



Indian Banks' Association

SOCIAL BANKING

No. SB/MBR/PSL/11633

Date: 20.12.2022

The Chairman/
Managing Director & CEOs,
all Member Banks

Madam/ Sir,

Priority Sector Classification:
Eligibility of Biomass Pellet Manufacturing Plant Activity

We are in receipt of a communication from Reserve Bank of India (RBI) wherein, they have advised that they had received a reference from the National Mission on use of Biomass, Ministry of Power regarding priority sector classification of loans extended to 'biomass pellet manufacturing plant' and dissemination of related information to banks and FIs.

2. In this context, RBI has advised that 'biomass pellet manufacturing' is an eligible activity under para 8.4.1 (iii) (Ancillary Services) of Master Directions on Priority Sector Lending dated 04.09.2020 (updated from time to time).
3. Further, it is also covered under code 38300 (material recovery) in the NIC 2008 code list, thereby making it eligible for priority sector classification under MSME category also.
4. Submitted for information and necessary action.

Yours faithfully,

K/S Anbalagan
Senior Advisor
Retail & Social Banking