

PRIORITY SECTOR LENDING

PRIORITY SECTOR CREDIT- 110/26 -11.2.26)

Session will resume at : 2 PM

RBI - PRIORITY SECTOR GUIDELINES

RAVI KUMAR-PROMOTION NOTES

Internal

What is Priority Lending : Lending to those sectors of the economy which should **receive timely and adequate credit.**

GOI AND RBI consider as important for the development of basic needs of country.

BELOW GIVEN LOAN WHICH MAY BE PRIROITY OR NON PRIORITY

R
A
M











PURPOSE : Better credit flow to credit deficient areas/required areas like SF/MF/WEAKER SECTION . Boost credit in important areas like Renewable energy/Social infrastructure .

Advantage of Priority Lending : Better credit penetration to credit deficient areas and increase loans to SF/MF/Weaker sections/ Renewable energy/Social infrastructure. (which enabled over all development of our country, exports, employment etc.,)

Applicability : Commercial Bank [including RRB), SFB, LAB and Primary UCB other than Salary Earners' Bank

KNOWLEDGE CHECK (Let u see)

Internal

PRIORITY

- A service enterprise with investment of **Rs 1 Cr** in Equipments and **turnover of Rs 7.50 crs** will be classified as

- 1) Small
- 2) Micro
- 3) Mudra
- 4) Medium
- 5) All options are wrong

DEFINITON	INVESTMENT IN P&M OR EQUIPMENT	TURN OVER
MICRO	**2.5 CR**	**10 CR**
SMALL	25 CR	100 CR
MEDIUM	125 CR	500 CR

- Ans : **MICRO** (2.5 CR INVEST & T/O 10 CR as per definition)

Internal

- As per the revised definition of MSMEs as per latest Gazette Notification, If the Investment in **Plant & Machinery or Equipment does not exceed 50 Cr** and **turnover does not exceed 250 Cr**; the enterprise will be classified as _____

- 1) Small
- 2) Micro
- 3) Mudra
- 4) Medium
- 5) Tiny unit

DEFINITON	INVESTMENT IN P&M OR EQUIPMENT	TURN OVER
MICRO	2.5 CR	10 CR
SMALL	25 CR	100 CR
MEDIUM	125 CR	500 CR

- Ans : **Medium** (125 CR INVEST & T/O 500 CR as per definition)

Internal

BEFORE GETTING INTO PRIORITY TOPIC, LET US UNDERSTAND SOME TERMINOLOGIES

ANBC

CEOBE

RETAIL AGRICULTURE (ALLIED ACTIVITIES) & MSME

LOANS TO INVIDUAL CUSTOMERS









MFG



SERVICE



TRADER



Internal

Internal

AS PER RBI PRIORITY TARGET FOR COMMERCIAL BANKS :

- 40 % OF ANBC OR CEOBE (WHICH EVER IS HIGHER)
- WE CAN CONSRTRUED :40 % OF FB OR NFB (WHICH EVER IS HIGHER).
- WHAT IS ANBC (FUND BASED LOANS) – NEXT SLIDES
- WHAT IS CEOBE (NON FUND BASED LOANS)
- CEOBE STANDS FOR Credit Equivalent of Off-Balance Sheet Exposures
- Example : BANK BALANCE SHEET

LIABILITIES	ASSETS
DEPOSITS – 1400 CRORES	LOANS – 500 crores

FOOT NOTE : LC- 2OO CR & BG - 400 CR.

- ANBC = 500 CR (40%) OR 600 CR (40%)

200 CR OR 240 CR (HIGHER WILL BE TARGET)- 240 CR

Internal
Internal

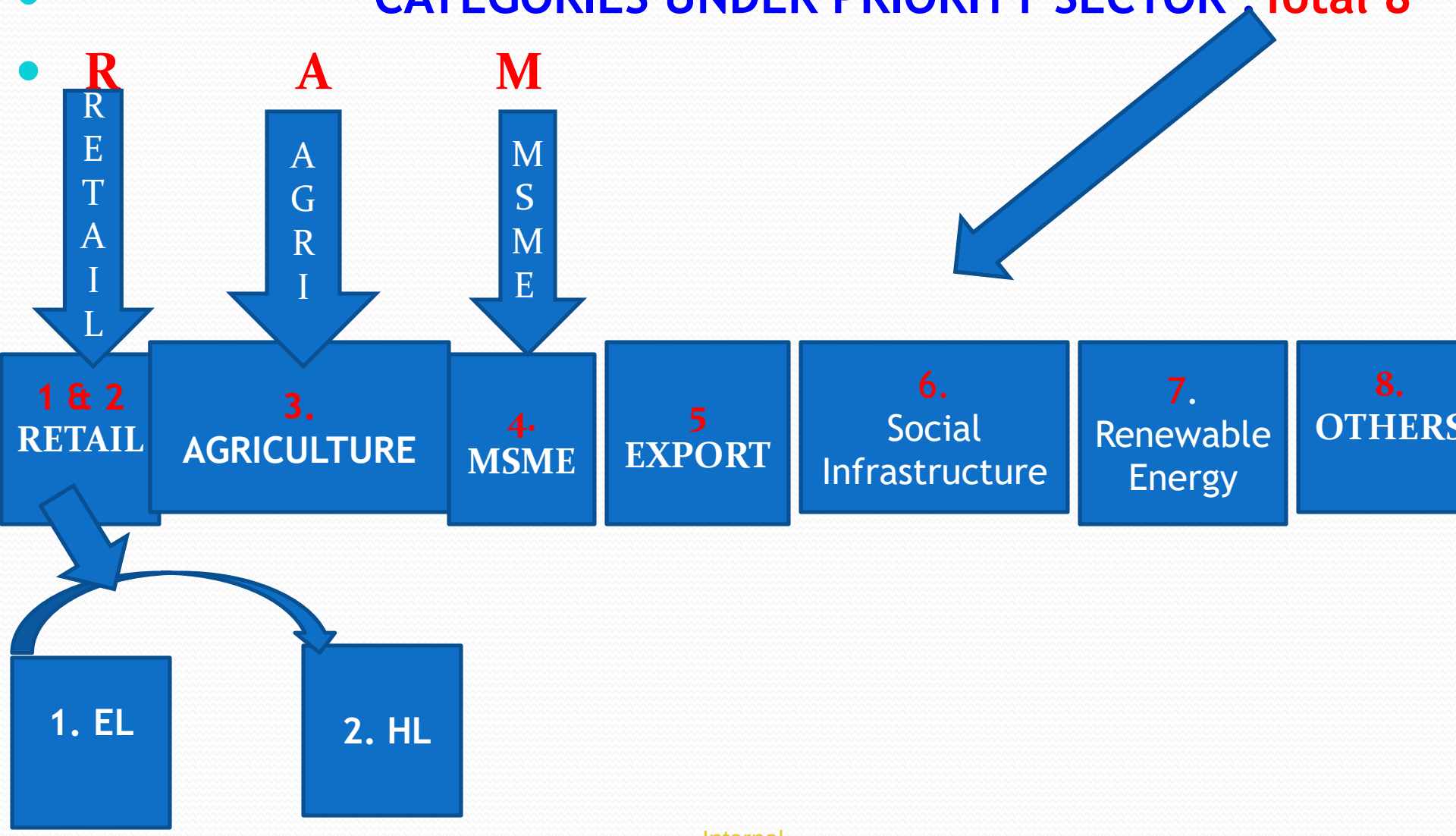
NON CORPORATE FARMER

- Individual farmer includes SF AND MF
- Proprietorship firms of farmer (Doing Agri and allied activies)
- SHG/JLG (Group of Individual farmers)

- Onlending : Loans sanctioned by banks to eligible intermediaries for onward lending. Such loans for creation of priority sector assets and which remain deployed in such assets are eligible.

Internal

CATEGORIES UNDER PRIORITY SECTOR : Total 8



Internal

Calculation of ANBC:

Bank Credit in India	1
Bills Rediscounted with RBI and other approved Financial Institution	2
Net Bank Credit (NBC)*	**3 (1 -2)**
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	4 +
Eligible amount for exemptions on issuance of long-term bonds for infrastructure and affordable housing	5 -
Advances extended in India against the incremental FCNR (B)/NRE deposits, qualifying for exemption from CRR/SLR requirements	6 -
Investments made by public sector banks in the Recapitalization Bonds floated by Government of India	7 -
Other investments eligible to be treated as priority sector (e.g. investments in securitised notes.	8 +
Bonds/debentures in Non-SLR categories under HTM category	9 +
For UCBs: investments made after August 30, 2007 in permitted non SLR bonds held under 'Held to Maturity' (HTM) category)	10 +
ANBC (other than UCBs) : III+IV- (V+VI+VII)+VIII+IX	ANBC
ANBC for UCBs III+IV-VI+X	

Internal

- REWRITE ANBC TO REMEMBER

- AS PER RBI PRIORITY TARGET IS **40 % OF ANBC OR CEOBE** (WHICH EVER IS HIGHER)

Internal

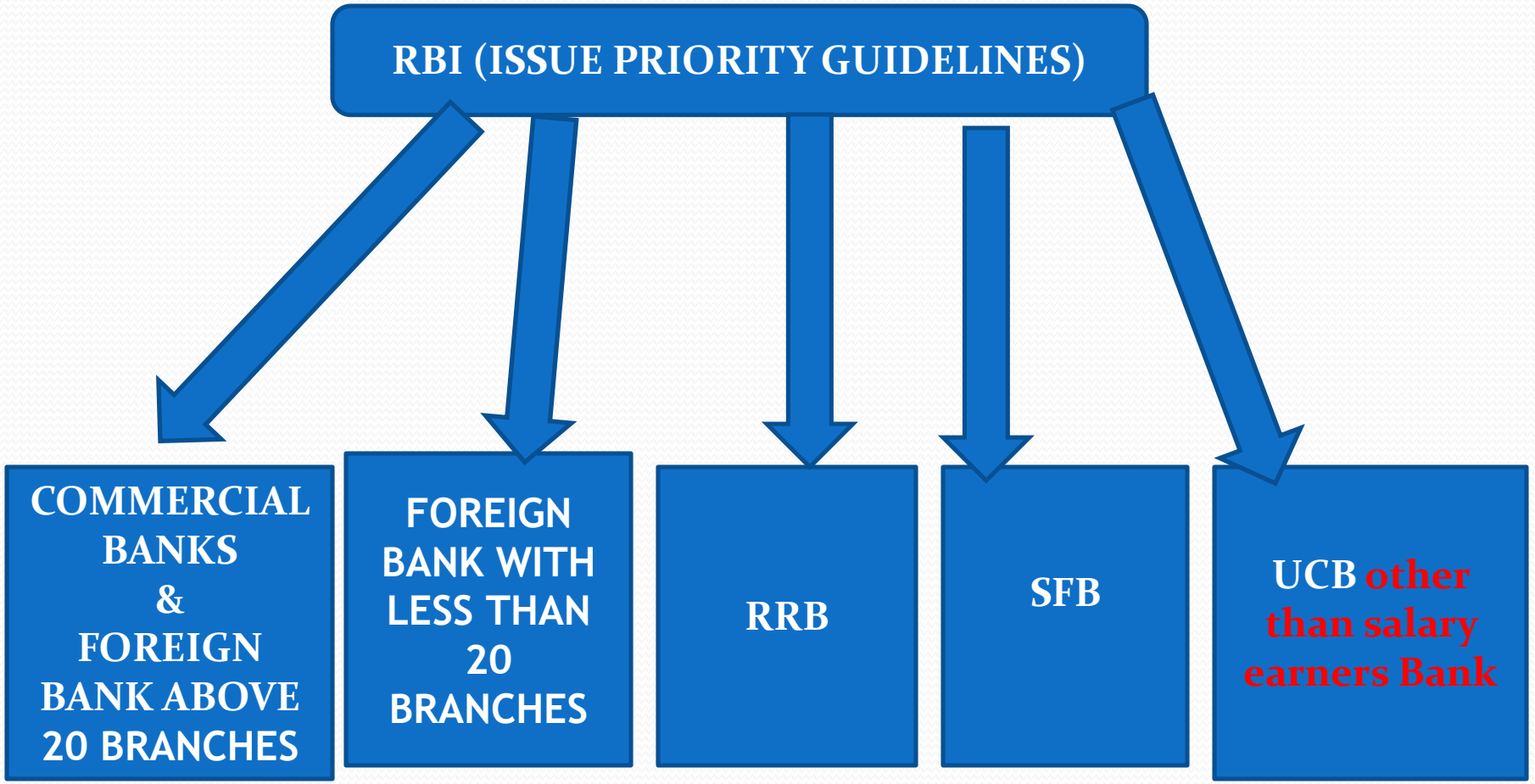
Calculation of ANBC (AFTER REWRITE)

Bank Credit in India	1
Bills Rediscounted with RBI and other approved Financial Institution	2
Net Bank Credit (NBC)*	(1-2) = 3
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	ADD
Other investments eligible to be treated as priority sector (e.g. investments in securitised Notes)	ADD
Bonds/debentures in Non-SLR categories under HTM category	ADD
Eligible amount for exemptions on issuance of long-term bonds for infrastructure and affordable housing	DEDUCT
Advances extended in India against the incremental FCNR (B)/NRE deposits, qualifying for exemption from CRR/SLR requirements	DEDUCT
Investments made by public sector banks in the Recapitalization Bonds floated by GOI	DEDUCT
	ANBC

Internal

Internal

PRIORITY APPLICABLE TO WHICH BANKS :



Internal

TOTAL TARGER UNDER PRIORITY BANKS TO FINANCE

RBI (ISSUE PRIORITY GUIDELINES)

COMMERCIAL BANKS & FOREIGN BANK ABOVE 20 BRANCHES	FOREIGN BANK WITH LESS THAN 20 BRANCHES	RRB	SFB	UCB
40 % OF ANBC OR CEOBE (HIGHER)	40 % OF ANBC OR CEOBE (HIGHER) 32%- EXPORT	75 % OF ANBC OR CEOBE (HIGHER)	60 % OF ANBC OR CEOBE (HIGHER)	60% OF ANBC OR CEOBE (HIGHER) Micro 7.5% Weaker 12 %

Medium Enterprises, Social Infrastructure and Renewable Energy shall be reckoned for priority sector achievement up to 15 %

Internal

PRIORITY SECTOR SUB TARGETS)

MF/SF TARGET : 10 %

MF- (1 HEC LAND)
SF (1-2 HEC)
▪LANDLESS/ORAL/TENANT
▪SHG/JLG-AGRI/ALLIED

LOAN-2.5 Lac to Individuals doing Allied act (NO land holding criteria)
▪LOAN TO FPO/FPC- LAND HOLDING of SMFs is not less thanN 75%

COMM BANKS & FB > 20 BR

40 % of ANBC OR CEOBE (HIGH)

AGRICULT 18 % of ANBC (NCF-14 %)

SF/MF

NCF

AGRICULTURE NON-COR- 14%

MSME-

MSME PRIORITY

RETAIL

HL/EL

EL -25 LACS

WEAKER SECTION 12 %

WEAKER SEC 12 % of ANBC

EXPORT

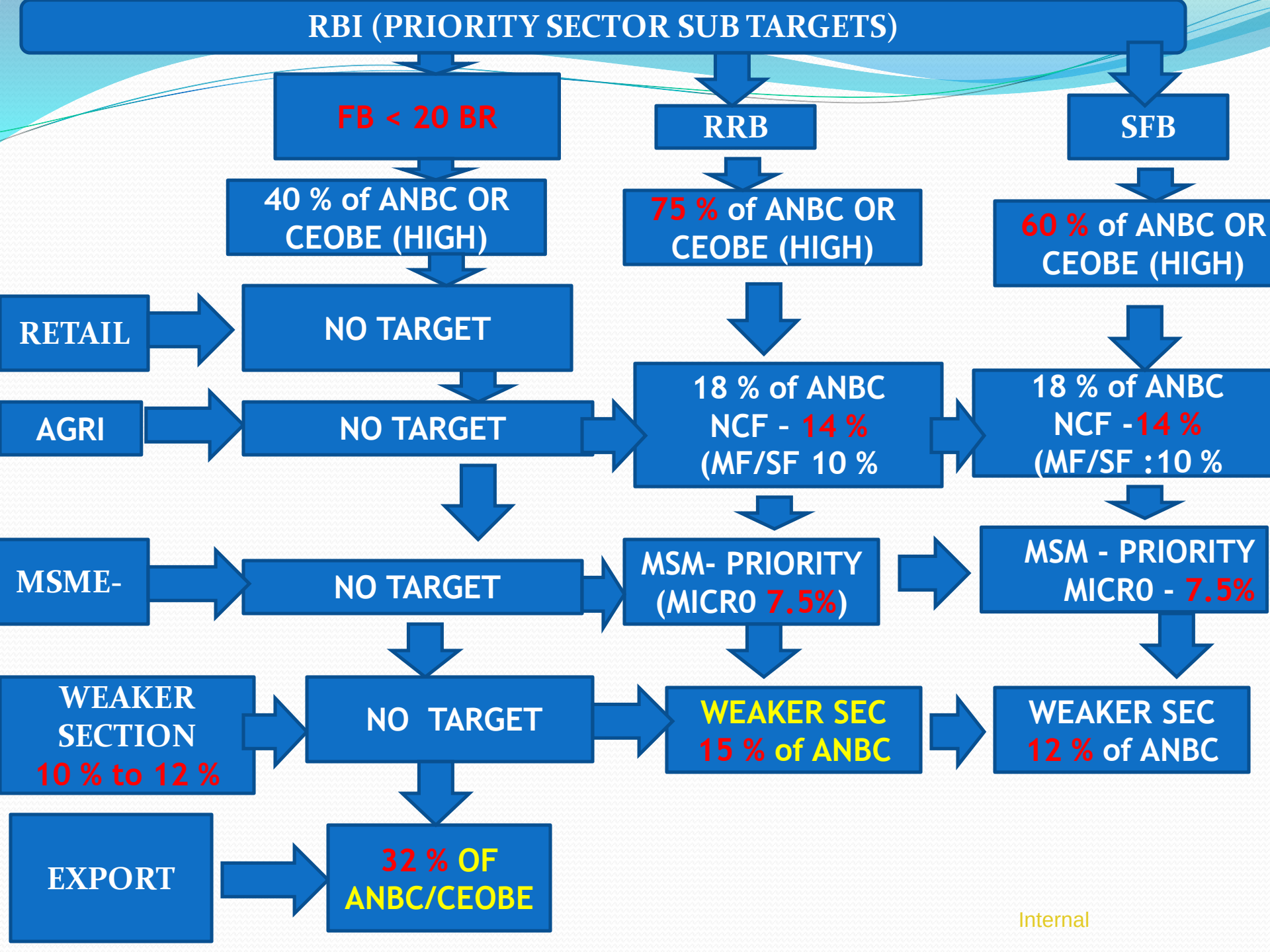
INCREMENTAL 2 % ANBC SANCTION LIM - 50CR

Internal

SUB TARGET

MICRO 7.5% of ANBC

- SF/MF
- SC/ST
- DIR
- SHG /JLG
- Persons with disabilities
- Govt Spon NRLM, NULM & SRMS
- Minorities /Transgenders
- Distressed farmers indebted to **non-institutional lenders**
- **Distressed persons upto loan ₹1 lakh)**
- **Women beneficiaries** upto 2 lac
- (2 Lac not applicable to UCB)
- Artisans, village and cottage industries upto ₹2 lakh


RBI (PRIORITY SECTOR SUB TARGETS)
FB < 20 BR
RRB
SFB
40 % of ANBC OR CEOBE (HIGH)
75 % of ANBC OR CEOBE (HIGH)
60 % of ANBC OR CEOBE (HIGH)
RETAIL
NO TARGET
AGRI
NO TARGET
18 % of ANBC NCF - 14 % (MF/SF 10 %
18 % of ANBC NCF -14 % (MF/SF :10 %
MSME-
NO TARGET
MSM- PRIORITY (MICRO 7.5%)
MSM - PRIORITY MICRO - 7.5%
WEAKER SECTION 10 % to 12 %
NO TARGET
WEAKER SEC 15 % of ANBC
WEAKER SEC 12 % of ANBC
EXPORT
32 % OF ANBC/CEOBE

Internal

Regional disparities : (VALID TILL 2026-27)

- To address Regional disparities in the flow of priority sector credit at the district level
- Based on per capita credit flow.

- **Per capita credit flow meaning** : For example in a District 1 lac people are there. Total PSL loans given are Rs 50 crores.
- Now 50 crores priority loans divided by 1 LAC POPULATION = Rs 5000
- Ie., **per capita credit flow of this village is Rs 5000/-**

- **Now RBI SAYS** : from FY 2024-25 onwards, a higher weight



- 125%- Incremental priority sector credit -Identified districts – **where credit flow is comparatively lower** (per capita PSL less than ₹9000)



- 90 % lower weight - identified districts –where credit flow is comparatively higher (per capita PSL greater than ₹42,000)



- **OTHER DISTRICTS – 100 % WEIGHTAGE**

Internal

AGRICULTURE (3 CATEGORIES)

- FARM CREDIT(AGRI & ALLIED)
- Agriculture Infrastructure
- Ancillary activities

FARM CREDIT

- Individuals

- Individual farmers
- SHG or JLG
- Proprietorship firms of farmers

- Corporate Farmers

FPO
Companies (FPOs)/(FPCs) of Individual Farmers, Partnership firms and Co-operatives of farmers engaged in Agriculture and Allied Activities

- LET US UNDERSTAND THESE 3 CATEGORIES
- :

Internal

FARM CREDIT (2 PARTS)
(PART A : INDIVIDULA FARMERS)

- A)Loans to individual farmers
- B) including SHG or JLG
- C) Proprietorship firms of farmers



- (Directly engaged in Agriculture and Allied Activities, viz., Dairy, fishery, animal husbandry, poultry, bee-keeping and sericulture.



- CROP LOANS/ SF/MF/PLANTATION/HORTICULTURE
- Medium and Long-term loans to farmers for Agcl and allied activities
- Loans to farmers for pre and post-harvest activities
- Loans to distressed farmers indebted to NON institutional lenders
- Loans under the Kisan Credit Card Scheme
- Loans to SF/MF for purchase of land for Agriculture purpose
- Loans to farmers against pledge/ hypothecation of agricultural produce (including warehouse receipts) for a period not exceeding 12 months subject to a limit up to
  Rs. 90 lakh against NWRs/eNWRs &
  upto Rs 60 lakh against warehouse receipts other than NWRs/eNWRs
- Loans to farmers for installation of stand-alone Solar Agriculture Pumps and for solarisation of grid connected Agriculture Pumps
- Loans to farmers for installation of solar power plants on barren/fallow land or in stilt fashion on agriculture land owned by farmer.

Internal

FARM CREDIT (2 PARTS)
(PART B)

- Loans to Partnership firms , Corporate farmers,
- FPO / FPC Companies of individual farmers and
- Co-operatives of farmers directly engaged in Agcl and Allied Activities

a) Loans for the following activities will be subject to an aggregate limit of Rs. 4 crore per borrowing entity

i) Crop loans to farmers/Horticulture and loans for allied activities.

ii) Medium and Long-term loans to farmers for agriculture and allied activities (e.g. purchase of agricultural implements and machinery and developmental loans for allied activities).

iii) Loans to farmers for pre and post-harvest activitie(Spraying/Grading/Transport)

- b) Loans to farmers against pledge/ hypothecation of agricultural produce (including warehouse receipts) for a period not exceeding 12 months subject to a limit up to
  Rs. 4 Crore against NWRs/eNWRs &
  upto Rs 2.5 crore against warehouse receipts other than NWRs/eNWRs

C)Loans up to Rs. 10 Cr per borrowing entity to FPOs/FPCs undertaking farming with assured marketing of their produce at a pre-determined price.

D) Loans upto Rs 10 Cr for purchase of the produce of members directly engaged in agriculture and allied activities

- UCBs are not permitted to lend : CO-operative of farmers

Internal

Agriculture Infrastructure





Aggregate sanctioned limit of Rs.100 crore per borrower from the banking system

- Loans for construction of storage facilities (Warehouses, market yards, godowns and silos including cold storage units/ cold storage chains designed to store agriculture produce/products) irrespective of their location.
- Soil conservation and watershed development.
- Plant tissue culture and agri-biotechnology, Seed production, production of bio-pesticides, bio-fertilizer, and vermi composting.
- 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

Internal
Internal

Ancillary activities :

Loans up to Rs. 50 crore to Start-ups, engaged in agriculture and allied services

Loans for **Food and Agro-processing up to an aggregate sanctioned limit of Rs.100 crore per borrower from the banking system.**

Export credit to the Agriculture sector including pre and post shipment credit

Outstanding deposits under RIDF and other eligible funds with NABARD

Loans for setting up of **Agriclinics and Agribusiness Centres**.

Loans to custom service units managed by Individuals, Institutions or organisations who maintain fleet of tractors, Bulldozers, Combiner etc., and undertake farm work of farmers on contract basis.

- Bank loans to **Primary Agricultural Credit Societies (PACS),**
- **Farmers' Service Societies (FSS) and**
- **Large-sized Adivasi Multi-Purpose Societies (LAMPS)**
- for on-lending to agriculture

- Loans sanctioned by banks **to MFIs for on-lending to agriculture sector**

Internal

- Loans sanctioned by banks to registered NBFCs

KNOWLEDGE CHECK :

Loans upto Rs 10 Cr for purchase of the produce of members directly engaged in agriculture and allied activities

A) Farm Credit
B) Agriculture Infrastructure
C) Ancillary activities
D) Allied activities

Internal

MSME

Based on Iinvestment in

P & M



OR

Equipment



MFG (INVESTMETN IN P & M)

SERVICE (INVEST IN EQUIPMENT

Does not exceed

MULIPLY WITH 4

			T/O DOES NOT EXCEED
2.5 CRORE	**MICRO**		10 CRORES
25 CRORES	**SMALL**		100 CRORES
125 CRORES	**MEDIUM**	Internal	500 CRORES

Internal

❖ Factoring Transactions (**not applicable to RRBs and UCBs)**



❖ **'With Recourse' Factoring** transactions by banks which carry out the business of factoring departmentally **wherever the 'assignor' is a MSME would be eligible for classification under MSME category** on the reporting dates

❖ **Factoring transactions pertaining to MSMEs taking place through the Trade Receivables Discounting System (TReDS) shall also be eligible for classification under priority sector.**

Internal

OTHER FINANCES TO MSMEs

All loans to units in the KVI sector which shall be categorised as lending to Micro Enterprises

- Loans up to Rs. 50 Crore to Start-ups,that confirm to the definition of MSME
- Micro & Small enterprises: On-lending by registered NBFC will be allowed up to ₹ 20 lakh per borrower
- PMJDY OUTSTANDING
- OUTSTANDING DEPOSIT WITH SIDBI/MUDRA

Internal

❖ EXPORT CREDIT:

Domestic banks : Incremental Export Credit : 2 % of ANBC or CEOBE (Higher) subject to Sanctioned limit of Rs.50 crore per borrower

Foreign bank with 20 Branches & above : 2 % of ANBC or CEOBE Higher

Foreign bank with less than 20 Branches : Export credit upto 32 %





Internal

Internal

EDUCATION

- Loans to individuals for ducational purposes, including vocational courses, not exceeding Rs. 25 lakh..



Internal

Internal

HOUSING LOAN : (Staff HL- NON-Priority)



CATEGORY	LOAN LIMIT	MAXIMUM COST OF DWELLING UNIT
Population 50 Lac & above	50 (+13)	63
Population of 10 to 50 Lac	45 (+12)	57
Population below 10 Lac	35 (+9)	44



HOUSING REPAIRS :

CATEGORY	LOAN LIMIT	MAXIMUM COST OF DWELLING UNIT
Population 50 Lac & above	15	63
Population of 10 to 50 Lac	12	57
Population below 10 Lac	10	44

Internal



HOUSING LOAN (Employees-NP)

❖ .

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**

Bank loans to **affordable Housing projects** using **at least 50% of FAR/FSI** for dwelling units with **carpet area of not more than 60 SQ meter (FLOOR AREA SPACE/INDEX)**

❖ **Outstanding deposit with NHB on account of priority short fall**

Internal

Internal

❖ SOCIAL INFRASTRUCTURE

- Bank loans of **Rs. 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.

- **Rs. 12 crore per borrower** for building health care facilities including under '**Ayushman Bharat' in Tier 2 to Tier 6 centres.**
- In case of UCBs, the equivalent centres are those with population of **less than 1 lakh.**



Internal

❖ Renewable Energy

- **Renewable Energy : Bank loans up to a limit of Rs 35 Crore to borrowers** for purposes like



- **Solar based power generators,**

- **Biomass-based power generators**



7.5 MW Biomass based Power Plant at Sipcot Industrial Complex, Pudukottai Dist. Tamilnadu

- **Wind mills,**



- **micro-hydel plants and for nonconventional energy based public utilities**, viz., street lighting systems and remote village electrification etc., are eligible for Priority Sector Classification.

- **For individual households, the loan limit is Rs. 10 Lakh per borrower**

Internal

Internal

OTHER LOANS

- Loans upto Rs. 2 lac provided directly by banks to SHG/JLG
- for activities other than Agriculture or MSME,
- viz., loans for meeting social needs,
- construction or repair of house,
- construction of toilets
- or any viable common activity started by the SHGs

- **Loans to distressed persons** [other than distressed farmers indebted to non-institutional lenders] not exceeding Rs.1 lac per borrower to prepay their debt to non-institutional lenders.

- **Loans sanctioned to State Sponsored Organisations for SC/ST s for the specific purpose** of purchase and supply of inputs and/or the marketing of the outputs.

- **Loans up to Rs.50 crore to Start-ups,** that are engaged in activities other than Agriculture or MSME.

Internal

PRIORITY (MISCELLANEOUS)

Investments by banks in securitisation notes (not applicable to RRBs and UCBs) :

Investments by banks in 'securitisation notes', representing loans to various categories of priority sector, except 'others' category, are **eligible for classification under respective categories of priority sector** depending on the underlying assets provided:

- 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 RBI guidelines on 'Securitisation of Standard Assets'
- **Investment by banks in securitisation notes with loans against gold jewellery originated by NBFCs as underlying, are not eligible for priority sector status**

PRIORITY SECTOR LOANS UP TO ₹50,000 : NO CHARGES

Internal

PRIORITY (MISCELLANEOUS)

. **Inter Bank Participation Certificates (IBPCs) (not applicable to UCBs) :**

IBPCs bought by banks, on a risk sharing basis, are eligible for classification under priority sector, provided the underlying assets are eligible to be categorized under the respective categories of priority sector

IBPCs bought by banks, on a risk sharing basis relating to Export credit shall be classified from **purchasing bank perspective** for priority sector categorization.

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Bank loans to MFIs: (**Below are eligible to classify for priority categorization**)

Banks are allowed to extend credit 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.

SFBs are allowed to extend fresh credit to registered NBFC-MFIs and other MFIs (Societies, Trusts) which are members of RBI recognised 'Self Regulatory Organisation' of the sector, and **which have a 'gross loan portfolio' (GLP) of up to ₹500 crore as on Mar 31 of the previous year**, for the purpose of on-lending to individuals. (**Overall limit permitted is 10 % of bank total PSL of previous FY**)

Internal

❖ LENDING BY BANKS TO NBFCS AND MFIS FOR ON-LENDING :

❖

✓ **Agriculture:** 'Term lending' component under Agriculture will be allowed **up to ₹ 10 lakh** per borrower.(**only for registered**

✓ **NBFC** (**other than MFIs**)

✓ **(NOT APPLICABLE to RRB/UCB/SFB/LAB)**

✓**Micro & Small enterprises:** On-lending by NBFC will be allowed up **to ₹ 20 lakh** per borrower.

✓**HFC : 20 Lac per borrower.**

CAP ON LENDING : Bank credit to NBFC (including HFCs) for onlending will be eligible for PSL classification upto an over limit of 5 % of individual bankds total PSL of the previous FY.

Internal

- **COMPLIANCE - Monitored on ‘Quarterly’ Basis**

- Priority data to be furnished to :
- **FIDD, Central Office ,RBI @**



- **Quarterly (15 days from end of quarter) and**



- **Annual intervals (with in a month from annum)**

- **RRBs .....TO.....NABARD (QUARTERLY AND ANNUAL)**

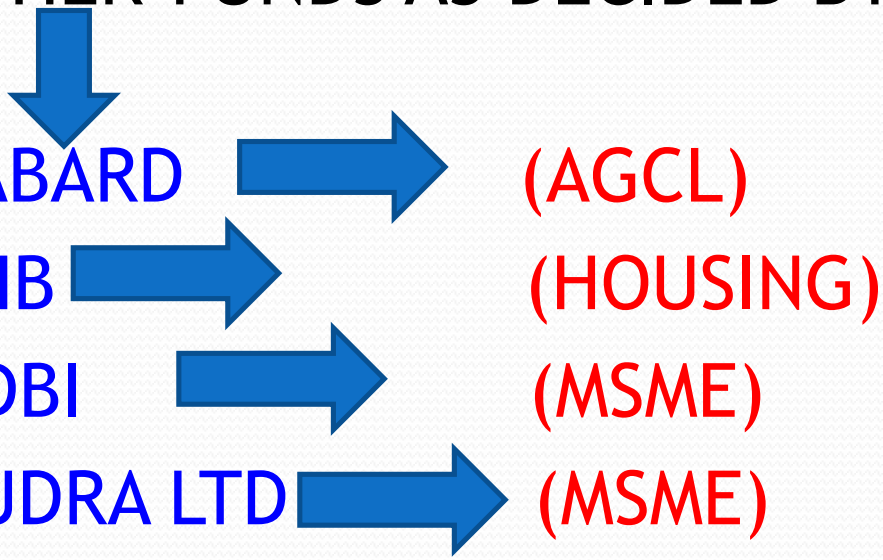
Internal

PRIORITY

NON ACHIEVEMENT

- RIDF (RURAL INFRASTRUCTURE DEVELOPMENT FUND) OF NABARD

- OTHER-FUNDS AS DECIDED BY RBI



- NABARD (AGCL)
- NHB (HOUSING)
- SIDBI (MSME)
- MUDRA LTD (MSME)

- ROI & TENURE OF WILL BE DECIDED BY RBI

Internal

PRIORITY

NON ACHIEVEMENT

- ROI & TENURE OF WILL BE DECIDED BY RBI

SI	Shortfall in overall priority sector lending target	Deposit Rates
1	Less than 5 % points	Bank rate -2 % points
2	5 to 10 % points	Bank rate -3% points
3	10 % percentage points and above	Bank rate -4% points
Further, in case of no shortfall in overall PSL target but shortfall in any sub-target : Bank Rate minus 2 % points interest will apply		

- Service charges:
- **No loan related charges like 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

Internal

PRIORITY

Priority Sector Lending Certificates (Ref: RBI NOTIFICATION 7.4.16)

- PSLC CERTIFICATES : **NO Transfer of Risk or Loan**

- CBS PORTAL- e-KUBER –
- Lot Size : Rs 25 lacs and Multiples of Rs 25 lacs

- 4 type of PSLC CERTIFICATES

➢ **PSLC - GENERAL** : (COUNTING FOR OVERALL)
➢ **PSLC-AGRICULTURE** (COUNTING FOR AGCL AND OVERALL)
➢ **PSLC - SF/MF** (COUNTING FOR SF/MF & OVERALL)
➢ **PSLC-MICRO ENTERPRISES** (COUNTING FOR MICRO & OVERALL)

- Sellers/Buyers : SCBs, RRBs,Local Area Banks, SFB and Urban Co-operative Banks

Amount eligible for issue : 50% previous year's PSL achievement

Expiry date: All PSLCs will **expire by March 31st** and will not be valid beyond the reporting date

Internal

Priority Sector – QUIZ

Internal

Loans up to Rs. ……. per borrowing entity to FPOs/FPCs undertaking farming with assured marketing of their produce at a pre-determined price is classified under Priority Sector, i.e. Agriculture Farm Credit.

a) 5 MILLION

b) 100 MILLION

c) 10 MILLION

d) 50 MILLION

b

Internal

Loans up to Rs……. Crore to Start-ups, as per definition of Ministry of Commerce and Industry, Govt. of India that are engaged in Agriculture and Allied Services, confirm to the definition of MSME and are also engaged in activities other than Agriculture or MSME will be classified under Priority Sector.

a)100 crores
b)10 crores
c) 50 crores
d)5 crores

C

Internal

Loan limits for Renewable Energy have been increased to Rs …… Crore

a)30 crores

b)35 crores

c)10 crores

d)50 crores

b

Internal

Under Social Infrastructure, lending loans up to a limit of Rs ……. per borrower for building health care facilities including under '**Ayushman Bharat' in Tier II to Tier** VI Centres is now classified under Priority sector.

a) 50 crores

b)12 crores

c)10 crores

d)15 crores

b

Internal

Housing Loans for repairs up to Rs. ……lakh where population **50 Lacs and above centres** and

up to Rs. ……. lakh in where population is **10 to 50 lacs centres**

for **repairs to damaged dwelling units**, conforming to the overall cost of the dwelling unit will be considered as eligible for Priority Sector Classification.

a) 15 LACS AND 10 LACS

b) 10 LACS AND 8 LACS

c) 15 LACS AND 12 LACS

d) 18 lacs and 15 lacs

C

Internal

The mandated target of Small and Marginal farmers is ……..% of ANBC.

a) 10 %

b) 12 %

c) 15%

d) 8%

a

Internal

The mandated target of **weaker sections** is ……..% of ANBC

a) 08 %

b) 09 %

c) 10%

d) 12%

d

Internal

What is the target for Micro Enterprises under MSME …….% of ANBC or CEOBE, whichever is higher.

a) 8 %

b) 7.5%

c) 10%

d) 12%

b

Internal

For the purpose of computation of achievement of targets and sub targets in Priority Sector Lending sub-target, Farmers with landholding of up to 1 hectare are considered to be_____.

a) Small Farmers

b) Marginal Farmers

c) Medium Farmers

d) Tenant Farmers

b

Internal

Loans for Food and Agro-processing up to an aggregate sanctioned limit of Rs …… per borrower from the banking system.

a) 50 CRORES

b) 100 LACS

c) 100 CRORES

d) 200 CRORES

C

Internal

A Service enterprise with investment of Rs 3 Cr in Equipments and turnover of Rs 7.50 crs will be classified as_____.

a) MICRO enterprise

b) Small Enterprises

c) Medium Enterprises

d) Tiny Enterprises

b

Internal

FY 2021-22 onwards, To address regional disparities in the flow of priority sector credit at the district level, a higher weight …….% would be assigned to the incremental priority sector credit in the identified districts where the credit flow is comparatively lower (per capita PSL less than Rs …….).

a) 125 % and Rs 9000/

b) 90 % and Rs 25000/-

c) 125 % and Rs 25000/-

d) 90% and Rs 6000/

a

Internal

Loans to Corporate farmers, FPO /FPC of individual farmers, partnership firms and co-operatives of farmers directly engaged in Agriculture and Allied Activities, viz. diary, fishery, up to an aggregate limit of Rs _____ per borrower to be classified under Farm Credit.

a) 10 crores

b) 4 crores

c) 5 crores

d) 2 crores

b

Internal

Loans to farmers for installation of stand-alone Solar Agriculture Pumps and for solarisation of grid connected Agriculture Pumps is to be categorized under _____.

a.Farm Credit - Individual farmers

b.Agriculture Infrastructure

c.Agriculture -Ancillary Services

d.Non- Priority Sector

a

Internal

Bank credit to registered NBFCs (other than MFIs) towards on-lending for ‘Term lending’ component under agriculture is allowed up to _____ per borrower to qualify for classification under Priority Sector lending.

a.Rs 5 lakh

b.Rs 10 lakh

c.Rs 15 lakh

d.Rs 20 lakh

b

Internal

Incremental export credit extended by domestic banks, qualify for classification under Priority Sector lending subject to a sanctioned limit of up to _____ per borrower.

a.Rs 40 Crore

b.Rs 10 Crore

c.Rs 30 Crore

d.Rs 50 Crore

d

Internal

Loans to individuals for educational purposes, including vocational courses, not exceeding _____ are considered as eligible for priority sector classification.

a.Rs 7.5 lakh

b.Rs 10 lakh

c.Rs 25 lakh

d.Rs 20 lakh

C

Internal

Under the Housing Loan scheme, the **overall cost** of the dwelling unit in the population category of **above 50 lacs and 10 to 50 lacs** does not exceed _____ and _____ lakh respectively, to qualify for classification under Priority Sector lending.

a.Rs 63 lakh, Rs 57 Lakh

b.Rs 45 lakh, Rs 35 lakh

c.Rs 63 lakh, 54 lakh

d.Rs 57 lakh, Rs 44 lakh

a

Internal

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 _____, qualify for classification under Priority Sector lending.

a.30 sq.m.

b.60 sq.m.

c.90 sq.m.

d.120 sq.m

b

Internal

Priority sector loans to the following borrowers which one is not correct while considering as lending under Weaker Sections category?

a) Individual women beneficiaries up to Rs 2 lakh per borrower

b) Artisans, village and cottage industries where individual credit limits do not exceed Rs 2 lakh

c) Distressed persons other than farmers, with loan amount not exceeding Rs 1 lakh per borrower to prepay their debt to non-institutional lenders

d) Distressed farmers indebted to non-institutional lenders not exceeding Rs 2 lakh per borrower

d

Internal

Loans for Food and agro-processing upto an aggregate sanctioned limit of Rs. 100 crores per borrower from the banking system will be classified as Priority Sector loans under :

a) Agriculture Infrastructure

b) Agriculture Ancillary Activities

c) Farm Credit

d) None of the above

b

Internal

Bank loans to HFCs (approved by NHB for their refinance) for on-lending, up to _____ for individual borrowers, for purchase/construction/reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers, qualify for classification under Priority Sector lending.

a.Rs 10 lakh
b.Rs 20 lakh
c.Rs 25 lakh
d.Rs 35 lakh
e.Rs 50 lakh

b

Internal

Loans not exceeding _____ 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, shall qualify for classification under Priority Sector lending.

a.Rs 1 lac
b.Rs 5 Lac
c.Rs 1.5 Lac
d.Rs 2.5 Lac
e.Rs 2 Lacs

e

Internal

Terminal Questions

- What is the total Priority sector target to be achieved by Domestic Commercial banks
- 1) 40% 2) 32% 3) 10% 4) 75% 5) 18%
- Answer is 40%

Internal

Terminal Questions

- In the total Priority sector target how much is to be achieved towards Agriculture by Domestic Commercial banks
- 1) 40% 2) 32% 3) 10% 4) 75% 5) 18%

- Answer is 18%

Internal

Terminal Questions

- What is maximum loans against pledge/hypothecation of Agricultural produce (including warehouse receipts) for a period not exceeding 12 months subject to a limit up to ₹……. **lakh against NWRs/eNWRs and upto Rs …. lakh against warehouse receipts other than NWRs/eNWRs for individual farmers**

1) 90 Lacs and 60 lacs
2) 75 Lacs and 50 Lacs
3) 90 Lacs and 50 Lacs
4) 75 Lacs and 60 Lacs

- Answer is 90 Lacs and 60 lacs

Internal

Terminal Questions

- What is maximum loans against pledge/hypothecation of Agricultural produce (including warehouse receipts) for a period not exceeding 12 months subject to a limit up to ₹……. lakh against NWRs/eNWRs and upto Rs …. lakh against warehouse receipts other than NWRs/eNWRs for Corporate farmers

1) 5 crores & 2.5 crores
2) 4 crores & 2 crores
3) 4 crores & 2.5 crores
4) 5 crores & 2.5 crores

3) Answer is 4 crores & 2.5 crores

Internal

Terminal Questions

- Lending to Distressed farmers up to ₹_____ lakh per borrower can be classified under Priority sector

1) 4
2) 3
3) 6
4) NO LIMIT
5) 1

- Answer is NO LIMIT

Internal

Terminal Questions

- Monitoring of priority lending compliance of banks by RBI is done on _____ basis

1) Monthly
2) Quarterly
3) Half yearly
4) Annually
5) Quarterly & Annually

- Answer is Quarterly

Internal

Terminal Questions

- **No processing charges to be collected for priority sector loans upto Rs._____**

1) 10,000
2) 25,000
3) 50,000
4) 1 lakh

- Answer is 50,000

Internal

Terminal Questions

- If Banks does not ACHIEVE Priority sector target, The deficit amount is not to be invested in _____

1) **RIDF of NABARD**
2) **NHB**
3) SIDBI
4) MUDRA LTD
5) HFC

- Answer is HFC

Internal

Terminal Questions

- **Loans to farmers against pledge/ hypothecation of agricultural produce (including warehouse receipts) for a period not exceeding __ months will be classified under priority sector target**

1) **18 months**
2) **12 months**
3) 6 months
4) 24 months

- Answer is 12 months

Internal

Terminal Questions

- **What is the export target….for foreign branches having less than 20 branches**

1) **40 %**
2) **32 %**
3) 18 %
4) 20 %

- Answer is 32 %

Internal

Terminal Questions

- **What is the total priority sector target for RRB**

1) **40 %**
2) **60 %**
3) 75 %
4) 18 %

- Answer is 75 %

Internal

Terminal Questions

- **Loans up to Rs. 50 crore to Start-ups, engaged in agriculture and allied services will be classified which category of Agriculture**

a) Agriculture Infrastructure

b) Agriculture Ancillary Activities

c) Farm Credit

d) None of the above

- Answer : Agriculture Ancillary Activities

Internal

Terminal Questions

- **Weaker section target for RRBs**

1) **12 %**
2) **15 %**
3) 20 %
4) 18 %
5) 10 %

- Answer is 15 %

Internal

Terminal Questions

- Bank loans of **Rs. ……. 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

1) **8 Crore**
2) **5 Crore**
3) 10 Crore
4) 6 Crore
5) 15 Crore

- Answer is 8 Crore

Internal

Terminal Questions

Loans upto Rs 10 Cr for purchase of the produce of members directly engaged in agriculture and allied activities

A) Farm Credit
B) Agriculture Infrastructure
C) Ancillary activities
D) Allied activities
E) Agriculture

- Answer is **Farm Credit**

Internal

Terminal Questions

To address regional disparities and a lower weight _____ is assigned for incremental priority sector credit in the identified districts where the credit flow is comparatively higher

a.90%
b.85%
c.80%
d.75%
e.60 %

- Answer is **90 %**

Internal

Terminal Questions

To address regional disparities, a lower weight is assigned to the incremental

priority sector credit in the identified districts where the per capita PSL is

greater than _____.

a.Rs 6000
b.Rs 9000
c.Rs 15000
d.Rs 42000
e.Rs 50000

- Answer is **42000**

Internal

Terminal Questions

For being eligible under Priority Sector, loans for agriculture infrastructure is subject to an aggregate sanctioned limit of _____ per borrower from the banking system.

a.Rs 5 Crore
b.Rs 100 Crore
c.Rs 50 crore
d.Rs 75 Crore
e.Rs 90 crores

- Answer is 100 crore

Internal

Terminal Questions

Bank loans for affordable housing projects using at least _____of FAR/FSI for dwelling units with carpet area of not more than _____, qualify for classification under Priority Sector lending.

a. 50%, 60 sq.m.
b.60%, 60 sq.m.
c.50%, 90 sq.m.
d.50%, 75 sq.m
e.40%, 60 sq.m

- Answer is **50%, 60 sq.m**

Internal

Terminal Questions

To qualify Priority Sector lending under Renewable Energy, for individual households, the loan limit will be _____ per borrower.

a.Rs 10 lakh
b.Rs 12 lakh
c.Rs 15 lakh
d.Rs 20 lakh
e.Rs 18 Lakh

- Answer is **10 Lac**

Internal

Terminal Questions

Loans to distressed persons [other than distressed farmers indebted to noninstitutional lenders] not exceeding _____ per borrower to prepay their debt to non-institutional lenders, shall qualify for classification under Priority Sector lending.

a.Rs 10000

b.Rs 50000

c.Rs 100000

d.Rs 200000

e.Rs 150000

- Answer is **Rs 1 Lac**

Internal

Terminal Questions

Priority sector loans to the artisans, village and cottage industries where individual credit limits do not exceed _____, classified as lending under Weaker Sections category.

a.Rs 10000

b.Rs 50000

c.Rs 100000

d.Rs 200000

e.Rs 300000

- Answer is **Rs 200000**

Internal

Terminal Questions

What is the target Non Corporate farmers under priority ……

A) 14 %
B) 12 %
C) 10 %
D) 18 %
E) 16 %

- Answer is **14 %**

Internal

Terminal Questions

Total priority sector target for Urban co-operative banks

A) 40 %
B) 60 %
C) 75%
D) 15%
E) 18%

- Answer is **60 %**

Internal

Terminal Questions

For the purpose of computation of achievement of the sub-target, under priority sector lending, Small and Marginal Farmers will include loans up to _____to individuals solely engaged in Allied activities without any accompanying land holding criteria.

a.Rs 50000

b.Rs 1 lakh

c.Rs 2.5 lakh

d.Rs 3 lakh.

e.Rs 4 Lacs

- Answer is 2.5 Lac

Internal


THANK YOU


GOOD LUCK
WITH YOUR EXAMS!