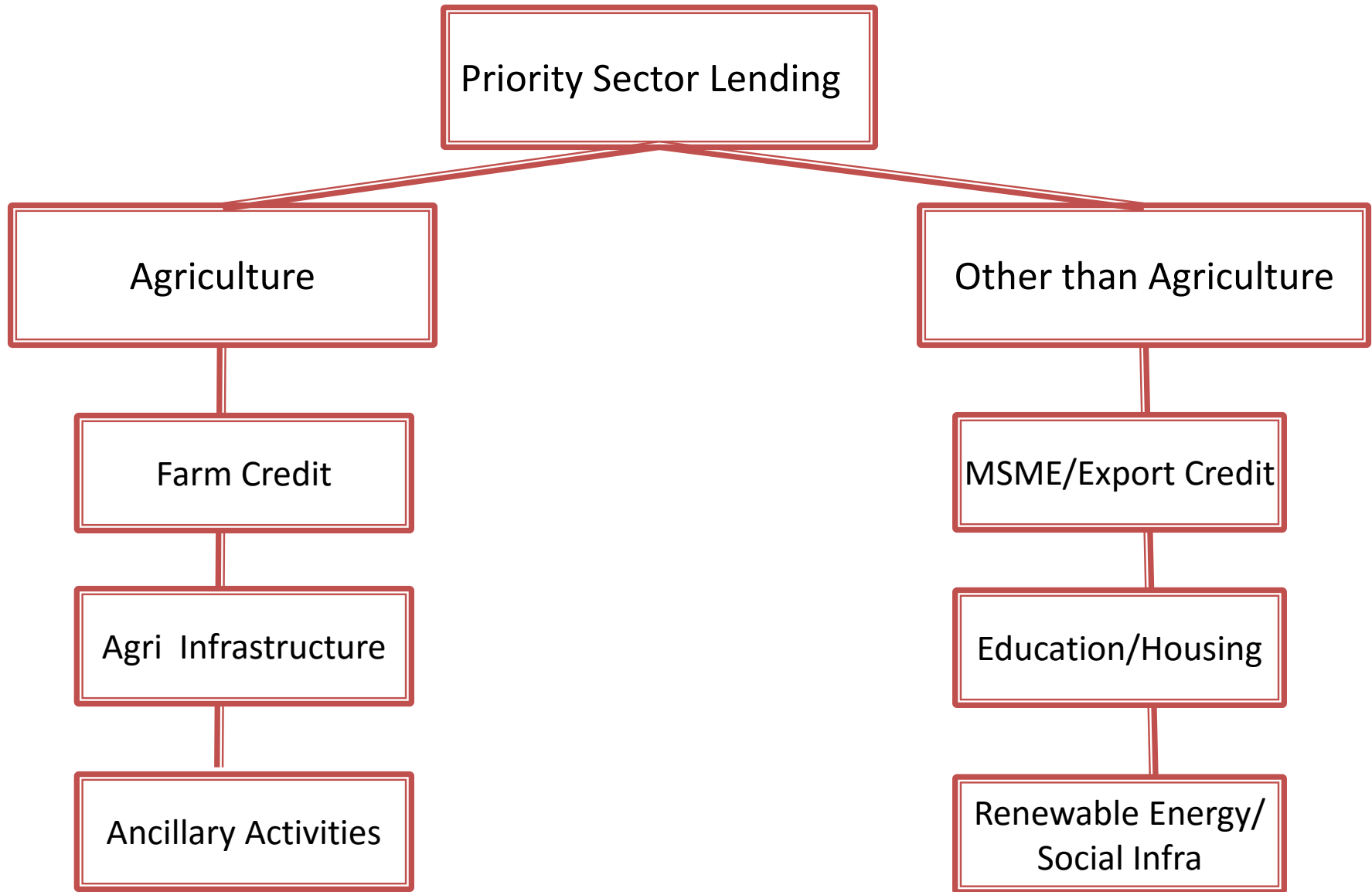


Priority Sector Lending

Categories under Priority Sector

- Agriculture
- Micro, Small and Medium Enterprises
- Export Credit
- Renewable Energy
- Education
- Housing
- Social Infrastructure
- Others

Components of Priority Sector Lending



PSL Target for Scheduled Commercial Banks



Summary of Targets:		
Description		As % of ANBC*
Overall Priority Sector		40%
1. Agriculture (Farm Credit + Agri Infra + Ancillary Activities)		18%
	1a. Small & Marginal Farmers@ (SMF)	7% (to be met by March'16) 8% (to be met by March'17)
	1b. Other than SMF	11%/10%
2. Non -Agriculture		22%
	2a. Micro Enterprises	7%/7.50%
	2b. Other than Micro	15%/14.5%
Weaker Sections (Sub target within PSL)		10%

*ANBC -Adjusted Net Bank Credit

Agriculture: Farm Credit

Borrower	<ol style="list-style-type: none">1. Individual Farmer (including SHGs & JLGs)2. Firms/ Corporate/ FPC/ Cooperatives (Limit 2 Cr)
Purpose/Activities	<ol style="list-style-type: none">1. Crop Production/Plantation & Horticulture2. Dairy/Fishery/Poultry / Animal Husbandry & other allied3. Pre & Post Harvest Activities (Spraying/weeding/harvesting/grading/sorting/transportation)4. Purchase of inputs/machinery/irrigation equipments5. Developmental Loans for farm & allied activities6. Commodity Finance up to 50Lakh

Agriculture: Agriculture Infrastructure

Limit Restriction	<ol style="list-style-type: none"> 1. Aggregate Banking Limit for the PURPOSE – 100 Cr
Purpose/ Activities	<ol style="list-style-type: none"> 1. Construction of storage facility (warehouse, market yard, cold chain, silo) for the purpose storage agriculture produce/products. 2. Soil Conservation & Watershed development 3. Plant tissue culture & agri biotechnology & Seed production 4. Production of bio pesticides, bio fertilizer & vermi composting

Agriculture: Ancillary Activities

Borrower	1. Firms/ Corporate 2. PACS/ FSS 3. MFI 4. Individual Borrowers
Limit	1. Aggregate Sanctioned Banking Limit for F&A Processing – 100 Cr
Restriction	2. Loans to Co-operative – 5 Cr
Purpose/ Activities	<ol style="list-style-type: none"> 1. To co-operatives for disposing off the produce of members. 2. For food and agro-processing (Milk/Meat/Grain/Cereal /seed / F & V / oil seed processing or Confectionary/Snack food /Namkeen/ Biscuit/ RTE /RTC manufacturing units) 3. To PACS, FSS & MFIs for on lending to agriculture 4. Commodity Finance to Food & Agro Processing units 5. Loans for setting up of Agriclincs & Agribusiness Centers

Computation of Small & Marginal Farmer Category

<p>Small & Marginal Farmer- Individual</p>	<p>Small Farmer- Landholding more than 1 hectare and upto 2 hectare</p> <p>Marginal Farmers- Farmers with landholding of upto 1 hectare, agricultural labourers, tenant farmers, oral lessees, share-croppers, whose share of landholding is within the limit prescribed for SMF.</p>
<p>Self Help Groups (SHG)/Joint Liability Group (JLG)</p>	<p>Group of individual farmers – Small & Marginal directly engaged in Agri & Allied activities, banks to maintain aggregated data.</p>
<p>Farmer Producer companies(FPCs) and Cooperatives</p>	<p>FPCs and Cooperatives engaged in Agri & Allied Activities, where membership of Small and Marginal Farmers is not less than 75% by number and whose landholding share is also not less than 75% of total landholding.</p>

Other than Agri: MSME

Manufacturing	
	Investment in P&M
Micro	≤ 25.00 Lacs
Small	> 25 Lacs ≤ 5 Cr
Medium	> 5 Cr ≤ 10 Cr
Service	
Micro	≤ 10.00 Lacs
Small	> 10 Lacs ≤ 2 Cr
Medium	> 2 Cr ≤ 5 Cr

Note:

Manufacturing Enterprises:

No Cap in the sanctioned limit is prescribed in circular for Manufacturing enterprise.

Service Enterprises:

For Micro & Small service enterprise, individual bank sanctioned limit is INR 5 cr.

For Medium enterprise, Maximum sanctioned limit is INR 10Cr.

Other than Agri: Export Credit

Limit Restriction	<ol style="list-style-type: none"> 1. Bank Sanction Limit (YBL Limit) of 25 Cr per borrower with turn over ≤ 100 Cr
General Guidelines	<ol style="list-style-type: none"> 1. Incremental Export Credit will be monitored at Bank level (and not borrower level) subject to upper cap of 2% of ANBC.

Other than Agri: Renewable Energy

Purpose / Activity	<ol style="list-style-type: none"> 1. Loans for solar based power generators, biomass based power generators, wind mills, micro-hydel plants. 2. Non conventional energy based public utilities (street lighting, remote village electrification)
Limit Restriction	<ol style="list-style-type: none"> 1. Individual Household: 10L per borrower 2. Others: Bank loans up to limit of 15 Cr. <p>Limits are independent of INR 100 Cr. cap on F&A sector in Agri ancillary segment.</p>

Other than Agri: Education & Housing

Housing

Purpose / Activity

1. Purchase / construction of one dwelling unit by Individual
2. Housing projects for economically weaker (<2LPA Income)
3. On lending to HFCs

Limit Restriction

1. 28 L in metropolitan centers (overall cost of the dwelling unit \leq 35L) – No cap on annual income
2. Rs 20 L in other centers (overall cost of the dwelling unit \leq 25L)
3. Housing projects : 10 L per dwelling unit

Education: To individuals for educational purpose (incl vocational courses) up to 10L

Other than Agri: Social Infra

Borrower	Borrowers in Tier II to Tier VI centers (less than one lakh population)
Purpose / Activity	Loans for bulding social infrastructure (schools/health care /drinking water/sanitation facility)
Limit Restriction	Bank Loans upto INR 5 Cr.