LENDING TO PRIORITY SECTOR

At a meeting of the National Credit Council held in July 1968, it was emphasised that commercial banks should increase their involvement in the financing of priority sectors, viz., agriculture and small scale industries. The description of the priority sectors was later formalised in 1972 on the basis of the report submitted by the Informal Study Group on Statistics relating to advances to the Priority Sectors constituted by the Reserve Bank in May 1971. On the basis of this report, the Reserve Bank prescribed a modified return for reporting priority sector advances and certain guidelines were issued in this connection indicating the scope of the items to be included under the various categories of priority sector. Although initially there was no specific target fixed in respect of priority sector lending, in November 1974 the banks were advised to raise the share of these sectors in their aggregate advances to the level of 33 1/3 per cent by March 1979.

At a meeting of the Union Finance Minister with the Chief Executive Officers of public sector banks held in March 1980, it was agreed that banks should aim at raising the proportion of their advances to priority sectors to 40 per cent by March 1985. Subsequently, on the basis of the recommendations of the Working Group on the Modalities of Implementation of Priority Sector Lending and the Twenty Point Economic Programme by Banks, all commercial banks were advised to achieve the target of priority sector lending at 40 per cent of aggregate bank advances by 1985. Sub-targets were also specified for lending to agriculture and the weaker sections within the priority sector. Since then, there have been several changes in the scope of priority sector lending and the targets and sub-targets applicable to various bank groups.

On the basis of the recommendations of the Internal Working Group, set up in Reserve Bank to examine, review and recommend changes, if any, in the existing policy on priority sector lending including the segments constituting the priority sector, targets and sub-targets, etc. and the comments/suggestions received thereon from banks, financial institutions, public and the Indian Banks' Association (IBA), it has been decided to include only those sectors that impact large segments of population & the weaker sections, and which are employment-intensive, as part of the priority sector.

I. CATEGORIES OF PRIORITY SECTOR

The broad categories of priority sector for all scheduled commercial banks are as under:

(i) **Agriculture (Direct and Indirect finance):** Direct finance to agriculture shall include short, medium and long term loans given for agriculture and allied activities directly to individual farmers, Self-Help Groups (SHGs) or Joint Liability Groups (JLGs) of individual farmers without limit and to others (such as corporates, partnership firms and institutions) up to Rs. 20 lakh, for taking up agriculture/allied activities.

Indirect finance to agriculture shall include loans given for agriculture and allied activities as specified in Section I, appended.

(ii) **Small Scale Industries (Direct and Indirect Finance):** Direct finance to small scale industries (SSI) shall include all loans given to SSI units which are engaged in manufacture, processing or preservation of goods and whose investment in plant and machinery (original cost) excluding land and building does not exceed the amounts specified in Section I, appended.

Indirect finance to SSI shall include finance to any person providing inputs to or marketing the output of artisans, village and cottage industries, handlooms and to cooperatives of producers in this sector.

(iii) **Small Business / Service Enterprises** shall include small business, retail trade, professional & self employed persons, small road & water transport operators and other service enterprises as per the definition given in Section I and other enterprises that are engaged in providing or rendering of services, and whose investment in equipment does not exceed the amount specified in Section I, appended.

(iv) **Micro Credit :** Provision of credit and other financial services and products of very small amounts not exceeding Rs. 50,000 per borrower to the poor in rural, semi-urban and urban areas, either directly or through a group mechanism, for enabling them to improve their living standards, will constitute micro credit.

(v) **Education loans:** Education loans include loans and advances granted to only individuals for educational purposes up to Rs. 10 lakh for studies in India and Rs. 20 lakh for studies abroad, and do not include those granted to institutions;

(vi) **Housing loans:** Loans up to Rs. 15 lakh for construction of houses by individuals, (excluding loans granted by banks to their own employees) and loans given for repairs to the damaged houses of individuals up to Rs.1 lakh in rural and semi-urban areas and up to Rs.2 lakh in urban areas.

(2) Investments by banks in securitised assets, representing loans to agriculture (direct or indirect), small scale industries (direct or indirect) and housing, shall be eligible for classification under respective categories of priority sector (direct or indirect) depending on the underlying assets, provided the securitised assets are originated by banks and financial institutions and fulfil the Reserve Bank of India guidelines on securitisation.

(3) The targets and sub-targets under priority sector lending would be linked to Adjusted Net Bank Credit (Net Bank Credit plus investments made by banks in non-SLR bonds held in HTM category) or Credit Equivalent of Off-Balance Sheet Exposures, whichever is higher, as on March 31 of the previous year.

(4) In order to encourage banks to increasingly lend directly to the priority sector borrowers, the banks' deposits placed with NABARD/SIDBI on account of non-achievement of priority sector lending targets would not be eligible for classification as indirect finance to agriculture/SSI, as the case may be.

II. TARGETS/SUB-TARGETS

The targets and sub-targets set under priority sector lending for domestic and foreign banks operating in India are furnished below:

	Domestic commercial banks	**Foreign banks**
Total Priority Sector advances	40 per cent of Adjusted Net Bank Credit (ANBC) or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher.	32 per cent of ANBC or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher.
Total agricultural advances	18 per cent of ANBC or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher. Of this, indirect lending in excess of 4.5% of ANBC or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher, will not be reckoned for computing performance under 18 per cent target. However, all agricultural advances under the categories 'direct' and 'indirect' will be reckoned in computing performance under the overall priority sector target of 40 per cent of ANBC or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher.	No target.
SSI advances	Advances to SSI sector will be reckoned in computing performance under the overall priority sector target of 40 per cent of ANBC or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher.	10 per cent of ANBC or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher.
Micro enterprises within SSI	(i) 40 per cent of total SSI advances should go to units having investment in plant and machinery up to Rs 5 lakh, (ii) 20 per cent of total SSI advances should go to units with investment in plant & machinery between Rs 5 lakh and Rs. 25 lakh (Thus, 60 per cent of SSI advances should go to the micro enterprises).	Same as for domestic banks.
Export credit	Export credit is not a part of priority sector for domestic commercial banks.	12 per cent of ANBC or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher.
Advances to weaker sections	10 per cent of ANBC or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher.	No target.
Differential Rate of Interest Scheme	1 per cent of total advances outstanding as at the end of the previous year. It should be ensured that not less than 40 per cent of the total advances granted under DRI scheme go to scheduled caste/scheduled tribes. At least two third of DRI advances should be granted through rural and semi-urban branches.	No target.

[ANBC or credit equivalent of Off-Balance Sheet Exposures denotes the outstanding as on March 31 of the previous year. For this purpose, outstanding FCNR (B) and NRNR deposits balances will no longer be deducted for computation of NBC for priority sector lending purposes. For the purpose of priority sector lending, Adjusted NBC (ANBC) denotes NBC <u>plus</u> investments made by banks in non-SLR bonds held in HTM category.]

The detailed guidelines in this regard are given hereunder.

SECTION I

1. AGRICULTURE

DIRECT FINANCE

1.1 Finance to individual Farmers [including Self Help Groups (SHGs) or Joint Liability Groups (JLGs), i.e. groups of individual farmers] for Agriculture and Allied Activities

1.1.1 Short-term loans for raising crops, i.e. for crop loans. This will include traditional/non-traditional plantations and horticulture.

1.1.2 Advances up to Rs. 10 lakh against pledge/hypothecation of agricultural produce (including warehouse receipts) for a period not exceeding 12 months, irrespective of whether the farmers were given crop loans for raising the produce or not.

1.1.3 Working capital and term loans for financing production and investment requirements for agriculture and allied activities.

1.1.4 Loans to small and marginal farmers for purchase of land for agricultural purposes.

1.1.5 Loans to distressed farmers indebted to non-institutional lenders, against appropriate collateral or group security.

1.1.6 Loans granted for pre-harvest and post-harvest activities such as spraying, weeding, harvesting, grading, sorting, processing and transporting undertaken by rural and semi-urban households or groups/cooperatives of rural and semi-urban households.

1.2 Finance to others up to an aggregate amount of Rs. 20 lakh per borrower for the purposes listed at 1.1.1 to 1.1.3 above.

INDIRECT FINANCE

1.3 Finance for Agriculture and Allied Activities

1.3.1 Loans to entities covered under 1.2 above in excess of Rs. 20 lakh in aggregate per borrower for agriculture and allied activities. In such cases, the entire amount outstanding shall be treated as indirect finance for agriculture.

1.3.2 Loans to food and agro-based processing units with investments in plant and machinery up to Rs. 10 crore, undertaken by other than rural and semi-urban households.

1.3.3 Loans to Non-Banking Financial Companies (NBFCs) for on lending to individual farmers.

1.3.4
(i) Credit for purchase and distribution of fertilisers, pesticides, seeds, etc.
(ii) Loans up to Rs. 40 lakh granted for purchase and distribution of inputs for the allied activities such as cattle feed, poultry feed, etc.

1.3.5 Finance for setting up of Agriclinics and Agribusiness Centres.

1.3.6 Finance for hire-purchase schemes for distribution of agricultural machinery and implements.

1.3.7 Loans to farmers through Primary Agricultural Credit Societies (PACS), Farmers' Service Societies (FSS) and Large-sized Adivasi Multi Purpose Societies (LAMPS).

1.3.8 Loans to cooperative societies of farmers for disposing of the produce of members.

1.3.9 Financing the farmers indirectly through the co-operative system (otherwise than by subscription to bonds and debenture issues) provided a certificate from the State Co-operative Bank/State Cooperative Agriculture and Rural Development Bank (SCARDB), as the case may be, is produced, certifying the end use of such loans.

1.3.10 Investments by banks in special bonds issued by NABARD with the objective of financing exclusively agriculture/allied activities (not eligible for classification under priority sector lending with effect from April 1, 2007)

1.3.11 Loans for construction and running of storage facilities (warehouse, market yards, godowns, and silos), including cold storage units designed to store agriculture produce/products, irrespective of their location.

If the storage unit is registered as SSI unit, the loans granted to such units may be classified under advances to SSI, provided the investment in plant and machinery is within the stipulated ceiling.

1.3.12 Advances to Customs Service Units managed by individuals, institutions or organisations who maintain a fleet of tractors, bulldozers, well-boring equipment, threshers, combines, etc., and undertake work for farmers on contract basis.

1.3.13 Finance extended to dealers in drip irrigation/sprinkler irrigation system/agricultural machinery, irrespective of their location, subject to the following conditions:

(a) The dealer should be dealing exclusively in such items or if dealing in other products, should be maintaining separate and distinct records in respect of such items.
(b) A ceiling of up to Rs. 30 lakh per dealer should be observed.

1.3.14 Loans to Arthias (commission agents in rural/semi-urban areas functioning in markets/mandies) for extending credit to farmers, for supply of inputs as also for buying the output from the individual farmers/ SHGs/ JLGs.

1.3.15 Fifty per cent of the credit outstanding under loans for general purposes under General Credit Cards (GCC).

2 SMALL SCALE INDUSTRIES

DIRECT FINANCE

2.1 Direct Finance in the small scale industry sector will include credit to:

2.1.1 Small Scale Industries
Units engaged in the manufacture, processing or preservation of goods and whose investment in plant and machinery (original cost) excluding land and building does not exceed Rs. 5 crore.

2.1.2 Micro Enterprises

Small scale units whose investment in plant and machinery (original cost) excluding land and building is up to Rs. 25 lakh, irrespective of the location of the unit, are treated as Micro Enterprises.

2.1.3 KVI Sector

All advances granted to units in the KVI sector, irrespective of their size of operations, location and amount of original investment in plant and machinery. Such advances will be eligible for consideration under the sub-target (60 per cent) of the SSI segment within the priority sector.

INDIRECT FINANCE

2.2 Indirect finance in the small-scale industrial sector will include credit to:

2.2.1 Persons involved in assisting the decentralised sector in the supply of inputs to and marketing of outputs of artisans, village and cottage industries.

2.2.2 Advances to cooperatives of producers in the decentralised sector viz. artisans village and cottage industries.

2.2.3 Subscription to bonds issued by NABARD with the objective of financing exclusively non-farm sector (not eligible for classification under priority sector lending with effect from April 1, 2007).

2.2.4 Loans granted by banks to NBFCs for on lending to SSI sector.

3. SMALL BUSINESS / SERVICE ENTERPRISES

3.1 Loans granted to small business and service enterprises such as, Small Road and Water Transport Operators, Small Business, Professional & Self Employed Persons, etc. engaged in providing/rendering of services (which are industry or non-industry related), and whose investment in equipment (original cost and excluding land and building) does not exceed Rs. 2 crore.

3.2 **(i)** Advances granted to retail traders dealing in essential commodities (fair price shops), consumer co-operative stores, and;

(ii) Advances granted to private retail traders with credit limits not exceeding Rs. 20 lakh.

3.3 Loans to NBFCs for the purpose of on-lending to various categories of small business and service enterprises.

4. MICRO CREDIT

4.1 Loans of very small amount not exceeding Rs. 50,000 per borrower, provided by banks to the poor in rural, semi-urban and urban areas, either directly or through a group mechanism, for enabling them to improve their living standards.

4.2 Loans to urban poor indebted to informal sector

Loans to distressed urban poor to prepay their debt to lenders in the informal sector would be eligible for classification under priority sector. Urban poor for this purpose may include those families in the urban areas who are below the poverty line. Such loans to urban poor may be classified under weaker sections within the priority sector.

5. STATE SPONSORED ORGANIZATIONS FOR SCHEDULED CASTES/SCHEDULED TRIBES

Advances sanctioned to State Sponsored Organisations for Scheduled Castes/ Scheduled Tribes for the specific purpose of purchase and supply of inputs to and/or the marketing of the outputs of the beneficiaries of these organisations.

6. EDUCATION

Educational loans should include only loans and advances granted to individuals for educational purposes up to Rs. 10 lakh for studies in India and Rs. 20 lakh for studies abroad, and not those granted to institutions.

7. HOUSING

6.1 Loans up to Rs. 15 lakh, irrespective of location, for construction of houses by individuals, excluding loans granted by banks to their own employees.

6.2 Loans given for repairs to the damaged houses of individuals up to Rs. 1 lakh in rural and semi-urban areas and up to Rs. 2 lakh in urban areas.

6.3 Assistance up to Rs. 1.25 lakh per housing unit given to any governmental agency/ non-governmental agency (approved by the NHB for the purpose of refinance) for construction/ reconstruction of houses or for slum clearance and rehabilitation of slum dwellers.

8. Weaker Sections

The weaker sections under priority sector shall include the following:

(a) Small and marginal farmers with land holding of 5 acres and less, and landless labourers, tenant farmers and share croppers.
(b) Artisans, village and cottage industries where individual credit limits do not exceed Rs. 50,000.
(c) Beneficiaries of Swarnjayanti Gram Swarozgar Yojana (SGSY).
(d) Scheduled Castes and Scheduled Tribes.
(e) Beneficiaries of Differential Rate of Interest (DRI) scheme.
(f) Beneficiaries under Swarna Jayanti Shahari Rozgar Yojana (SJSRY).
(g) Beneficiaries under the Scheme for Liberation and Rehabilitation of Scavangers (SLRS).
(h) Advances to Self Help Groups.
(i) Loans to distressed urban/rural poor to prepay their debt to non-institutional lenders, against appropriate collateral or group security.

8. Export Credit

This category will form part of priority sector for foreign banks only.

SECTION II

PENALTIES FOR NON-ACHIEVEMENT OF PRIORITY SECTOR LENDING TARGET / SUB-TARGETS

1. Domestic scheduled commercial banks – Contribution by banks to Rural Infrastructure Development Fund (RIDF):

1.1 Domestic scheduled commercial banks having shortfall in lending to priority sector target (40 per cent of ANBC or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher) and / or agriculture target (18 per cent of ANBC or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher) shall be allocated amounts for contribution to the Rural Infrastructure Development Fund (RIDF) established with NABARD. The concerned banks will be called upon by NABARD, on receiving demands from various State Governments, to contribute to RIDF.

1.2 The corpus of a particular tranche of RIDF is decided by Government of India every year. Fifty per cent of the corpus shall be allocated among the domestic commercial banks having shortfall in lending to priority sector target of 40 per cent of ANBC or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher, on a pro-rata basis, and fifty per cent of the corpus shall be allocated among the banks having shortfall in lending to agriculture target of 18 per cent of ANBC or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher, on a pro-rata basis. The amount of contribution by banks to a particular tranche of RIDF will be decided in the beginning of the financial year.

1.3 The interest rates on banks' contribution to RIDF shall be fixed by Reserve Bank of India from time to time.

1.4 Details regarding operationalisation of the RIDF such as the amounts to be deposited by banks, interest rates on deposits, period of deposits etc., will be communicated to the concerned banks separately by August of each year to enable them to plan their deployment of funds.

2. Foreign Banks – Deposit by Foreign Banks with SIDBI

2.1 The foreign banks having shortfall in lending to stipulated priority sector target/sub-targets will be required to contribute to Small Enterprises Development Fund (SEDF) to be set up by Small Industries Development Bank of India (SIDBI).

2.2 The corpus of SEDF shall be decided by Reserve Bank of India on a year to year basis. The tenor of the deposits shall be for a period of three years or as decided by Reserve Bank from time to time. Fifty per cent of the corpus shall be contributed by foreign banks having shortfall in lending to priority sector target of 32 per cent of ANBC or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher, on a pro-rata basis, and fifty per cent of the corpus shall be contributed by foreign banks having aggregate shortfall in lending to SSI sector and export sector of 10 per cent and 12 per cent respectively, of ANBC or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher, on a pro-rata basis.

2.3 The concerned foreign banks will be called upon by SIDBI, as and when required by them, to contribute to SEDF, after giving one month's notice.

2.4 The interest rates on foreign banks' contribution to SEDF shall be fixed by the Reserve Bank of India from time to time.

SECTION III

COMMON GUIDELINES FOR PRIORITY SECTOR ADVANCES

1 Banks should follow the following common guidelines prescribed by the Reserve Bank for **all categories of advances under the priority sector**.

2 PROCESSING OF APPLICATIONS

2.1 Completion of Application Forms

In case of Government sponsored schemes such as SGSY, the concerned project authorities like DRDAs, DICs, etc. should arrange for completion of application forms received from borrowers. In other areas, the bank staff should help the borrowers for this purpose.

2.2 Issue of Acknowledgement of Loan Applications

Banks should give acknowledgement for loan applications received from weaker sections. Towards this purpose, it may be ensured that all loan application forms have perforated portion for acknowledgement to be completed and issued by the receiving branch. Each branch may affix on the main application form as well as the corresponding portion for acknowledgement, a running serial number. While using the existing stock of application forms which do not have a perforated portion for acknowledgement is separately given, care should be taken to ensure that the serial number given on the acknowledgement is also recorded on the main application. The loan applications should have a check list of documents required for guidance of the prospective borrowers.

2.3 Disposal of Applications

(i) All loan applications up to a credit limit of Rs. 25,000/- should be disposed of within a fortnight and those for over Rs. 25,000/-, within 4 weeks.

(ii) All loan applications for SSI up to a credit limit of Rs. 25,000/- should be disposed of within 2 weeks and those up to Rs. 5 lakh within 4 weeks, provided the loan applications are complete in all respects and are accompanied by a 'check list'.

2.4 Rejection of Proposals

Branch Managers may reject applications (except in respect of SC/ST) provided the cases of rejection are verified subsequently by the Divisional/Regional Managers. In the case of proposals from SC/ST, rejection should be at a level higher than that of Branch Manager.

2.5 Register of Rejected Applications

A register should be maintained at the branch, wherein the date of receipt, sanction/rejection/disbursement with reasons therefor, etc., should be recorded. The register should be made available to all inspecting agencies.

3 MODE OF DISBURSEMENT OF LOAN

With a view to providing farmers wider choice as also eliminating undesirable practices, banks may disburse all loans for agricultural purposes in cash which will facilitate dealer choice to borrowers and foster an environment of trust. However, banks may continue the practice of obtaining receipts from borrowers.

4 REPAYMENT SCHEDULE

4.1 Repayment programme should be fixed taking into account the sustenance requirements, surplus generating capacity, the break-even point, the life of the asset, etc., and not in an "ad hoc" manner. In respect of composite loans, repayment schedule may be fixed for term loan component only.

4.2 As the repaying capacity of the people affected by natural calamities gets severely impaired due to the damage to the economic pursuits and loss of economic assets, the benefits such as restructuring of existing loans, etc. as envisaged under our circular RPCD.CO.PLFS.NO. BC 16/05.04.02/2006-07 dated August 9, 2006 may be extended to the affected borrowers.

5 RATES OF INTEREST

5.1 The rates of interest on various categories of priority sector advances will be as per RBI directives issued from time to time.

5.2 (a) In respect of direct agricultural advances, banks should not compound the interest in the case of current dues, i.e. crop loans and instalments not fallen due in respect of term loans, as the agriculturists do not have any regular source of income other than sale proceeds of their crops.

(b) When crop loans or instalments under term loans become overdue, banks can add interest to the principal.

(c) Where the default is due to genuine reasons banks should extend the period of loan or reschedule the instalments under term loan. Once such a relief has been extended, the overdues become current dues and banks should not compound interest.

(d) Banks should charge interest on agricultural advances in respect of long duration crops, at annual rests instead of quarterly or longer rests, and could compound the interest, if the loan/instalment becomes overdue.

6 PENAL INTEREST

6.1.1 The issue of charging penal interests that should be levied for reasons such as default in repayment, non-submission of financial statements, etc. has been left to the Board of each bank. Banks have been advised to formulate policy for charging such penal interest with the approval of their Boards, to be governed by well accepted principles of transparency, fairness, incentive to service the debt and due regard to difficulties of customers.

6.1.2 No penal interest should be charged by banks for loans under priority sector up to Rs 25,000 as hitherto. However, banks will be free to levy penal interest for loans exceeding Rs 25,000, in terms of the above guidelines.

7. SERVICE CHARGES / INSPECTION CHARGES

7.1.1 No service charges/inspection charges should be levied on priority sector loans up to Rs. 25,000/-.

7.1.2 For loans above Rs. 25,000/- banks will be free to prescribe service charges with the prior approval of their Boards, in terms of circular No. DBOD.Dir.BC.86/03.01.00/99-2000 dated September 7, 1999.

8. INSURANCE AGAINST FIRE AND OTHER RISKS

8.1 Banks may waive insurance of assets financed by bank credit in the following cases:

No.	Category	Type of Risk	Type of Assets
(a)	All categories of priority sector advances up to and inclusive of Rs. 10,000/-	Fire & other risks	Equipment and current assets

(b)	Advances to SSI sector up to and inclusive of Rs. 25,000/- by way of - • Composite loans to artisans, village and cottage industries • All term loans • Working capital where these are against non-hazardous goods	 Fire Fire Fire	 Equipment and current assets Equipment Current Assets

8.2 Where, however, insurance of vehicle or machinery or other equipment/assets is compulsory under the provisions of any law or where such a requirement is stipulated in the refinance scheme of any refinancing agency or as part of a Government-sponsored programmes such as SGSY, insurance should not be waived even if the relative credit facility does not exceed Rs. 10,000/- or Rs. 25,000/-, as the case may be.

9. PHOTOGRAPHS OF BORROWERS

While there is no objection to taking photographs of the borrowers for purposes of identification, banks themselves should make arrangements for the photographs and also bear the cost of photographs of borrowers falling in the category of Weaker Sections. It should also be ensured that the procedure does not involve any delay in loan disbursement.

10 DISCRETIONARY POWERS

All Branch Managers of banks should be vested with discretionary powers to sanction proposals from weaker sections without reference to any higher authority. If there are difficulties in extending such discretionary powers to all the Branch Managers, such powers should exist at least at the district level and arrangements be ensured that credit proposals on weaker sections are cleared promptly.

11 MACHINERY TO LOOK INTO COMPLAINTS

There should be machinery at the regional offices to entertain complaints from the borrowers if the branches do not follow these guidelines, and to verify periodically that these guidelines are scrupulously implemented by the branches.

12 AMENDMENTS

These guidelines are subject to any instructions that may be issued by the RBI from time to time.