Indian Bank SO Credit – Daily Class
By Ramandeep Singh

Topic – Priority Sector Lending

Indian Bank SO 2020
Credit Officer Course

- Video classes for all the sections
- Notes (Downloadable)
- Quizzes
- Test series
- Live sessions

Link available in the description – **BankExamsToday.com**

Introduction

- A large portion of the population in India doesn't have access to funds. Therefore RBI has adopted Priority Sector Lending norms which relaxes the lending norms for poor and small businesses.

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Priority Sector includes the following categories:

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

Targets

Categories	Domestic scheduled commercial banks and Foreign banks with more than 20 branches in India
Total Priority Sector	40 per cent of Adjusted Net Bank Credit or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher.
Agriculture	18 per cent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher. Within the 18 percent target for agriculture, a target of 8 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher is prescribed for Small and Marginal Farmers.
Micro Enterprises	7.5 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher.
Advances to Weaker Sections	10 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher

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Foreign banks with less than 20 branches

Total Priority Sector	40 per cent of Adjusted Net Bank Credit or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, to be achieved in a phased manner by 2020.

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Update: Target for Regional Rural Bank and Small Finance Banks

Categories	Target
Total Priority Sector	75 per cent of Adjusted Net Bank Credit
Agriculture	18 per cent of ANBC. Within the 18 per cent target for agriculture, a target of 8 percent of ANBC is prescribed for Small and Marginal Farmers.
Micro Enterprises	7.5 per cent of ANBC
Advances to Weaker Sections	10 percent of ANBC

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Limits on priority sector lending

Sector	Limit for Priority sector lending
Social infrastructure	Rs.50 million
Education	Rs. 1 million
Renewable energy	Rs.150 million
Exports	Rs.400 million
Housing loans	Metropolitan: Rs.3.5 million (Maximum house value Rs.4.5 million) Other cities: Rs.2.5 million (Maximum house value Rs.3 million)

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Weaker section categories

- Small and Marginal Farmers
- Artisans, village and cottage industries where individual credit limits do not exceed Rs. 0.1 million
- Beneficiaries under Government Sponsored Schemes such as National Rural Livelihoods Mission (NRLM), National Urban Livelihood Mission (NULM) and Self Employment Scheme for Rehabilitation of Manual Scavengers (SRMS)
- Scheduled Castes and Scheduled Tribes
- Beneficiaries of Differential Rate of Interest (DRI) scheme
- Self Help Groups
- Distressed farmers indebted to non-institutional lenders

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Weaker section categories

- Distressed persons other than farmers, with loan amount not exceeding Rs. 0.1 million per borrower to prepay their debt to non-institutional lenders
- Individual women beneficiaries up to Rs. 0.1 million per borrower
- Persons with disabilities
- Overdraft limit to PMJDY account holder upto Rs.10,000/- with age limit of 18-65 years.
- Minority communities as may be notified by Government of India from time to time

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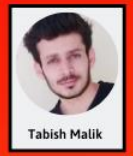
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IBPS RRB Scale 2 and 3 2019

All India Rank 1st in IBPS RRB Scale 2 and 3 2019


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