Renewable Energy](#)
- viii. [Others](#)

The details of eligible activities under the above categories are specified in [Chapter III](#).

## 6. Computation of Adjusted Net Bank Credit (ANBC)

6.1 For the purpose of priority sector lending, ANBC shall be computed as follows:

Bank Credit in India [as prescribed in item No.VI of Form `A' under Section 42(2) of the RBI Act, 1934]	I
Bills rediscounted with RBI and other approved Financial Institutions	II
Net Bank Credit (NBC)*	III(I-II)
Outstanding Deposits under RIDF and other eligible funds with NABARD, NHB, SIDBI and MUDRA Ltd in lieu of non-achievement of priority sector lending targets/sub-targets + outstanding PSLCs	IV
Eligible amount for exemptions on issuance of long-term bonds for infrastructure and affordable housing as per [Reserve Bank of India (Resource Raising Norms) Directions, 2025 as applicable to Commercial Banks and Small Finance Banks] <sup>2</sup>	V
Advances extended in India against the incremental FCNR (B)/NRE deposits, qualifying for exemption from CRR/SLR requirements, as per the Reserve Bank's circulars <a href="#">DBOD.No.Ret.BC.36/12.01.001/ 2013-14 dated August 14, 2013</a> read with <a href="#">DBOD.No.Ret.BC.93/ 12.01.001/2013-14 dated January 31, 2014</a> , DBOD mailbox clarification issued on February 6, 2014 and <a href="#">UBD.BPD.(PCB).CIR.No.5/13.01.000/2013-14 dated August 27, 2013</a> read with <a href="#">UBD.BPD.(PCB). Cir.No.72/ 13.01.000/ 2013-14 dated June 11, 2014</a> . <sup>3</sup>	VI
Investments made by public sector banks in the Recapitalization Bonds floated by Government of India	VII
Other investments eligible to be treated as priority sector (e.g. investments in securitisation notes)	VIII
Bonds/debentures in Non-SLR categories under HTM category	IX
For UCBs: Investments made after August 30, 2007 in permitted non SLR bonds held under 'Held to Maturity' (HTM) category	X
ANBC (Other than UCBs)	III + IV- (V+VI+VII) +VIII + IX

<sup>2</sup> Substituted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026

<sup>3</sup> The incremental advances extended out of the resources generated from the eligible incremental FCNR(B)/NRE deposits is calculated as the difference between outstanding advances in India as on March 7, 2014 (June 13, 2014, in case of UCBs) and the Base Date (July 26, 2013). The amount to be excluded from ANBC for computation of priority sector targets will not exceed incremental FCNR (B) / NRE deposits eligible for exemption from maintenance of CRR / SLR in terms of the circulars mentioned above. In case, the difference in the amount outstanding is zero or negative, no amount would be eligible for deduction from ANBC for the purpose of arriving at the priority sector lending targets.

[Inserted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026]



ANBC for UCBs	III + IV - VI + X
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\* For the purpose of priority sector computation only. Banks shall not deduct / net any amount like provisions, accrued interest, etc. from NBC.

**6.2** For the purpose of calculation of Credit Equivalent of Off-Balance Sheet Exposures (CEOBSE), banks shall be guided by the [\[Reserve Bank of India \(Commercial Banks - Concentration Risk Management\) Directions, 2025\]](#), and Reserve Bank of India (Prudential Norms on Capital Adequacy) Directions, 2025, as applicable to Small Finance Banks, Urban Co-operative Banks and Regional Rural Banks. In the case of Local Area Banks, for the purpose of calculation of credit risk exposure attached to off-balance sheet items, banks may refer to [Reserve Bank of India \(Local Area Banks – Prudential Norms on Capital Adequacy\) Directions, 2025\]](#)<sup>4</sup>

**6.3** SFBs shall be further guided [by the following pertaining]<sup>5</sup> to treatment of grandfathered loans, for computation of ANBC:

- a. [The provisions in Paragraph C.10.33 of [Reserve Bank of India \(Small Finance Banks – Licensing\) Guidelines, 2025](#) will apply to cases where an existing NBFC/MFI sets up a SFB and transfers its business to the SFB, apart from conversion cases..
- b. The lending banks will be permitted to avail the PSL classification for the loans made to such NBFCs, as long as the assets financed out of such loans are PSL eligible assets. This dispensation to the lending banks would be extended only up to the extent of actual outstanding balance supported by existing underlying assets as on the opening balance sheet of the SFB, and only till repayment of underlying loans.
- c. The assets financed out of the above loans from the banks would not be reckoned for the ANBC for priority sector calculation for the SFB, to the extent the lending bank enjoys PSL status on such grandfathered loans.
- d. Any fresh assets created out of such outstanding grandfathered lending or any fresh assets created by the SFB post commencement of operations, in general, would be reckoned in the ANBC of the SFBs and the PSL norms as applicable to SFBs would kick in.

<sup>4</sup> Substituted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026



- e. The above treatment would be applicable for grandfathered borrowings in the cases of converting entities as well.
- f. The first audited balance sheet as on March 31st post commencement of operations of the SFB would form the basis for the first PSL target for the SFB (for the subsequent year).]<sup>5</sup>

**6.4** While calculating Net Bank Credit as above, if banks subtract prudential write off at Corporate/Head Office level, it shall be ensured that the credit to priority sector and all sub-sectors so written off shall also be subtracted category wise from priority sector target and sub-target achievement. Investments or any other items which are treated as eligible for classification under priority sector target/sub-target achievement, shall also form part of Adjusted Net Bank Credit.

**6.5** All banks shall adhere to the respective licencing and operating guidelines issued by the Department of Regulation, RBI as updated from time to time.

## **7. Targets/Sub-targets for Priority sector**

**7.1** The targets and sub-targets set under priority sector lending, to be computed on the basis of the ANBC/CEOBSE<sup>6</sup> as applicable as on the corresponding date of the preceding year, are as below:

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<sup>5</sup> Substituted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026

<sup>6</sup> (i) Contingent liabilities/off-balance sheet items do not form part of priority sector achievement. However, foreign banks with less than 20 branches have an option to reckon the CEOBSE extended to borrowers for eligible priority sector activities for achievement of priority sector target, subject to the condition that the CEOBSE (both priority sector and non-priority sector excluding interbank exposure) shall be added to the ANBC in the denominator for computation of PSL targets.

(ii) Off-balance sheet interbank exposures are excluded for computing CEOBSE for the priority sector targets.



Categories	Targets/ Sub-targets			
	Domestic Commercial Banks (excl. RRBs & SFBs) & Foreign Banks with 20 branches and above	Foreign Banks with less than 20 branches	Regional Rural Banks	Small Finance Banks
<b>Total Priority Sector</b>	40 per cent of ANBC as computed in para 6 above or CEOBSE, whichever is higher.	40 per cent of ANBC as computed in para 6 above or CEOBSE, whichever is higher; out of which up to 32% can be in the form of Export Credit and not less than 8% can be to any other priority sector.	75 per cent of ANBC as computed in para 6 above or CEOBSE, whichever is higher. However, lending to Medium Enterprises, Social Infrastructure and Renewable Energy shall be reckoned for priority sector achievement up to 15 per cent of ANBC only.	[60] <sup>7</sup> per cent of ANBC as computed in para 6 above or CEOBSE, whichever is higher.
<b>Agriculture</b>	18 per cent of ANBC or CEOBSE, whichever is higher. Within this target, 14 percent is prescribed for Non-Corporate Farmers (NCFs), out of which a target of 10 percent is prescribed for SMFs.	Not applicable	18 per cent ANBC or CEOBSE, whichever is higher. Within this target, 14 percent is prescribed for NCFs, out of which a target of 10 percent is prescribed for SMFs.	18 per cent of ANBC or CEOBSE, whichever is higher. Within this target, 14 percent is prescribed for NCFs, out of which a target of 10 percent is prescribed for SMFs.
<b>Micro Enterprises</b>	7.5 per cent of ANBC or CEOBSE, whichever is higher	Not applicable	7.5 per cent of ANBC or CEOBSE, whichever is higher	7.5 per cent of ANBC or CEOBSE, whichever is higher
<b>Advances to Weaker Sections</b>	12 percent of ANBC or CEOBSE, whichever is higher	Not applicable	15 per cent of ANBC or CEOBSE, whichever is higher	12 percent of ANBC or CEOBSE, whichever is higher

<sup>7</sup> Substituted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026



7.2 The priority sector lending targets for UCBs shall be as follows:

Categories	Targets as a percentage of ANBC or CEOBSE, whichever is higher
Total Priority Sector	60%
Micro Enterprises	7.5%
Advances to Weaker Sections	12%

## 8. Adjustments for weights in PSL Achievement

8.1 To address regional disparities in the flow of priority sector credit at the district level, it was decided to rank districts on the basis of per capita credit flow to priority sector and build an incentive framework for districts with comparatively lower flow of credit and a dis-incentive framework for districts with comparatively higher flow of priority sector credit. With effect from FY 2024-25, a higher weight (125%) shall be assigned to the incremental priority sector credit in the identified districts where the credit flow is comparatively lower (per capita PSL less than ₹9,000), and a lower weight (90%) will be assigned for incremental priority sector credit in the identified districts where the credit flow is comparatively higher (per capita PSL greater than ₹42,000). The list of both categories of districts is given in [Annexes IA](#) and [IB](#) and will be valid up to FY 2026-27, subject to a review thereafter. The districts other than those mentioned in Annexes IA and IB will continue to have normal weightage of 100%.

8.2 The banks shall continue to report the actual outstanding amount in Quarterly Priority Sector Advances (QPSA) returns as hitherto. Adjustments for weights to incremental PSL credit will be done by RBI, based on reporting of district wise credit flow to FIDD, CO through the ADEPT database. RRBs, UCBs, LABs and foreign banks (including Wholly Owned Subsidiaries) would be exempted from adjustments of weights in PSL achievement due to their currently limited area of operation/catering to a niche segment.

## CHAPTER – III

### DESCRIPTION OF ELIGIBLE CATEGORIES UNDER PRIORITY SECTOR

#### 9. Agriculture

The lending to agriculture sector will include Farm Credit (Agriculture and Allied



Activities), lending for Agriculture Infrastructure and Ancillary Activities.

## **9.1 Farm Credit**

### **A. Farm Credit - Individual farmers**

This category comprises of loans to individual farmers [including Self Help Groups (SHGs) or Joint Liability Groups (JLGs) i.e., groups of individual farmers, provided banks maintain disaggregated data of such loans] and proprietorship firms of farmers, directly engaged in agriculture and allied activities. Such loans will include:

- i.** Crop loans including loans for traditional/non-traditional plantations, horticulture and allied activities
- ii.** Medium and long-term loans for agriculture and allied activities (e.g. purchase of agricultural implements and machinery and developmental loans for allied activities)
- iii.** Loans for pre and post-harvest activities viz., spraying, harvesting, grading and transporting of own farm produce
- iv.** Loans to distressed farmers indebted to non-institutional lenders
- v.** Loans under the Kisan Credit Card Scheme
- vi.** Loans to small and marginal farmers (SMFs) for purchase of land for agricultural purposes
- vii.** Loans against pledge/hypothecation of agricultural produce (including warehouse receipts) for a period not exceeding 12 months subject to a limit up to ₹90 lakh against Negotiable Warehouse Receipt (NWRs)/Electronic Negotiable Warehouse Receipt (eNWRs) and up to ₹60 lakh against warehouse receipts other than NWRs/eNWRs
- 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



**B. 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 for the following activities, subject to an aggregate limit of ₹4 crore per borrowing entity, will be eligible:
- (i) Crop loans to farmers which will include traditional/non-traditional plantations and horticulture and loans for allied activities
  - (ii) Medium and long-term loans for agriculture and allied activities (e.g., purchase of agricultural implements, technological solutions, machinery and developmental loans for allied activities)
  - (iii) Loans for pre and post-harvest activities viz., spraying, harvesting, grading and transporting of their own farm produce
- (b) Loans up to ₹4 crore against pledge/hypothecation of agricultural produce (including warehouse receipts) for a period not exceeding 12 months against NWRs/eNWRs and up to ₹2.5 crore against warehouse receipts other than NWRs/eNWRs
- (c) Loans up to ₹10 crore per borrowing entity to FPOs/FPCs undertaking farming with assured marketing of their produce at a pre-determined price
- (d) Loans up to ₹10 crore for purchase of the produce of members directly engaged in agriculture and allied activities

Note: UCBs are not permitted to lend to co-operatives of farmers.

**9.2 Agriculture Infrastructure**

Loans for agriculture infrastructure will be subject to an aggregate sanctioned limit of ₹100 crore per borrower from the banking system. List of activities is furnished in [Annex II](#) (Item 1).

**9.3 Ancillary Services**

The following shall be eligible to be classified in this category:

- i. Loans specified in [Annex II](#) (Item 2)



- ii. Loans up to ₹50 crore to Start-ups<sup>8</sup> that are engaged in agriculture and allied services
- iii. Loans for Food and Agro-processing up to an aggregate sanctioned limit of ₹100 crore per borrower from the banking system (eligible activities as given in [Annex III](#))
- iv. [\*\*\*\*\*]<sup>9</sup>
- v. Outstanding deposits under RIDF and other eligible funds with NABARD on account of priority sector shortfall

#### **9.4 Eligibility criteria for categorization as lending to Small and Marginal Farmers (SMFs)**

For the purpose of computation of achievement of the sub-target, SMFs will include the following:

- i. Farmers with landholding of up to 1 hectare (Marginal Farmers)
- ii. Farmers with a landholding of more than 1 hectare and up to 2 hectares (Small Farmers)
- iii. Landless agricultural labourers, tenant farmers, oral lessees and share-croppers whose share of landholding is within the limits prescribed for SMFs
- iv. Self Help Groups (SHGs) or Joint Liability Groups (JLGs), i.e., groups of individual SMFs directly engaged in agriculture and allied activities, provided banks maintain disaggregated data of such loans
- v. Loans up to ₹2.5 lakh to individuals solely engaged in allied activities without any accompanying land holding criteria
- vi. Loans to FPOs/FPCs of individual farmers and co-operatives of farmers directly engaged in agriculture and allied activities where the land-holding share of SMFs is not less than 75 per cent, subject to loan limits prescribed in para 9.1 (B)

<sup>8</sup> As defined by Ministry of Commerce and Industry, Govt. of India

<sup>9</sup> Deleted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026



Note: UCBs are not permitted to lend to co-operatives of farmers.

### 9.5 Lending by banks to NBFCs and MFIs for on-lending in agriculture

(i) Bank credit extended to registered NBFC-MFIs and other MFIs (Societies, Trusts etc.) which are members of RBI recognised SRO for the sector, for on-lending to individuals and also to members of SHGs/JLGs will be eligible for categorisation as priority sector advance under respective categories of agriculture subject to conditions specified in para 22.

(ii) Bank credit to registered NBFCs (other than MFIs) towards on-lending for 'term lending' component under agriculture will be eligible for PSL classification up to ₹10 lakh per borrower subject to conditions specified in para 23 and 25.

Note: The provisions of para 9.5 shall not be applicable to RRBs, UCBs, SFBs and LABs.

## 10. Micro, Small and Medium Enterprises (MSMEs)

- (i) The definition of MSMEs shall be as given in the [FIDD.MSME & NFS.12/06.02.31/2017-18 dated July 24, 2017](#) as updated from time to time.
- (ii) All bank loans to MSMEs shall qualify for classification under priority sector lending.
- (iii) Loans up to ₹50 crore to Start-ups<sup>10</sup>, that conform to the definition of MSME, shall also be eligible to be classified under this category.

### 10.1 Factoring Transactions

- (i) 'With recourse' factoring transactions by banks which carry out the business of factoring departmentally wherever the 'assignor' is a Micro, Small or Medium Enterprise would be eligible for classification under MSME category on the reporting dates.
- (ii) Factoring transactions pertaining to MSMEs taking place through the Trade Receivables Discounting System (TReDS) shall also be eligible for classification under priority sector.

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<sup>10</sup> As defined by Ministry of Commerce and Industry, Govt. of India



Note: The provisions of para 10.1 are not applicable to RRBs and UCBs

## 10.2 Other Loans eligible to be classified under PSL in the MSME category

These include:

- (i) All loans to units in the Khadi and Village Industries sector, which shall be categorised as lending to micro enterprises.
- (ii) Loans to entities involved in assisting the decentralized sector in the supply of inputs and marketing of output of artisans, village and cottage industries.
- (iii) Loans to co-operatives of producers in the decentralized sector viz., artisans, village and cottage industries (not applicable to UCBs).
- (iv) [\*\*\*\*\*]<sup>11</sup>
- (v) Loans by banks to NBFC-MFIs and other MFIs (Societies, Trusts, etc.) which are members of RBI recognised SRO for the sector, for on-lending to the MSME sector, borrowers being individuals and members of SHGs/ JLGs as per the conditions specified in paragraph 22 of these Master Directions (not applicable to RRBs, SFBs and UCBs)
- (vi) Loans to registered NBFCs (other than MFIs) for on-lending to micro and small enterprises up to Rs.20 lakh per borrower as per conditions specified in para 23 of these Master Directions (not applicable to RRBs, SFBs and UCBs)
- (vii) Overdraft to Pradhan Mantri Jan-Dhan Yojana (PMJDY) account holders as per limits and conditions prescribed by Department of Financial Services, Ministry of Finance from time to time, which shall be categorised as lending to Micro Enterprises.
- (viii) Outstanding deposits with SIDBI and MUDRA Ltd. on account of priority sector shortfall.

## 11. Export Credit

- (i) Export credit includes pre-shipment and post-shipment export credit (excluding off-balance sheet items) as defined in [Reserve Bank of India

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<sup>11</sup> Deleted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026



(Credit Facilities) Directions, 2025, as applicable to Commercial Banks, Small Finance Banks and Urban Co-operative Banks.]<sup>12</sup>

- (ii) Export credit to agriculture and MSMEs shall be eligible for classification as PSL in the respective categories [and subject to the aggregate limits mentioned therein.]<sup>13</sup>
- (iii) Export Credit (other than that classified under agriculture and MSME) shall be eligible for classification as priority sector lending as per the following table:

Domestic banks/WoS of Foreign banks/SFBs/UCBs	Foreign banks with 20 branches and above	Foreign banks with less than 20 branches
Incremental export credit over corresponding date of the preceding year, up to 2 per cent of ANBC or CEOBSE whichever is higher, subject to a sanctioned limit of up to ₹ 50 crore per borrower.	Incremental export credit over corresponding date of the preceding year, up to 2 percent of ANBC or CEOBSE whichever is higher.	Export credit up to 32 per cent of ANBC or CEOBSE whichever is higher.

Note: The provisions of para 11 are not applicable to RRBs and LABs.

## 12. Education

Loans to individuals for educational purposes, including vocational courses, not exceeding ₹25 lakh will be considered as eligible for priority sector classification.

## 13. Housing

13.1. Bank loans to Housing sector as per limits prescribed below are eligible for priority sector classification:

- i. Loans to individuals for purchase/construction of a dwelling unit per family subject to the following limits:

Category	Loan Limit#	(Amount in ₹ lakh)
		Maximum Cost of Dwelling Unit#
Centres with population of 50 lakh and above	50	63

<sup>12</sup> Substituted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026

<sup>13</sup> Inserted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026



Centres with population of 10 lakh and above but below 50 lakh	45	57
Centres with population below 10 lakh	35	44

#to be eligible, the loan to satisfy both the criteria

- ii. Housing loans to banks' own employees will not be eligible for classification under the priority sector.
  - iii. Housing loans which are backed by long term bonds shall not be classified under priority sector, as they are exempted from inclusion in ANBC. Investments made by UCBs in bonds issued by NHB/HUDCO on or after April 1, 2007 shall not be eligible for classification under priority sector.
- 13.2.** Loans for repairs to damaged dwelling units shall be eligible for priority sector classification subject to the following limits:

Category	Loan Limit#	(Amount in ₹ lakh)
		Maximum Cost of Dwelling Unit#
Centres with population of 50 lakh and above	15	63
Centres with population of 10 lakh and above but below 50 lakh	12	57
Centres with population below 10 lakh	10	44

#to be eligible, the loan to satisfy both the criteria

- 13.3.** Bank 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.
- 13.4.** Bank 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.
- 13.5.** Outstanding deposits with NHB on account of priority sector shortfall

**[Note:** Banks may refer to the population at the level of 'Urban Agglomerations' (U.A.s)/ Towns as given in the Table "A-04" of the Census 2011 for determining adherence to the population-based classifications. For housing loans to properties situated in villages/rural areas (which are not part of the Table A-04 of the Census



2011), the loan limits as per “Centres with population below 10 lakh” may be adhered to.]<sup>14</sup>

#### 14. Social Infrastructure

Bank loans to social infrastructure sector as per limits prescribed below are eligible for priority sector classification.

**14.1.** Loans up to a limit of ₹8 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.

**14.2.** Loans up to a limit of ₹12 crore per borrower for building health care facilities in Tier II to Tier VI centres. In case of UCBs, the equivalent centres are those [with population of less than 1 lakh.]<sup>15</sup>

**14.3.** Loans (other than by RRBs, UCBs and SFBs) to MFIs extended for on-lending to individuals and also to members of SHGs/JLGs for water and sanitation facilities subject to the criteria laid down in paragraph 22 of these Master Directions.

#### 15. Renewable Energy

Bank loans up to a limit of ₹35 crore to borrowers for renewable energy-based power generators and for renewable energy based public utilities, viz., street lighting systems, remote village electrification etc., will be eligible for priority sector classification. For individual households, the loan limit will be ₹10 lakh per borrower.

#### 16. Others

The following loans up to the prescribed limits are eligible for priority sector classification:

- i. [Microfinance]<sup>16</sup> loans provided directly by banks to individuals and individual members of SHGs/JLGs satisfying the criteria as prescribed in [Reserve Bank

<sup>14</sup> Inserted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026

<sup>15</sup> Substituted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026

<sup>16</sup> Inserted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026



of India (Credit Facilities) Directions, 2025, as applicable to Commercial Banks, Small Finance Banks, Regional Rural Banks, Urban Co-operative Banks and Local Area Banks.]<sup>17</sup>

- ii. Loans not exceeding ₹2.00 lakh provided 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 SHGs
- iii. Loans to distressed persons [other than distressed farmers indebted to non-institutional lenders] not exceeding ₹1.00 lakh per borrower to prepay their debt to non-institutional lenders
- iv. Loans sanctioned to State Sponsored Organisations for Scheduled Castes/ Scheduled Tribes for the specific purpose of purchase and supply of inputs and/or the marketing of the outputs of the beneficiaries of these organisations
- v. Loans up to ₹50 crore to Start-ups<sup>18</sup>, that are engaged in activities other than agriculture or MSME

## 17. Weaker Sections

17.1 Priority sector loans to the following borrowers will be considered as lending to Weaker Sections (overlapping category):

(i)	Small and Marginal Farmers
(ii)	Artisans, village and cottage industries where individual credit limits do not exceed ₹2 lakh
(iii)	Beneficiaries under Government Sponsored Schemes such as National Rural Livelihood Mission (NRLM), [****] <sup>19</sup> and Self Employment Scheme for Rehabilitation of Manual Scavengers (SRMS)
(iv)	Scheduled Castes and Scheduled Tribes
(v)	Beneficiaries of Differential Rate of Interest (DRI) scheme
(vi)	Self Help Groups/Joint Liability Groups
(vii)	Individuals and individual members of SHGs/JLGs [availing microfinance loans satisfying the criteria as prescribed in Reserve Bank of India (Credit Facilities)

<sup>17</sup> Substituted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026

<sup>18</sup> As per definition of Ministry of Commerce and Industry, Govt. of India

<sup>19</sup> Deleted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026



	Directions, 2025, as applicable to Commercial Banks, Small Finance_Banks, Regional Rural Banks, Urban Co-operative Banks and Local Area Banks.] <sup>20</sup>
(viii)	Individual women beneficiaries up to ₹2 lakh per borrower (the limit of '₹2 lakh per borrower' is not applicable to UCBs)
(ix)	Distressed farmers indebted to non-institutional lenders
(x)	Distressed persons other than farmers, with loan amount not exceeding ₹1 lakh per borrower to prepay their debt to non-institutional lenders
(xi)	Persons with disabilities
(xii)	Transgenders
(xiii)	Minority communities as may be notified by Government of India from time to time.

**17.2** Overdraft availed by PMJDY account holders as per limits and conditions prescribed by Department of Financial Services, Ministry of Finance from time to time may be classified under loans to Weaker Sections.

**17.3** In States, where one of the minority communities notified is, in fact, in majority, item (xiii) will cover only the other notified minorities. These States/Union Territories are Punjab, Meghalaya, Mizoram, Nagaland, Lakshadweep and Jammu & Kashmir.

## CHAPTER IV MISCELLANEOUS

### 18. Investments by banks in Securitisation Notes

Investments by banks in 'Securitisation Notes', representing loans to various priority sector categories, except 'others' category, are eligible for classification under the respective categories depending on the underlying assets, subject to the following conditions:

- i. The assets are originated by banks and financial institutions and are eligible to be classified as priority sector advances prior to securitisation and fulfil the [provisions of Reserve Bank of India (Securitisation Transactions) Directions, 2025, as applicable to the various entities.]<sup>21</sup>

<sup>20</sup> Substituted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026

<sup>21</sup> Substituted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026



- ii. Investment by banks in securitisation notes with loans against gold jewellery originated by NBFCs as underlying, are not eligible for priority sector status.

[18A. To ascertain priority sector status of the underlying portfolio, banks may rely on a combination of any external auditors' certification provided by the originating entity and conduct of sample check by their own staff or by an auditor for the purpose. This may be specified in their internal policy.]<sup>22</sup>

Note: The provisions of para 18 are not applicable to [SFBs, LABs,]<sup>23</sup> RRBs and UCBs

### 19. Transfer of Assets through Direct Assignment/Outright purchase

Assignment/outright purchase of pool of assets by banks representing loans under various priority sector categories, except the 'others' category, will be eligible for classification under the respective categories, subject to the following conditions:

- (i) The assets are originated by banks and financial institutions and are eligible to be classified as priority sector advances prior to the purchase and fulfil the [provisions of the Reserve Bank of India (Transfer and Distribution of Credit Risk) Directions, 2025, as applicable to Commercial Banks and Small Finance Banks.]<sup>24</sup>
- (ii) Banks shall report the outstanding amount actually disbursed to priority sector borrowers and not the premium embedded amount paid to the seller.
- (iii) Loans against gold jewellery acquired by banks from NBFCs are not eligible for priority sector status.

Note: The provisions of para 19 are not applicable to [LABs]<sup>25</sup>, RRBs and UCBs.

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<sup>22</sup> Inserted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026

<sup>23</sup> Inserted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026

<sup>24</sup> Substituted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026

<sup>25</sup> Inserted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026



## 20. Inter Bank Participation Certificates (IBPCs)

- (i) IBPCs bought by banks, on a risk sharing basis, are eligible for classification under the respective priority sector categories, provided the underlying assets are eligible to be classified under the respective categories and the banks fulfil [the relevant provisions of the Reserve Bank of India (Transfer and Distribution of Credit Risk) Directions, 2025, as applicable to Commercial Banks and Small Finance Banks.]<sup>26</sup>
- (ii) IBPCs bought by banks on risk sharing basis relating to 'Export Credit' as per Para 11, shall be classified from purchasing bank's perspective for priority sector categorization. However, in such a scenario, the issuing bank shall certify that the underlying asset is 'Export Credit', in addition to the due diligence required to be undertaken by the issuing and the purchasing banks as per guidelines in this regard.

Note: The provisions of para 20 are not applicable to [LABs, RRBs and]<sup>27</sup> UCBs.

## 21. Priority Sector Lending Certificates (PSLCs)

Banks are permitted to purchase/sell PSLCs in terms of Reserve Bank of India guidelines on Priority Sector Lending Certificates [as detailed in [Annex IIIA](#).]<sup>28</sup> The net nominal value of the PSLCs issued and purchased will be eligible for classification under the respective priority sector categories provided the underlying assets originated by banks are eligible to be classified as priority sector advances. SFBs [are permitted to purchase PSLCs only for the specific purpose of meeting the PSL sub-targets within the overall PSL target.]<sup>29</sup>

## 22. Bank loans to MFIs (NBFC-MFIs, Societies, Trusts, etc.) for On-Lending

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<sup>26</sup> Substituted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026

<sup>27</sup> Inserted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026

<sup>28</sup> Substituted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026

<sup>29</sup> Substituted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026



Loans disbursed by banks to MFIs under para 22 (i) and 22 (ii) below are eligible for categorisation as priority sector advances under respective categories viz., Agriculture, MSME, Social Infrastructure and Others, provided the MFIs adhere to the conditions prescribed in [[Reserve Bank of India \(Non-Banking Financial Companies – Microfinance Institution\) Directions, 2025](#)] and banks obtain external auditors' certificates from MFIs confirming that on-lending benefit in respect of these loans has not been claimed from any other bank]<sup>30</sup>

(i) Loans by banks other than SFBs to registered NBFC-MFIs and other MFIs (Societies, Trusts, etc.) which are members of RBI recognised Self-Regulatory Organisation (SRO) for the sector, for on-lending to individuals and also to members of SHGs/JLGs

(ii) Loans by SFBs to registered NBFC-MFIs and other MFIs (Societies, Trusts, etc.) which are members of RBI recognised SRO of the sector, and which have a 'gross loan portfolio' (GLP) of up to ₹500 crore as on March 31 of the previous year, for the purpose of on-lending to individuals<sup>31</sup>. In case the GLP of the NBFC-MFIs/other MFIs exceeds the stipulated limit at a later date, all priority sector loans created prior to exceeding the GLP limit will continue to be classified by the SFBs as PSL till repayment/maturity, whichever is earlier. Bank credit as above, up to an overall limit of 10% of an individual bank's total priority sector lending of the previous financial year, is eligible for PSL classification. Banks shall determine adherence to the prescribed cap by averaging the eligible portfolio under on-lending mechanism across four quarters of the current financial year.

Note: The provisions of para 22 are not applicable to RRBs, UCBs and LABs.

### **23. Bank loans to NBFCs for On-Lending**

Bank credit to registered NBFCs (other than MFIs) for on-lending will be eligible for classification as priority sector lending under the respective categories subject to the following conditions:

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<sup>30</sup> Substituted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026

<sup>31</sup> With effect from May 5, 2021



(i) **Agriculture:** Up to ₹10 lakh per borrower in respect of ‘term lending’ component under Agriculture

(ii) **Micro & Small enterprises:** Up to ₹20 lakh per borrower provided banks maintain disaggregated data of such loans in the portfolio.

[(iii) Banks shall obtain external auditors’ certificates from the NBFCs confirming that on-lending benefit in respect of such loans has not been claimed from any other bank.]<sup>32</sup>

Note: The provisions of para 23 are not applicable to RRBs, UCBs, SFBs and LABs.

## 24. Bank loans to HFCs for On-Lending

Bank credit to Housing Finance Companies (HFCs), approved by NHB for their refinance, for on-lending for the purpose of purchase/construction/reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers, [will be eligible for classification as PSL]<sup>33</sup> subject to an aggregate loan limit of ₹20 lakh per borrower, under ‘Housing’ category. Banks shall maintain necessary borrower-wise details of the underlying portfolio [and obtain external auditors’ certificates from the HFCs, confirming that on-lending benefit in respect of such loans has not been claimed from any other bank.]<sup>34</sup>

Note: The provisions of para 24 are not applicable to RRBs, SFBs and LABs.

### [24A. Bank loans to NCDC for on-lending

Bank credit to National Co-operative Development Corporation (NCDC) for on-lending to co-operative societies for purposes and activities as laid down in this Master Direction will be eligible for classification as priority sector lending under the respective categories. This is subject to NCDC furnishing quarterly certificates by a CAG<sup>35</sup>

<sup>32</sup> Inserted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026

<sup>33</sup> Inserted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026

<sup>34</sup> Inserted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026

<sup>35</sup> Comptroller and Auditor General of India



empanelled chartered accountant firm, to the lending banks, confirming that the bank credit has been utilized for extending loans to co-operative societies for PSL eligible purposes and that on-lending benefit in respect of such loans has not been claimed from any other bank.

Note: (i) The provisions of para 24A are applicable to loans sanctioned by banks to NCDC after January 19, 2026.

(ii) The provisions of para 24A are not applicable to RRBs, UCBs, SFBs and LABs.]<sup>36</sup>

## 25. Cap on On-Lending

Bank credit to NBFCs (including HFCs) [and NCDC]<sup>37</sup> for on-lending as applicable in para 23, 24 [and 24A]<sup>37</sup> above, will be eligible for PSL classification up to an overall limit of 5% of individual bank's total priority sector lending of the previous financial year. Banks shall determine adherence to the prescribed cap by averaging the eligible portfolio under on-lending mechanism across four quarters of the current financial year. [In case of a newly licensed bank, the cap shall be applicable on an on-going basis during its first year of operations.]<sup>37</sup>

## 26. Co-lending

[Banks are permitted to enter into co-lending arrangements for lending to priority sectors as per [Reserve Bank of India \(Commercial Banks – Transfer and Distribution of Credit Risk\) Directions, 2025](#). Loans extended as per circular [FIDD.CO.Plan.BC.No.8/04.09.01/2020-21 dated November 5, 2020 on Co-lending by Banks and NBFCs to Priority Sector](#) and as per circular No. [FIDD.CO.Plan.BC.08/04.09.01/2018-19 dated September 21, 2018 on Co-origination of loans by Banks and NBFCs for lending to priority sector](#), shall continue to be eligible for priority sector classification till repayment/ maturity, whichever is earlier.]<sup>38</sup>

<sup>36</sup> Inserted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026

<sup>37</sup> Inserted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026

<sup>38</sup> Substituted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026



Note: The provisions of para 26 are not applicable to RRBs, UCBs, SFBs and LABs.

## 27. PSL eligibility for COVID-19 measures

Outstanding loans extended under policy measures to mitigate the financial impact of COVID-19, as detailed in [Annex-IV](#), shall be eligible for classification as priority sector lending.

## 28. Monitoring of Priority Sector Lending Targets

- (i) To ensure continuous flow of credit to priority sectors, the compliance of banks will be monitored on a calendar quarter basis.
- (ii) The data on priority sector advances shall be furnished by banks at [[quarterly](#) and [annual](#)]<sup>39</sup> intervals as per the respective reporting format, within fifteen days and one month, respectively from the end of each quarter and financial year.
- (iii) In respect of RRBs, the data on priority sector advances, in the above format, shall be furnished to NABARD at quarterly and annual intervals.
- (iv) UCBs shall be guided by [Master Direction – Reserve Bank of India \(Filing of Supervisory Returns\) Directions – 2024 dated February 27, 2024](#), as updated from time to time, as regards submission of data on priority sector advances.

## 29. Non-achievement of Priority Sector Targets

- (i) All banks (excluding UCBs under all-inclusive directions) reporting shortfall in priority sector lending vis-à-vis the prescribed target/sub-targets shall be allocated amounts for contribution to the Rural Infrastructure Development Fund (RIDF) and other funds with NABARD/NHB/SIDBI/MUDRA Ltd., as decided by the Reserve Bank from time to time. Further, the terms and conditions of the funds shall be as decided by Reserve Bank of India.
- (ii) While computing priority sector target achievement, shortfall/excess lending for each quarter will be monitored separately. A simple average of all quarters will

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<sup>39</sup> Formats updated vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026



be arrived at and considered for computation of overall shortfall/excess at the end of the year. The same method will be followed for calculating the achievement of priority sector sub-targets. (Illustration given in [Annex-V](#)).

- (iii) The interest rates payable to banks for their contribution to RIDF and other funds shall be as follows:

S. No.	Shortfall in overall priority sector lending target	Deposit Rates
1	Less than 5 percentage points	Bank Rate minus 2 percentage points
2	5 and above, but less than 10 percentage points	Bank Rate minus 3 percentage points
3	10 percentage points and above	Bank Rate minus 4 percentage points

Further, in case of no shortfall in overall PSL target but shortfall in any sub-target, interest rate of Bank Rate minus 2 percentage points will apply.

- (iv) The mis-classifications in PSL, if any, identified by the Reserve Bank's Department of Supervision (DoS) (NABARD in respect of RRBs) will be adjusted from the PSL achievement of the relevant year, to which the amount of misclassification pertains, and shortfall will be allocated to various funds in the subsequent years.
- (v) Non-achievement of priority sector targets and sub-targets will be taken into account while granting regulatory clearances/approvals for various purposes.

### 30. Common guidelines for Priority Sector Loans

Banks shall also comply with the following common guidelines for all categories of priority sector advances.

- (i) **Rate of interest:** The rates of interest charged on loans shall be in accordance with the [Reserve Bank of India (Interest Rate on Advances) Directions, 2025, as applicable to Commercial Banks, Small Finance Banks, Regional Rural Banks, Local Area Banks and Urban Co-operative Banks.]<sup>40</sup>

<sup>40</sup> Substituted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026



- (ii) **Service charges:** No loan related [charges (including guarantee fees of credit guarantee schemes),]<sup>41</sup> and *ad hoc* service charges/inspection charges shall be levied on priority sector loans up to ₹50,000. In the case of eligible priority sector loans to SHGs/JLGs, this limit will be applicable per member and not to the group as a whole.
- (iii) **Record of Receipt, Sanction/Rejection/Disbursement:** Record shall be maintained by the bank of the date of receipt, sanction, disbursement, rejection with reasons thereof, etc.
- (iv) **Acknowledgement of loan applications:** Banks shall provide acknowledgement of receipt of applications for priority sector loans. Bank Boards shall prescribe the time limit within which the bank communicates its decision in writing to the applicants.
- (v) Banks shall ensure that loans categorised as priority sector lending are granted for approved purposes and the end use is monitored, by putting in place proper internal systems and controls.
- (vi) Each priority sector loan shall be classified only in any one of the eight identified categories specified in para 5 of these Master Directions.

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<sup>41</sup> Inserted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026



## List of Districts with comparatively high PSL credit

Sl.No	State	District name
1	Andaman & Nicobar Islands	South Andaman
2	Andhra Pradesh	Bapatla
3	Andhra Pradesh	Dr. B.R. Ambedkar Konaseema
4	Andhra Pradesh	East Godavari
5	Andhra Pradesh	Eluru
6	Andhra Pradesh	Guntur
7	Andhra Pradesh	Kakinada
8	Andhra Pradesh	Krishna
9	Andhra Pradesh	NTR
10	Andhra Pradesh	Palnadu
11	Andhra Pradesh	Prakasam
12	Andhra Pradesh	Sri Potti Sriramulu Nellore
13	Andhra Pradesh	Tirupati
14	Andhra Pradesh	Visakhapatnam
15	Andhra Pradesh	West Godavari
16	Andhra Pradesh	Y.S.R.
17	Arunachal Pradesh	Papumpare
18	Assam	Kamrup Metropolitan
19	Bihar	Patna
20	Chandigarh	Chandigarh
21	Chhattisgarh	Bilaspur
22	Chhattisgarh	Raipur
23	Dadra and Nagar Haveli and Daman and Diu	Dadra & Nagar Haveli
24	Dadra and Nagar Haveli and Daman and Diu	Daman
25	Goa	North Goa
26	Goa	South Goa
27	Gujarat	Ahmedabad
28	Gujarat	Bharuch
29	Gujarat	Gandhinagar
30	Gujarat	Jamnagar
31	Gujarat	Kachchh
32	Gujarat	Mahesana
33	Gujarat	Morbi
34	Gujarat	Porbandar
35	Gujarat	Rajkot
36	Gujarat	Surat
37	Gujarat	Vadodara
38	Gujarat	Valsad
39	Haryana	Ambala
40	Haryana	Faridabad
41	Haryana	Fatehabad
42	Haryana	Gurugram



## List of Districts with comparatively high PSL credit

Sl.No	State	District name
43	Haryana	Hisar
44	Haryana	Jhajjar
45	Haryana	Jind
46	Haryana	Kaithal
47	Haryana	Karnal
48	Haryana	Kurukshetra
49	Haryana	Panchkula
50	Haryana	Panipat
51	Haryana	Rewari
52	Haryana	Rohtak
53	Haryana	Sirsa
54	Haryana	Sonipat
55	Haryana	Yamunanagar
56	Himachal Pradesh	Kulu
57	Himachal Pradesh	Shimla
58	Himachal Pradesh	Sirmaur
59	Himachal Pradesh	Solan
60	Jammu and Kashmir	Jammu
61	Jammu and Kashmir	Pulwama
62	Jammu and Kashmir	Shopian
63	Jammu and Kashmir	Srinagar
64	Jharkhand	Ranchi
65	Karnataka	Bengaluru Rural
66	Karnataka	Bengaluru Urban
67	Karnataka	Chikkamagaluru
68	Karnataka	Dakshin Kannad
69	Karnataka	Dharwad
70	Karnataka	Hassan
71	Karnataka	Kodagu
72	Karnataka	Mysuru
73	Karnataka	Ramanagara
74	Karnataka	Shivamogga
75	Karnataka	Udipi
76	Kerala	Alapuzha
77	Kerala	Ernakulam
78	Kerala	Idukki
79	Kerala	Kannur
80	Kerala	Kasaragod
81	Kerala	Kollam
82	Kerala	Kottayam
83	Kerala	Kozhikode
84	Kerala	Palakkad
85	Kerala	Pathanamthitta



## List of Districts with comparatively high PSL credit

Sl.No	State	District name
86	Kerala	Thiruvananthapuram
87	Kerala	Thrissur
88	Kerala	Wayanad
89	Ladakh	Leh Ladakh
90	Madhya Pradesh	Bhopal
91	Madhya Pradesh	East Nimar
92	Madhya Pradesh	Gwalior
93	Madhya Pradesh	Harda
94	Madhya Pradesh	Indore
95	Madhya Pradesh	Jabalpur
96	Madhya Pradesh	Narmadapuram
97	Madhya Pradesh	Ratlam
98	Madhya Pradesh	Ujjain
99	Maharashtra	Chhatrapati Sambhajnagar
100	Maharashtra	Kolhapur
101	Maharashtra	Mumbai
102	Maharashtra	Mumbai Suburban
103	Maharashtra	Nagpur
104	Maharashtra	Nasik
105	Maharashtra	Pune
106	Maharashtra	Raigad
107	Maharashtra	Thane
108	NCT of Delhi	Central Delhi
109	NCT of Delhi	East Delhi
110	NCT of Delhi	New Delhi
111	NCT of Delhi	North Delhi
112	NCT of Delhi	Shahdara
113	NCT of Delhi	South Delhi
114	NCT of Delhi	South-East Delhi
115	NCT of Delhi	West Delhi
116	Odisha	Khurda
117	Puducherry	Karaikal
118	Puducherry	Mahe
119	Puducherry	Puducherry
120	Puducherry	Yanam
121	Punjab	Amritsar
122	Punjab	Barnala
123	Punjab	Bathinda
124	Punjab	Faridkot
125	Punjab	Fatehgarh Sahib
126	Punjab	Fazilka
127	Punjab	Jalandhar
128	Punjab	Kapurthala



## List of Districts with comparatively high PSL credit

Sl.No	State	District name
129	Punjab	Ludhiana
130	Punjab	Mansa
131	Punjab	Moga
132	Punjab	Muktsar
133	Punjab	Patiala
134	Punjab	Sahibzada Ajit Singh Nagar
135	Punjab	Sangrur
136	Rajasthan	Ajmer
137	Rajasthan	Bhilwara
138	Rajasthan	Bikaner
139	Rajasthan	Ganganagar
140	Rajasthan	Hanumangarh
141	Rajasthan	Jaipur
142	Rajasthan	Jodhpur
143	Rajasthan	Kota
144	[*****] <sup>42</sup>	
145	Tamil Nadu	Ariyalur
146	Tamil Nadu	Chengalpattu
147	Tamil Nadu	Chennai
148	Tamil Nadu	Coimbatore
149	Tamil Nadu	Cuddalore
150	Tamil Nadu	Dharmapuri
151	Tamil Nadu	Dindigul
152	Tamil Nadu	Erode
153	Tamil Nadu	Kallakurichi
154	Tamil Nadu	Kanyakumari
155	Tamil Nadu	Karur
156	Tamil Nadu	Krishnagiri
157	Tamil Nadu	Madurai
158	Tamil Nadu	Mayiladuthurai
159	Tamil Nadu	Namakkal
160	Tamil Nadu	Nilgiris
161	Tamil Nadu	Perambalur
162	Tamil Nadu	Pudukkottai
163	Tamil Nadu	Ramanathapuram
164	Tamil Nadu	Ranipet
165	Tamil Nadu	Salem
166	Tamil Nadu	Sivaganga
167	Tamil Nadu	Tenkasi
168	Tamil Nadu	Thanjavur
169	Tamil Nadu	Theni

<sup>42</sup> Deleted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026



## List of Districts with comparatively high PSL credit

Sl.No	State	District name
170	Tamil Nadu	Thiruvallur
171	Tamil Nadu	Thiruvarur
172	Tamil Nadu	Tiruchirapalli
173	Tamil Nadu	Tirunelveli
174	Tamil Nadu	Tiruppur
175	Tamil Nadu	Tiruvannamalai
176	Tamil Nadu	Toothukudi
177	Tamil Nadu	Virudhunagar
178	Telangana	Hanumakonda
179	Telangana	Hyderabad
180	Telangana	Jangaon
181	Telangana	Medchal-Malkajgiri
182	Telangana	Rangareddi
183	Telangana	Sangareddy
184	Telangana	Suryapet
185	Uttar Pradesh	Agra
186	Uttar Pradesh	Gautam Buddha Nagar
187	Uttar Pradesh	Ghaziabad
188	Uttar Pradesh	Kanpur Nagar
189	Uttar Pradesh	Lucknow
190	Uttar Pradesh	Meerut
191	Uttarakhand	Dehra Dun
192	Uttarakhand	Haridwar
193	Uttarakhand	Nainital
194	Uttarakhand	Udham Singh Nagar
195	West Bengal	Alipurduar
196	West Bengal	Darjiling
197	West Bengal	Kalimpong
198	West Bengal	Kolkata



## List of Districts with comparatively low PSL credit

Sl.No	State	District name
1	Andaman & Nicobar Islands	Nicobar
2	Andhra Pradesh	Alluri Sitharama Raju
3	Arunachal Pradesh	Anjaw
4	Arunachal Pradesh	Chunglang
5	Arunachal Pradesh	East Kameng
6	Arunachal Pradesh	East Siang
7	Arunachal Pradesh	Kamle
8	Arunachal Pradesh	Kra Daadi
9	Arunachal Pradesh	Kurung Kumey
10	Arunachal Pradesh	Leparada
11	Arunachal Pradesh	Lohit
12	Arunachal Pradesh	Longding
13	Arunachal Pradesh	Lower Dibang Valley
14	Arunachal Pradesh	Lower Siang
15	Arunachal Pradesh	Lower Subansiri
16	Arunachal Pradesh	Namsai
17	Arunachal Pradesh	Pakke Kessang
18	Arunachal Pradesh	Shi-Yomi
19	Arunachal Pradesh	Siang
20	Arunachal Pradesh	Tawang
21	Arunachal Pradesh	Tirap
22	Arunachal Pradesh	Upper Siang
23	Arunachal Pradesh	Upper Subansiri
24	Arunachal Pradesh	West Siang
25	Assam	Bajali
26	Assam	Baksa
27	Assam	Charaideo
28	Assam	Chirang
29	Assam	Dhemaji
30	Assam	Dhubri
31	Assam	Dima Hasao
32	Assam	Goalpara
33	Assam	Hailakandi
34	Assam	Hojai
35	Assam	Karbi Anglong
36	Assam	Karimganj
37	Assam	Kokrajhar
38	Assam	Majuli
39	Assam	Morigaon
40	Assam	Nagaon
41	Assam	South Salmara-Mankachar
42	Assam	Udalguri
43	Assam	West Karbi Anglong
44	Bihar	Arwal
45	Bihar	Banka
46	Bihar	Bhojpur



## List of Districts with comparatively low PSL credit

47	Bihar	Buxar
48	Bihar	Gopalganj
49	Bihar	Jamui
50	Bihar	Jehanabad
51	Bihar	Kaimur
52	Bihar	Khagaria
53	Bihar	Lakhisarai
54	Bihar	Madhepura
55	Bihar	Madhubani
56	Bihar	Munger
57	Bihar	Nalanda
58	Bihar	Nawada
59	Bihar	Paschimi Champaran
60	Bihar	Saran
61	Bihar	Sheikhpura
62	Bihar	Sheohar
63	Bihar	Sitamarhi
64	Bihar	Siwan
65	Bihar	Supaul
66	Chhattisgarh	Balrampur
67	Chhattisgarh	Dakshin Bastar Dantewada
68	Chhattisgarh	Gariyaband
69	Chhattisgarh	Gaurela-Pendra-Marwahi
70	Chhattisgarh	Jashpur
71	Chhattisgarh	Khairagarh-Chhuikhadan-Gandai
72	Chhattisgarh	Kondagaon
73	Chhattisgarh	Koriya
74	Chhattisgarh	Manendragarh-Chirmiri-Bharatpur
75	Chhattisgarh	Mohla-Manpur-Ambagarh Chouki
76	Chhattisgarh	Narayanpur
77	Chhattisgarh	Sakti
78	Chhattisgarh	Sarangarh-Bilaigarh
79	Chhattisgarh	Sukma
80	Chhattisgarh	Surajpur
81	Chhattisgarh	Surguja
82	Gujarat	Dangs
83	Haryana	Nuh
84	Jharkhand	Chatra
85	Jharkhand	Dumka
86	Jharkhand	Garhwa
87	Jharkhand	Godda
88	Jharkhand	Gumla
89	Jharkhand	Jamtara
90	Jharkhand	Khunti
91	Jharkhand	Latehar
92	Jharkhand	Palamau
93	Jharkhand	Sahebganj



## List of Districts with comparatively low PSL credit

94	Jharkhand	Simdega
95	Madhya Pradesh	Alirajpur
96	Madhya Pradesh	Anuppur
97	Madhya Pradesh	Bhind
98	Madhya Pradesh	Dindori
99	Madhya Pradesh	Niwari
100	Madhya Pradesh	Panna
101	Madhya Pradesh	Sidhi
102	Madhya Pradesh	Tikamgarh
103	Madhya Pradesh	Umaria
104	Maharashtra	Gadchiroli
105	Manipur	Bishenpur
106	Manipur	Chandel
107	Manipur	Churachandpur
108	Manipur	Imphal East
109	Manipur	Jiribam
110	Manipur	Kakching
111	Manipur	Kamjong
112	Manipur	Kangpokpi
113	Manipur	Noney
114	Manipur	Pherzawal
115	Manipur	Senapati
116	Manipur	Tamenglong
117	Manipur	Tengnoupal
118	Manipur	Thoubal
119	Manipur	Ukhrul
120	Meghalaya	East Garo Hills
121	Meghalaya	East Jaintia Hills
122	Meghalaya	Eastern West Khasi Hills
123	Meghalaya	North Garo Hills
124	Meghalaya	South Garo Hills
125	Meghalaya	South West Garo Hills
126	Meghalaya	South West Khasi Hills
127	Meghalaya	West Garo Hills
128	Meghalaya	West Jaintia Hills
129	Meghalaya	West Khasi Hills
130	Mizoram	Champhai
131	Mizoram	Hnahthial
132	Mizoram	Kolasib
133	Mizoram	Lawngtlai
134	Mizoram	Lunglei
135	Mizoram	Mamit
136	Mizoram	Saitual
137	Mizoram	Serchhip
138	Mizoram	Siaha
139	Nagaland	Chumoukedima
140	Nagaland	Kiphire



List of Districts with comparatively low PSL credit

141	Nagaland	Longleng
142	Nagaland	Mokokchung
143	Nagaland	Mon
144	Nagaland	Niuland
145	Nagaland	Noklak
146	Nagaland	Peren
147	Nagaland	Phek
148	Nagaland	Shamator
149	Nagaland	Tseminyu
150	Nagaland	Tuensang
151	Nagaland	Wokha
152	Nagaland	Zunheboto
153	NCT of Delhi	North-East Delhi
154	Odisha	Malkangiri
155	Odisha	Nawrangpur
156	Rajasthan	Deeg
157	[*****] <sup>43</sup>	
158	[*****] <sup>43</sup>	
159	Rajasthan	Salumber
160	[*****] <sup>43</sup>	
161	Sikkim	Gyalshing
162	Sikkim	Soreng
163	Telangana	Adilabad
164	Tripura	Dhalai
165	Tripura	Gomati
166	Tripura	Khowai
167	Tripura	North Tripura
168	Tripura	Sepahijala
169	Uttar Pradesh	Amroha
170	Uttar Pradesh	Azamgarh
171	Uttar Pradesh	Ballia
172	Uttar Pradesh	Balrampur
173	Uttar Pradesh	Banda
174	Uttar Pradesh	Basti
175	Uttar Pradesh	Chitrakoot
176	Uttar Pradesh	Farrukhabad
177	Uttar Pradesh	Gonda
178	Uttar Pradesh	Jaunpur
179	Uttar Pradesh	Kanpur Dehat
180	Uttar Pradesh	Kaushambi
181	Uttar Pradesh	Kushi Nagar
182	Uttar Pradesh	Maharajganj
183	Uttar Pradesh	Mau
184	Uttar Pradesh	Sant Kabir Nagar
185	Uttar Pradesh	Shravasti

<sup>43</sup> Deleted vide Reserve Bank of India (Priority Sector Lending – Targets and Classification) (Amendment) Directions, 2026 dated January 19, 2026

**List of Districts with comparatively low PSL credit**

186	Uttar Pradesh	Sidharthanagar
187	Uttar Pradesh	Sitapur
188	Uttar Pradesh	Sultanpur
189	Uttar Pradesh	Unnao
190	Uttarakhand	Bageshwar
191	Uttarakhand	Chamoli
192	Uttarakhand	Pithoragarh
193	Uttarakhand	Rudraprayag
194	Uttarakhand	Tehri Garhwal
195	West Bengal	Jhargram
196	West Bengal	Puruliya



## Annex – II

### Indicative list of eligible activities under Agriculture Infrastructure and Ancillary activities

1) Agriculture infrastructure	<p>i) Loans for construction of storage facilities (warehouse, market yards, godowns and silos) including cold storage units/cold storage chains designed to store agriculture produce/products, irrespective of their location</p> <p>ii) Loans for soil conservation and watershed development</p> <p>iii) Loans for plant tissue culture and agri-biotechnology, seed production, production of bio-pesticides, bio-fertilizer, and vermi composting</p> <p>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</p>
2) Ancillary activities	<p>(i) Loans for setting up of Agri-clinics and Agri-business centres</p> <p>(ii) Loans to Custom Service Units managed by individuals, institutions or organizations who maintain a fleet of tractors, bulldozers, well-boring equipment, threshers, combines, etc., and undertake farm work for farmers on contract basis</p> <p>(iii) Loans to Primary Agricultural Credit Societies (PACS), Farmers' Service Societies (FSS) and Large-sized Adivasi Multi-Purpose Societies (LAMPS) for on-lending to agriculture</p> <p>(iv) Loans sanctioned by banks to MFIs for on-lending to agriculture sector as per the conditions specified in paragraph 22 of these Master Directions</p> <p>(v) Loans sanctioned by banks to registered NBFCs (other than MFIs) as per conditions specified in paragraph 23 of these Master Directions</p>



## Annex - III

### **Indicative list of Permissible Activities under Food Processing Sector as shared by Ministry of Food Processing Industries (MoFPI)**

1. Cleaning, Air Cooling (Field Heat Removal), Sorting, Grading/Sizing, Packaging, Warehousing, Distribution of Fruits & Vegetables etc.
2. Transportation including in refrigerated van/Cold Chain infrastructure system Packaging and storage including techniques like Silo, Hermetic storage; pest management.
3. Storage at low temperature/Cold Storage/Modified/Controlled Atmosphere packaging, Refrigeration/Chilling etc.
4. Primary and/or Minimal Processing of F&V: - Blanching (Vegetables), Peeling, Cutting, Storage, Distribution at Low temperature, vacuum packaging etc.
5. Sun Drying and Mechanical Drying: - Solar Drying, Hot air drying, Dehydration, hybrid drying, fluidized bed drying, refractive window drying, drum drying, radio frequency drying, Lyophilisation (Freeze Drying), Vacuum Drying, Spray Drying, De-hydro-freezing etc.
6. Preservation through various methods; both traditional and modern.
7. Frozen Products: Individually Quick Frozen (IQF) of Fruit, Vegetables, Meat, Fish, Sea Foods etc.
8. Milk and Milk products processing, including their transportation, packaging and storage.
9. Canning of Fruit, Vegetables including Mushrooms, Meat, Fish, crustaceans, molluscs, other Sea Foods etc.
10. Milling Grains, Legumes & Pulses, Preparation of their by-products such as Bran Oil, Cattle Feed/Poultry feed etc.
11. Processing of F&V into different products such as juices, concentrates, sauces, jam, jellies, marmalades, Chips, Flakes, Powders etc.
12. Processing of Grains & Pulses, Fish, Meat, Poultry, Sea Foods, Egg etc. into their different products including extruded, popped, puffed and flaked products and their packaging and storage including fumigation, Smoking etc.
13. Oil seed Extraction- Rendering, Pressing, Hydrogenation, Refining with Extraction, Filling/packaging etc.



14. Spices, Seasoning and Condiments - Grinding, Crushing, Milling, Sieving, Mixing, Blending, Roasting, Packaging, Storage, Distribution.
15. Production of fermented Products and Alcoholic- Wines, Vinegar, Milk products, Prebiotics, Probiotics etc.
16. Production of beverages - Juices, RTS, Nectar, Squash, Cordial, Syrups/Sherbets, Soups, Carbonated Beverages etc.
17. Production of Cocoa, Coffee, Chicory and Tea Products; including Cocoa Butter, Cocoa Powder, Chocolates, wafers etc.
18. Production of Bakery and Confectionary Products - Biscuits, Bread, Cakes, Cookies, Toffee etc.
19. Production of Jaggery, Sugar, Khandasari etc from Sugarcane, Beet, Palm etc.
20. Production of apiary products (honey processing; both natural and artificial honey).
21. Production of Starch and Starch Products - Sago, Tapioca, Corn, Noodles, Macroni, Vermicelli etc,
22. Slaughtering of animals/ruminants/birds etc. and their processing.
23. Nuts Processing; coconut-based product processing such as water, nuts etc.
24. Processing of other products such as Instant Mixes, Ready to Eat (RTE) retort-based products, ready to cook and Beverages etc.
25. Nutraceutical products/functional foods/fortified food/enriched food preparation.
26. Production of Organic food products.
27. Processing of algal and fungal products (eg Spirulina, Mushrooms etc), including packaging and enhancement of shelf life.
28. Processing plantation crops, packaging, storage and enhancement of shelf life.
29. Production of food grade packaging material such as laminates, tetra packs, bottles, tin containers etc.



### Priority Sector Lending Certificates - Scheme

- i) **Purpose:** To enable banks to achieve the priority sector lending target and sub-targets by purchase of these instruments in the event of shortfall and at the same time incentivize the surplus banks; thereby enhancing lending to the categories under priority sector.
- ii) **Nature of the Instruments:** The seller will be selling fulfilment of priority sector obligation and the buyer would be buying the same. There will be no transfer of risks or loan assets.
- iii) **Modalities:** The PSLCs will be traded through the CBS portal (e-Kuber) of RBI. The detailed operational instructions for carrying out the trades are available through the e-Kuber portal.
- iv) **Sellers/Buyers:** Scheduled Commercial Banks (SCBs), Regional Rural Banks (RRBs), Local Area Banks (LABs), Small Finance Banks (SFBs) and Urban Co-operative Banks (UCBs) who have originated PSL eligible category loans subject to such regulations as may be issued by the Bank.
- v) **Types of PSLCs:** There would be four kinds of PSLCs :-
  - i) PSLC Agriculture: Counting for achievement towards the total agriculture lending target.
  - ii) PSLC SF/MF: Counting for achievement towards the sub-target for lending to Small and Marginal Farmers.
  - iii) PSLC Micro Enterprises: Counting for achievement towards the sub target for lending to Micro Enterprises.
  - iv) PSLC General: Counting for achievement towards the overall priority sector target.

As stated in the [Master Directions - Reserve Bank of India \(Priority Sector Lending – Targets and Classification\) Directions, 2025](#), Priority Sector comprises several categories, including Agriculture and Micro Enterprises. In addition to the overall



target and sectoral targets for lending to agriculture and micro enterprises, banks are required to achieve specified sub-target for lending to Small and Marginal Farmers. Accordingly, to avoid computational issues in assessing the achievement/shortfall of PSL targets, it is advised that the above four types of certificates will represent specific loans and count for specific sub-targets/targets as indicated hereunder:

<b>S.No.</b>	<b>Type of PSLCs</b>	<b>Representing</b>	<b>Counting for</b>
1.	PSLC - Agriculture	All eligible Agriculture loans except loans to SF/MF for which separate certificates are available	Achievement of agriculture target and overall PSL target
2.	PSLC - SF/MF	All eligible loans to small/marginal farmers	Achievement of SF/MF sub-target, Weaker Sections sub-target, NCF sub-target, agriculture target and overall PSL target
3.	PSLC - Micro Enterprises	All PSL Loans to Micro Enterprises	Achievement of micro-enterprise sub-target and overall PSL target
4.	PSLC - General	The residual priority sector loans i.e. other than loans to agriculture and micro enterprises for which separate certificates are available	Achievement of overall PSL target



Thus, a bank having shortfall in achievement of any sub-target (e.g. SF/MF, Micro), will have to buy the specific PSLC to achieve the target. However, if a bank is having shortfall in achievement of the overall target only, as applicable to it, may buy any of the available PSLCs.

- vi) 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. Such computation will be done separately where sub targets are prescribed as on the reporting date.
- vii) Amount eligible for issue:** Normally PSLCs will be issued against the underlying assets. However, with the objective of developing a strong and vibrant market for PSLCs, a bank is permitted to issue PSLCs upto 50 percent of previous year's PSL achievement without having the underlying in its books. However, as on the reporting date, the bank must have met the priority sector target by way of the sum of outstanding priority sector lending portfolio and net of PSLCs issued and purchased. To the extent of shortfall in the achievement of target, banks may be required to invest in RIDF/other funds as hitherto.
- viii) Credit Risk:** There will be no transfer of credit risk on the underlying as there is no transfer of tangible assets or cash flow.
- ix) Expiry date:** All PSLCs will expire by March 31st and will not be valid beyond the reporting date (March 31st), irrespective of the date it was first sold.
- x) Settlement:** The settlement of funds will be done through the platform as explained in the e-Kuber portal.
- xi) Value and Fee:** The nominal value of PSLC would represent the equivalent of the PSL that would get deducted from the PSL portfolio of the seller and added to the PSL portfolio of the buyer. The buyer would pay a fee to the seller which will be market determined.
- xii) Lot Size:** The PSLCs would have a standard lot size of ₹ 25 lakh and multiples thereof.



**xiii) Accounting:** The fee paid for purchase of the PSLC would be treated as an 'Expense' and the fee received for the sale of PSLCs would be treated as 'Miscellaneous Income'.

**xiv) Disclosures:** Both seller and buyer shall report the amount of PSLCs (category-wise) sold and purchased during the year in the 'Disclosures to the Balance Sheet'.

**Illustration:**

1. Bank A may sell PSLCs with a nominal value of ₹100 crores to Bank B on July 15, 2025. Bank B will reckon ₹ 100 crore towards its priority sector achievement as on the reporting dates of September 30, 2025, December 31, 2025 & March 31, 2026, while Bank A will subtract the same from its achievement figures for the respective reporting dates. The PSLC will expire by March 31, 2026.
2. Bank C may buy ₹ 100 crore PSLC on March 30, 2026 from Bank D. Bank D will subtract ₹ 100 crore from its PSL reporting on March 31, 2026 while Bank C will reckon the same towards its achievement. The PSLC will expire by March 31, 2026.



## Annex- IV

### COVID-19 measures - PSL treatment

To mitigate the financial impact of COVID-19 related disruptions, RBI had taken several policy measures to ease the flow of credit to needy segments. Priority sector classification shall be available to outstanding credit extended under the measures specified below:

- (i) In terms of [press release: 2021-2022/177 dated May 7, 2021](#), an on-tap liquidity window of ₹50,000 crore with tenors of up to three years at the repo rate till March 31, 2022 was opened to boost provision of immediate liquidity for ramping up COVID-related healthcare infrastructure and services in the country. Banks were expected to create a COVID loan book under the scheme. Banks were advised to deliver these loans to borrowers directly or through intermediary financial entities regulated by the RBI. These loans will continue to be classified as priority sector lending till repayment or maturity, whichever is earlier. Banks which deployed their own resources without availing funds from the RBI under the scheme for lending to the specified segments mentioned above, are also eligible for the incentives stipulated as above.
- (ii) In terms of [press release: 2021-2022/323 dated June 4, 2021](#), a separate liquidity window of ₹15,000 crore with tenors of up to three years at the repo rate till March 31, 2022 was opened for certain contact-intensive sectors i.e., hotels and restaurants; tourism - travel agents, tour operators and adventure/heritage facilities; aviation ancillary services - ground handling and supply chain; and other services that include private bus operators, car repair services, rent-a-car service providers, event/conference organisers, spa clinics, and beauty parlours/saloons. Banks were expected to create a separate COVID loan book under the scheme. Banks desirous of deploying their own resources without availing funds from the RBI under the scheme for lending to the specified segments mentioned above, were also eligible for this incentive.



## Annex - V

### Priority Sector achievement - Calculation of shortfall/excess

#### Illustration:

Tables No.1 and 2 below illustrate the method followed for computation of shortfall/excess in priority sector target achievement at the end of the financial year under the revised PSL guidelines.

(Table 1)				
Amount in ₹ crore				
Quarter ended	PSL targets (A)	Priority Sector Amount Outstanding (B)	Adjustments for weightage on incremental credit to identified districts as per para 8 of MD (C)	Shortfall/ Excess (B)+(C)-(A)
June	329615	316938	1625	-11052
September	308826	311945	-810	2309
December	317694	319291	-819	778
March	324560	321347	2925	-288
Total	1280695	1269521	2921	-8253
Average	320174	317380	730	-2063

(Table 2)				
Amount in ₹ crore				
Quarter ended	PSL targets (A)	Priority Sector Amount Outstanding (B)	Adjustments for weightage on incremental credit to identified districts as per para 8 of MD (C)	Shortfall/ Excess (B)+(C)-(A)
June	329615	327967	1500	-148
September	308826	312378	-729	2823
December	317694	327225	975	10506
March	324560	321315	-765	-4010
Total	1280695	1288885	981	9171
Average	320174	322221	245	2293

In the example given in Table - 1, the bank has overall shortfall of ₹2063 crore at the end of the financial year. In Table – 2, the bank has overall excess of ₹2293 crore at the end of the financial year.

The adjustments due to weightage on incremental credit in identified districts as per para 8, will be as per the data submitted by banks in the Automated Data Extraction Project (ADEPT).

The same method will be followed for calculating the achievement of quarterly and yearly priority sector sub-targets.



Note: The computation of priority sector targets/sub-targets achievement will be based on the ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposures, whichever is higher, as at the corresponding date of the preceding year.



List of Circulars Consolidated

Sr. #	Circular No.	Date	Subject
1	<a href="#">FIDD.CO.PSD.BC.No.11/04.09.001/2025-26</a>	January 19, 2026	Reserve Bank of India (Priority Sector Lending) (Amendment) Directions, 2025
2	<a href="#">FIDD.CO.PSD.BC.No.12/04.09.001/2024-25</a>	March 24, 2025	Priority Sector Lending Certificates
3	<a href="#">DOR.CRE.REC.69/07.10.002/2024-25</a>	March 24, 2025	Review of Priority Sector Lending (PSL) Target – Urban Co-operative Banks (UCBs)
4	<a href="#">FIDD.CO.PSD.BC.No.7/04.09.01/2024-25</a>	June 21, 2024	Priority Sector Lending – Amendments to the Master Directions
5	<a href="#">DOR.CRE.REC.18/07.10.002/2023-24</a>	June 8, 2023	Priority Sector Lending (PSL) targets/sub-targets and contribution against shortfall in achievement of PSL targets – Primary (Urban) Co-operative Banks (UCBs) - Extension of time
6	<a href="#">CO.FIDD.PCD.No.S725/04.09.001/2022-23</a>	August 11, 2022	Priority Sector Lending (PSL)- Target for Non-Corporate Farmers FY2022-23
7	<a href="#">FIDD.CO.Plan.BC.No.5/04.09.001/2022-23</a>	May 13, 2022	Lending by Commercial Banks to NBFCs and Small Finance Banks (SFBs) to NBFC-MFIs, for the purpose of on-lending to priority sectors
8	<a href="#">FIDD.CO.Plan.BC.No.15/04.09.01/2021-22</a>	October 8, 2021	Priority Sector Lending- Banks' lending to NBFCs for on-lending – Extension of facility
9	<a href="#">CO.FIDD.PCD.No.S414/04-09-001/2021-22</a>	August 17, 2021	Priority Sector Lending (PSL) - Target for Non-Corporate Farmers FY2021-22
10	<a href="#">FIDD.CO.Plan.BC.No.10/04.09.01/2021-22</a>	May 5, 2021	Priority Sector Lending (PSL) - On-lending by Small Finance Banks (SFBs) to NBFC-MFIs
11	<a href="#">FIDD.CO.Plan.BC.No.7/04.09.01/2021-22</a>	April 7, 2021	Priority Sector Lending (PSL) – Increase in limits for bank lending against Negotiable Warehouse Receipts (NWRs) / electronic Negotiable Warehouse Receipts (eNWRs)
12	<a href="#">FIDD.CO.Plan.BC.No.8/04.09.01/2021-22</a>	April 7, 2021	Priority Sector Lending (PSL) - Lending by banks to NBFCs for On-Lending
13	<a href="#">CO.FIDD.PCD.No.S7850/04-09-001</a>	February 16, 2021	Priority Sector Lending (PSL) – Interest Cap on Investment by Banks in Securitised Assets/Direct Assignment
14	<a href="#">CO.FIDD.PCD.No.S7519/04-09-001/2020-21</a>	February 15, 2021	Regional Rural Banks- Issue of Inter-Bank Participation Certificates



## Appendix

Sr. #	Circular No.	Date	Subject
15	<a href="#">FIDD.CO.Plan.BC.No.8/04.09.01/2020-21</a>	November 5, 2020	Co-Lending by Banks and NBFCs to Priority Sector
16	<a href="#">DOR (PCB).BPD.Cir.No.12/09.09.002/2019-20</a>	April 24, 2020	Non-achievement of Priority Sector Lending Targets by Primary (Urban) Co-operative Banks (UCBs) - Contribution to the Rural Infrastructure Development Fund (RIDF) and other funds
17	<a href="#">FIDD.CO.Plan.BC.No.19/04.09.01/2019-20</a>	March 23, 2020	Priority Sector Lending - Lending by banks to NBFCs for On-Lending
18	<a href="#">FIDD.CO.Plan.BC.12/04.09.01/2019-20</a>	September 20, 2019	Priority Sector Lending (PSL)- Classification of Exports under Priority Sector
19	<a href="#">FIDD.CO.Plan.BC.No.11/04.09.01/2019-20</a>	September 19, 2019	Priority Sector Targets- Lending to Non-Corporate Farmers-FY 2019-20
20	<a href="#">FIDD.CO.Plan.BC 7/04.09.01/2019-20</a>	August 13, 2019	Priority Sector Lending – Lending by banks to NBFCs for On-Lending
21	<a href="#">Master Directions FIDD.CO.Plan.BC No.08/04.09.01/2019-20</a>	July 29, 2019 (Updated as on March 12, 2020)	Master Directions – Priority Sector Lending – Small Finance Banks – Targets and Classification
22	<a href="#">FIDD.CO.Plan.BC.18/04.09.01/2018-19</a>	May 06, 2019	Priority Sector Lending – Targets and Classification
23	Letter to Indian Banks' Association No. FIDD.CO.Plan.772/04.09.001/2018-19	October 4, 2018	Exemption of Special GOI Securities issued to Public Sector Banks from Adjusted Net Bank Credit (ANBC)
24	<a href="#">FIDD.CO.Plan.BC.08/04.09.01/2018-19</a>	September 21, 2018	Co-origination of loans by Banks and NBFCs for lending to priority sector
25	<a href="#">FIDD.CO.Plan.BC.07/04.09.01/2018-19</a>	July, 12, 2018	Priority Sector Lending – Targets and Classification: Lending to non-corporate farmers – System wide average of last three years
26	<a href="#">FIDD.CO.Plan.BC.22/04.09.01/2017-18</a>	June 19, 2018	Priority Sector Lending – Targets and Classification
27	<a href="#">DCBR.BPD (PCB).Cir.No.07/09.09.002/2017-18</a>	May 10, 2018	Revised guidelines on lending to Priority Sector for Primary (Urban) Co-operative Banks (UCBs)
28	<a href="#">FIDD.CO.Plan.BC.18/04.09.01/2017-18</a>	March 1, 2018	Priority Sector Lending – Targets and Classification
29	<a href="#">FIDD.CO.Plan.BC.16/04.09.01/2017-18</a>	September 21, 2017	Priority Sector Lending – Targets and Classification: Lending to non-corporate farmers – System wide average of last three years
30	<a href="#">FIDD.CO.SFB.No.9/04.09.001/2017-18</a>	July 6, 2017	Small Finance Banks – Compendium of Guidelines on



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Sr. #	Circular No.	Date	Subject
			Financial Inclusion and Development
31	<a href="#">FIDD.CO.Plan.BC.No.17/04.09.001/2016-17</a>	October 6, 2016	Priority Sector Lending – Revised Reporting System
32	<a href="#">DBR.NBD.No.26/16.13.218/2016-17</a>	October 6, 2016	Operating Guidelines for Small Finance Banks
33	<a href="#">Master Directions DNBR PD.007</a> and <a href="#">008/03.10.119/2016-17</a>	September 1, 2016 (updated as on February 17, 2020)	Master Directions 2016-NBFC-Non-SI-Non-deposit taking and SI-Non-Deposit and Deposit taking Company, respectively
34	<a href="#">FIDD.CO.Plan.BC.No.14/04.09.001/2016-17</a>	September 1, 2016	Priority Sector Lending-Targets and Classifications: Lending to Non-corporate Farmers – System Wide Average of last three years
35	<a href="#">FIDD.CO.Plan.BC.No.10/04.09.001/2016-17</a>	August 11, 2016	Priority Sector Lending Status for Factoring Transactions
36	<a href="#">FIDD.CO.Plan.BC.No.8/04.09.001/2016-17</a>	July 28, 2016	PSL-Targets and Classification – Bank loans to MFIs for on-lending- Qualifying asset – Revised loan limit
37	<a href="#">Master Directions FIDD.CO.Plan.2/04.09.01/2016-17</a>	July 07, 2016 (Updated as on June 18, 2019)	Master Directions - Regional Rural Banks - Priority Sector Lending – Targets and Classification
38	<a href="#">FIDD.CO.Plan.BC.23/04.09.01/2015-16</a>	April 7, 2016	Priority Sector Lending Certificates
39	DBOD Mailbox clarification	March 28, 2016	Bank loans to proprietorship under Priority Sector
40	DBOD Mailbox clarification	March 17, 2016	Eligibility of IBPC as Priority Sector Asset
41	<a href="#">FIDD.CO.Plan.BC.No.14/04.09.01/2015-16</a>	December 03, 2015	Regional Rural Banks - Priority Sector Lending – Targets and Classification
42	DBOD Mailbox clarification	November 27, 2015	Bank loans to SHGs/ JLGs- Processing Charges
43	<a href="#">FIDD.CO.Plan.BC.13/04.09.01/2015-16</a>	November 18, 2015	Priority Sector Lending-Targets and Classification
44	DBOD Mailbox clarification	September 7, 2015	Calculation of shortfall/ excess
45	DBOD Mailbox clarification	August 14, 2015	Social Infrastructure and Bank loans to MFIs for on-lending - Social Infrastructure
46	<a href="#">FIDD.CO.Plan.BC.08/04.09.01/2015-16</a>	July 16, 2015	Priority Sector Lending – Targets and Classification
47	DBOD Mailbox clarification	June 26, 2015	Outstanding deposits with MUDRA Ltd. On account of priority sector shortfall
48	DBOD Mailbox clarification	June 12, 2015	Loans to Minority Communities
49	DBOD Mailbox clarification	June 11, 2015	Loans to Custom Service Units



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Sr. #	Circular No.	Date	Subject
50	<a href="#">FIDD.CO.Plan.BC.54/04.09.01/2014-15</a>	April 23, 2015	Priority Sector Lending-Targets and Classification
51	<a href="#">DCBR.BPD.(PCB) Cir.No.7/14.01.062/2014-15</a>	March 19, 2015	Priority Sector Lending – Persons with Disabilities (PwD) – Inclusion under Weaker Sections
52	<a href="#">DCBR.BPD.(PCB) Cir.No.5/14.01.062/2014-15</a>	February 18, 2015	Credit Facilities to Minority Community – Inclusion of Jain Community under Section 2© of National Commission of Minorities (NCM) Act, 1982
53	<a href="#">UBD.BPD.(PCB).Cir.No.72/13.01.000//2013-14</a>	June 11, 2014	Section 42(1) of the Reserve Bank of India Act, 1934 and Section 18 & 24 of the Banking Regulation Act, 1949 (AACS)- FCNR (B)/NRE deposits – Exemption from Maintenance of CRR/SLR and Exclusion from ABC for Priority Sector Lending
54	<a href="#">UBD.CO.BPD.(PCB).Cir.No.13/09.22.010/2013-14</a>	September 10, 2013	Finance for Housing Schemes - Primary (Urban) Co-operative Banks - Loans for Repairs / Additions / Alterations - Enhancement of Limits
55	<a href="#">UBD.BPD.(PCB).CIR.No.5/13.01.000/2013-14</a>	August 27, 2013	Section 42(1) of the Reserve Bank of India Act, 1934 and Section 18 and 24 of the Banking Regulation Act, 1949 (AACS) - FCNR (B) / NRE Deposits - Exemption from Maintenance of CRR / SLR and Exclusion from ABC for Priority Sector Lending
56	<a href="#">UBD.BPD.(PCB).CIR.No.33/09.09.001/2011-12</a>	May 18, 2012	Priority Sector Lending -Indirect Finance to Housing Sector.
57	<a href="#">UBD.BPD.(PCB)CIR.No.50/13.05.000(B)/2010-11</a>	June 2, 2011	Financing of Self Help Groups (SHGs) and Joint Liability Groups (JLGs) by Primary (Urban) Co-operative Banks (UCBs)
58	<a href="#">UBD.CO.BPD.No.70/09.09.001/2009-10</a>	June 15, 2010	Advances to MSEs engaged in exports and export credit to agriculture / allied activities
59	<a href="#">UBD.BPD(PCB).Cir.No.50/09.09.01/2009-10</a>	March 25, 2010	Categorisation of activities under Services
60	<a href="#">UBD.PCB.Cir.No.26/09.09.001/07-08</a>	November 30, 2007	Priority Sector lending-Revision of target - UCBs
61	<a href="#">UBD.PCB.Cir.No.11/09.09.01/07-08</a>	August 30, 2007	Revised Guidelines on Lending to Priority Sector for UCBs
62	<a href="#">UBD.PCB.Cir.No.11(126A)/09.09.001/2007-08</a>	August 30, 2007	Priority Sector Advances - List of minority Concentrated Districts