

**Government of India  
Department of Financial Services  
Ministry of finance  
LOK SABHA  
UNSTARRED QUESTION NO. 1914  
TO BE ANSWERED ON THE 29<sup>th</sup> December, 2017, Pausha 8, 1939 (SAKA)**

**Priority Sector Lending**

**QUESTION**

**1914. Shri B.V.Naik**

Will the Minister of **FINANCE** be pleased to state:

- (a) whether the most of the banks have failed to meet the targets of providing loans to Small Scale Industries (SSI) and agriculture sectors under Priority Sector Lending (PSL) across the country;
- (b) if so, the details thereof during the last three years, State/UT-wise including Karnataka;
- (c) the reasons cited by banks for not meeting the targets;
- (d) whether the Government has taken or propose to take remedial measures ensure that the PSL targets are met by all the banks in the country; and
- (e) if so, the details thereof; and

**ANSWER  
(MINISTER OF STATE IN THE MINISTRY OF FINANCE)  
(SHRI SHIV PRATAP SHUKLA)**

(a) to (e): Reserve Bank of India (RBI) has issued Master Direction on Priority Sector Lending for Scheduled Commercial Banks(SCBs) {excluding Regional Rural Banks (RRBs)} dated 7 July 2016.

In the said Master Direction, a target of 18% of Adjusted Net Bank Credit (ANBC) or Credit Equivalent of Off Balance-sheet Exposure(CEOBC), whichever is higher, has been prescribed for lending to agriculture category and a target of 7.50% of ANBC or CEOBC, whichever is higher, is applicable for lending to Micro Enterprises.

The number of banks not achieving the applicable targets for agriculture and micro enterprises respectively for the last three years is as below:

<b>Year</b>	<b>No. of banks falling short of applicable agriculture sub-target</b>	<b>No. of banks falling short of applicable Micro Enterprise sub-target#</b>
FY 2014-15	35	NA#
FY 2015-16	22	16
FY 2016-17	24	21

NA- Not Applicable

# The Micro Enterprise target was made applicable for SCBs in a phased manner, starting from 7% for FY 2015-16 and 7.50% for FY 2016-17 and onwards.

The priority sector targets are applicable at bank level and not state-wise. However, the outstanding portfolio of banks under overall priority sector, agriculture and Micro and Small Enterprises for the last three years, state wise is placed at **Annex**.

As per Master Directions issued by RBI on Priority Sector Lending, Scheduled Commercial Banks having any shortfall in lending to priority sector shall be allocated amounts for contribution to the Rural Infrastructure Development Fund (RIDF) established with NABARD and other Funds with NABARD/NHB/SIDBI/ MUDRA Ltd. as decided by Government of India from time to time.

The above funds with NABARD/ NHB/SIDBI/ MUDRA Ltd. have tenures ranging from 1 year to 7 years and the deposit rates are 2 to 4 percentage points lower than the Bank Rate bases on the extent of shortfall.

The low deposit rates under the funds act as disincentive for the banks to default on their priority sector targets.

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Annexure to reply of Lok Sabha Un Starred Question No. 1914 for answer on 29th December 2017 -- Priority Sector Lending

Priority Sector Lending - State-wise

(No. of Accounts in Actuals and Amount in Rs. Thousands)

S.NO.	STATE	2015			2016				2017			
		Total Priority Sector	Agriculture	Loans to Micro and Small Enterprises (Direct+Indirect)	Priority Sector	Agriculture	MSMEs	Micro Enterprises	Overall PSL	Agriculture	MSME	Micro Enterprises
		Balance O/s	Balance O/s	Balance O/s	Balance O/s	Balance O/s	Balance O/s	Balance O/s	Balance O/s	Balance O/s	Balance O/s	Balance O/s
1	ANDAMAN & NICOBAR	7341000	836652	5032851	7811366	1461252	5015058	3130264	7172528	950480	4945881	3073385
2	ANDHRA PRADESH	2127271280	1111380786	605162683	1452568422	847639880	371754890	179326212	1551026560	898447056	407769689	194833732
3	ARUNACHAL PRADESH	7729039	1712625	5231713	7774244	1671191	5461970	2703538	8634587	1963934	6044094	2903990
4	ASSAM	178347232	56756297	91133478	225377655	82591358	110995207	60640797	249716619	91709143	123438395	69721759
5	BIHAR	412739346	209385654	135533695	469928174	233199247	160594990	101946231	503523181	239562590	182829460	119205182
6	CHANDIGARH	101370709	17750527	67207953	120375361	27096722	76420947	23657374	126863671	29802537	80565397	23826062
7	CHHATTISGARH	234596644	64367633	126032238	274141773	82192681	148667999	53973912	315597565	100615602	161788255	67420480
8	DADRA&NAGAR HAVELI	5863352	485875	3841833	7684649	663650	5031359	1742257	8405893	593170	5459557	1795663
9	DAMAN & DIU	5581607	168682	4434389	5902307	370786	4149120	1134424	6366188	480511	4889714	1301500
10	DELHI	1103116427	136086953	670115326	1271168990	181698329	773700120	256973016	1245747859	178700489	785054159	266679683
11	GOA	67357794	8690495	41778672	74061029	18421761	39914739	17048198	76194543	15798952	42638972	18126350
12	GUJARAT	1394244513	419803897	691518104	1685636090	516959007	779217982	290995573	1934984923	625147099	866351917	339217894
13	HARYANA	814384700	375692427	349568628	952640217	474225717	390350675	170505790	967241655	466820745	396675094	177894764
14	HIMACHAL PRADESH	130104145	49213281	57854619	141103751	51066623	65351420	31506246	143978836	49711370	68604700	34188571
15	JAMMU & KASHMIR	184769500	72672044	83606836	193809062	82053655	89701413	56029119	191796938	73621329	98007967	61596300
16	JHARKHAND	213600715	49995579	126229723	249938669	66041373	145212178	68658407	259371999	66088327	151444877	78154730

17	KARNATAK A	1838396895	845705252	559641399	2112833569	955571067	683094274	302943898	2028944920	890501112	721410114	310889866
18	KERALA	1140404372	552239726	317607050	1252759444	541697588	390185513	160361315	1319922189	619704851	399012465	183894594
19	LAKSHADW EEP	811364	56402	612092	1149156	158142	839578	159178	385412	69329	165874	158894
20	MADHYA PRADESH	925276271	436353711	342321855	1015942333	498592369	349420949	166095543	1144524510	575398585	378128526	188618909
21	MAHARASH TRA	4441810487	1767649137	139944700 0	5732497566	252061763 2	184876745 3	586204780	6342899385	280455192 4	211198421 5	700988917
22	MANIPUR	10316523	3331198	3980555	12140846	3822793	5033993	3314358	19819082	10867276	5653579	3839576
23	MEGHALAY A	14032867	4082555	7176663	15807571	4613286	8477764	3850444	16754887	5719173	8081952	4143135
24	MIZORAM	8264288	1323011	3378848	8442162	1422138	3910198	2578678	8737286	1357073	4065362	2695145
25	NAGALAND	7418627	2528830	3709994	9094873	3013855	4896798	3276515	9933193	2760307	6047165	3729546
26	ODISHA	325828280	105333625	157683611	384691743	127557385	191770863	99608102	411842981	138171655	206379561	114286932
27	PUDUCHER RY	48004395	14886923	23362913	47685867	15516437	22005276	9769588	51441108	18604835	23419854	11034409
28	PUNJAB	1079315468	547034694	443183496	1227411553	701409228	429310043	197139117	1229901656	697437162	427130163	199130127
29	RAJASTHA N	1043418037	505651436	403315506	1210123021	607445068	451961765	229913430	1361088546	685718153	488893118	257779987
30	SIKKIM	9112357	1253847	3989710	9928068	1660186	4677446	1842860	10120781	1688365	5220110	2933836
31	TAMIL NADU	2663520075	1177781697	958599878	3019556343	126735743 9	122329046 6	528523831	3163638856	137953437 4	126198705 2	542858173
32	TELANGAN A	NA	NA	NA	1062611107	446439049	385742013	155269048	1129069366	474580909	438153516	190082143
33	TRIPURA	26807628	6066425	14394071	32436968	12183102	16329857	11331018	35068359	12506562	17999990	12502323
34	UTTARAKH AND	316986284	118644322	148283961	267932127	82267803	142990521	73733187	227490838	83995912	104473943	55258401
35	UTTAR PRADESH	1434589930	710567232	528269974	1742741892	862412172	639462664	351246246	1933018113	976427787	705075736	397919530
36	WEST BENGAL	1014156513	330258284	492596771	1208954488	409871631	574238847	260201559	1260495817	407734834	613166948	287220619
	<b>TOTAL</b>	<b>23336888664</b>	<b>9705747714</b>	<b>887583808 8</b>	<b>27514662456</b>	<b>117309816 02</b>	<b>105479463 48</b>	<b>446733405 3</b>	<b>29301720831</b>	<b>126273435 11</b>	<b>113129573 69</b>	<b>4929905106</b>