

Updates to RBI's PSL Directions: Clarifications and Minor Amendments

RBI issued [Reserve Bank of India \(Priority Sector Lending - Targets and Classification\) \(Amendment\) Directions, 2026](#)

Effective immediately i.e. January 19, 2026

Key Amendments

Aspect	Insertions/Changes
Mode of Verification of PSL Status	Specified recommendatory mode for verification of PSL status under the the underlying pool under Securitisation. Recommended Mode: external auditors' certification + internal/external sample check
On-lending: Mandatory Auditor Certificate for PSL Claim	Banks shall obtain an external auditor's certificate confirming that the on-lending benefit in respect of such loans has not been claimed from any other bank.
Co-lending: Grandfathering Clause	2018/2020 arrangements retain PSL status till maturity/repayment (whichever is earlier) under the new Credit Risk Transfer Directions, 2025 for Commercial Banks
Service Fees excludes Guarantee Fees	No guarantee fees to be charged as service fees from the borrowers on PSL loans ≤₹50,000 (per SHG/JLG member)
Priority Sector Lending Certificate Scheme	Details of the PSLC Scheme have been annexed to the PSL Directions, 2025
Updated Formats for Reporting	Updated formats for quarterly and annual reporting by banks on priority sector advances have been provided

Other Relevant Resources:

- [Bank-NBFC Partnerships for Priority Sector Lending: Impact of New Directions](#)
- [Meeting priority sector lending shortfalls: One more option](#)
- [Reckoning banks' loans to NBFCs for on-lending to priority sectors for PSL targets](#)

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