20 One-Liners to Remember

Quick-fire facts for last-minute revision.

1. **Domestic scheduled commercial banks must lend at least 40% of ANBC to the priority sector.**
This is RBI's core priority sector target ensuring credit reaches under-served parts of the economy.

2. **The 40% priority sector target applies to ANBC or the credit equivalent of off-balance-sheet exposure, whichever is higher.**
Banks use whichever base produces the higher lending obligation.

3. **Agriculture carries an 18% of ANBC sub-target within the overall priority sector requirement.**
This ring-fences bank credit for farm and agri-infrastructure lending.

4. **Micro enterprises have a 7.5% of ANBC sub-target under priority sector lending.**
This stops the smallest manufacturing and service units from being crowded out by larger MSME borrowers.

5. **Weaker sections carry a 12% of ANBC sub-target under the priority sector framework.**
This covers SC/ST borrowers, self-help groups, minorities and persons with disabilities.

6. **Small and marginal farmers have a phased sub-target within the 18% agriculture allocation.**
RBI has raised this sub-target in stages to deepen formal credit access for smallholders.

7. **A bank that misses a priority sector target must contribute the shortfall to the Rural Infrastructure Development Fund.**
RIDF is maintained with NABARD and its deposits typically earn lower returns.

8. **Priority Sector Lending Certificates let banks trade compliance credit without transferring the underlying loan.**
PSLCs move only the compliance credit; the loan and its risk stay with the originating bank.

9. **Priority Sector Lending Certificates are traded on the RBI's e-Kuber platform.**
e-Kuber is the RBI system used for buying and selling PSLCs between banks.

10. **There are four types of Priority Sector Lending Certificates: Agriculture, Small and Marginal Farmers, Micro Enterprises and General.**
Each certificate type corresponds to a specific priority sector sub-category.

11 **Priority sector categories include agriculture, MSME, education, housing, export credit, social infrastructure and renewable energy.**

These are the qualifying heads under which loans can count toward the priority sector target.

12 **Priority sector lending compliance is assessed on the basis of quarterly average figures.**

Banks track their position continuously rather than only checking at year-end.

13 **Regional Rural Banks, Small Finance Banks and foreign banks have priority sector obligations that differ from domestic scheduled commercial banks.**

PSL norms vary by institution type, so exam questions must be read with the bank type in mind.

14 **Adjusted Net Bank Credit is net bank credit adjusted for certain investments and eligible bonds.**

ANBC gives a standardised base so priority sector obligations are comparable across banks.

15 **A bank can meet the overall 40% priority sector target yet still fall short on an individual sub-target.**

Sub-targets are assessed separately, so overall compliance does not guarantee sub-target compliance.

16 **Weaker sections include scheduled castes, scheduled tribes, small and marginal farmers, self-help groups, minorities and persons with disabilities.**

This is the defined list of vulnerable borrower groups under the weaker sections head.

17 **Education loans up to a prescribed ceiling for studies in India and abroad qualify under priority sector lending.**

Education is one of the recognised priority sector categories with its own loan limits.

18 **Housing loans within RBI-specified limits, including repair and construction loans, qualify as priority sector lending.**

Housing is a distinct priority sector category subject to defined ceilings.

19 **Priority sector lending percentages and category limits are revised periodically by the RBI.**

Candidates should always verify current figures against the latest RBI master directions.

20 **Priority sector lending is a high-weightage, high-scoring topic in the CAIIB Rural Banking elective.**

Its percentages and definitions are objective, making them easy to frame as exam questions.

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