



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2024-25/44

FIDD.CO.PSD.BC.No.7/04.09.01/2024-25

June 21, 2024

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,

Priority Sector Lending – Amendments to the Master Directions

Please refer to [Master Directions \(MD\) on Priority Sector Lending \(PSL\) dated September 04, 2020](#) as updated from time to time. The following paras of the Directions stand amended in view of factors detailed thereunder.

2. Para 7 - Adjustments for weights in PSL Achievement:

The MD specifies that the lists of districts with comparatively high and low PSL credit detailed in Annex IA and IB of the MD are valid until FY 2023-24 subject to review thereafter. Based on a review, the lists of districts have been updated. These lists will remain valid until FY 2026-27 and will be reviewed thereafter. Accordingly, from FY 2024-25 onwards, a higher weight (125%) 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 ₹9,000), and a lower weight (90%) would 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). Therefore, [para 7 of the MD on PSL](#) has been updated as mentioned above.

3. Para 9 - Micro, Small & Medium Enterprises:

The definition of MSMEs has been referenced to the [Master Direction - Lending to Micro, Small & Medium Enterprises \(MSME\) Sector](#), for clarity.

वित्तीय समावेशन और विकास विभाग, केंद्रीय कार्यालय, 10वीं मंज़िल, केंद्रीय कार्यालय बिल्डिंग, शहीद भगत सिंह मार्ग, मुंबई 400 001

टेलीफोन: Tel No.: +912222601000/ फ़ैक्स: +91-22-22621011/22610948/22610943 ईमेल: cgmincfidd@rbi.org.in

Financial Inclusion and Development Department, Central Office, 10th Flr, Central Office Building, Shahid Bhagat Singh Marg, Mumbai 400001

हिंदी आसान है, इसका प्रयोग बढ़ाइए

चेतावनी: रिज़र्व बैंक द्वारा डाक, मेल 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।

Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.

4. Para 27 - Monitoring of Priority Sector Lending targets:

The MD specifies that UCBs shall furnish data on priority sector advances in the reporting formats 'Statement I' and 'Statement II (Part A to D)' at quarterly and annual intervals, to the Regional Offices of DoS, RBI. This provision has been repealed in terms of [Master Direction - Reserve Bank of India \(Filing of Supervisory Returns\) Directions – 2024 \(MD on FSR\) dated February 27, 2024](#). The applicable return for reporting PSL data by UCBs has been prescribed at Sl. No. 61 of Annex III of the MD on FSR. Accordingly, para 27 of MD as applicable to UCBs has been updated.

5. The relevant amendments made in the MD on PSL are detailed in the [Annex](#).

6. The [Master Directions](#) and [FAQs](#) on Priority Sector Lending on the Bank's website have been updated accordingly.

Yours faithfully,

(Nisha Nambiar)
Chief General Manager-in-Charge

Encl: As above

Para no. of MD on PSL	Extracts of existing paras	Extracts of revised paras
7	To address regional disparities in the flow of priority sector credit at the district level, it has been 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. Accordingly, from FY 2021-22 onwards, a higher weight (125%) 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 ₹6000), and a lower weight (90%) would be assigned for incremental priority sector credit in the identified districts where the credit flow is comparatively higher (per capita PSL greater than ₹25,000). The list of both categories of districts is given in Annex IA & IB. This list will be valid for a period up to FY 2023-24 and will be reviewed thereafter. The districts other than those mentioned in Annex IA and IB will continue to have existing weightage of 100%.	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. The districts other than those mentioned in Annexes IA and IB will continue to have existing weightage of 100%.
9	The definition of MSMEs will be as per Government of India (GoI), Gazette Notification S.O. 2119 (E) dated June 26, 2020 read with circular RBI/2020-2021/10 FIDD.MSME & NFS.BC.No.3/06.02.31/2020-21 read with FIDD.MSME & NFS. BC. No.4/06.02.31/2020-21 dated July 2, 2020, August 21, 2020 respectively on 'Credit flow to Micro, Small and Medium Enterprises Sector' and updated from time to time. Further, such MSMEs should be engaged in	The definition of MSMEs shall be as given in the Master Direction – Lending to Micro, Small & Medium Enterprises (MSME) Sector FIDD.MSME&NFS.12/06.02.31/2017-18 dated July 24, 2017 as updated from time to time. All bank loans to MSMEs shall qualify for classification under priority sector lending.

	the manufacture or production of goods, in any manner, pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 or engaged in providing or rendering of any service or services. All bank loans to MSMEs conforming to the above guidelines qualify for classification under priority sector lending.	
27	In respect of UCBs, the data on priority sector advances in the reporting formats 'Statement I' and 'Statement II (Part A to D)' shall be furnished at quarterly and annual intervals, to the Regional Office of DoS, RBI.	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.