



## A COMPARATIVE STUDY OF PERFORMANCE OF PRIORITY SECTOR LENDING OF DISTRICTS IN CENTRAL GUJARAT

**Aditi Bhatt**

Assistant Professor  
SDJ International College,  
Surat

### ABSTRACT:

The priorities in lending should not stop or slow down due to unavailability of funds or finance. Understanding this type of priority and need, Government of India through RBI has started with Priority Sector Advances scheme in 1972 (by the recommendations of Narasimhan committee) which covered different categories like agricultural loan, MSME loans, Housing loans and Education loans initially whereas later on export credit, social infrastructure, renewable energy and other priority sectors categories were added. The main aim behind this type of financing scheme was to reach to all segments of the society particularly weaker ones. This study attempts to compare the priority sector performance of nine districts of Central Gujarat Region. The results of the study can stimulate the growth and scope of PSL financing scheme in Central Gujarat Region.

**KEY WORDS:** *Priority Sector Lending, PSL, Agriculture, MSME*

### INTRODUCTION:

Since 1800s, Commercial banks were in business and they were giving finance. However, the micro and small businesses, artisans, small agricultures were totally ignored and outcaste from the banking system. Even post independence, for the first two decade situation was nearly the same. In late 60s, the agriculture sector was having a very small share in percentage of total advances which was roughly around 3%. And that too was also being given to the big farmers having vast lands. Therefore, the micro level business person, artisans, small farmers were bound to get finance from the unorganised sector at a very high rate and they were exploited. In the year 1967-68, then Finance Minister Mr Morarji Desai came up with an idea of priority sectors. In the year 1968 national credit Council was established and in its report, they stated that the major chunk of credit is supplied to large scale industries manufacturers and big traders. Furthermore, it emphasized on commercial bank's lending to the priority sector, I.e. Agriculture and small-scale industries. And the nationalisation of banks in the year 1969 was a turning point with reference to financing the priority sector. Furthermore, it was being noted by the study group chaired by Shri Gadgil, that the commercial banks have not reached in the rural areas of India and it is resulting into improper catering of financial needs of rural area. The agriculture and small-scale industries off remote areas of rural India were not having the exposure to avail finance from the commercial banks.



In the year 1972 the description of priority sector was finalised and a formal guideline was issued stating the scope of various categories of priority sector. Initially it included direct and indirect advances to agriculture and small scale industries. The commercial banks for not only supposed to cater the financial needs of the Aforesaid sectors but also they were recommended to finance the sectors with certain concessions and benefits such as lower rate of interest. In the initial years the banks were not given with the targets of percentage of total advances to be given to the priority sectors.

### **COMPONENTS OF PRIORITY SECTOR**

As per the last update in the year 2016, the priority sector is divided in 8 different categories.

- 1) Agriculture
- 2) Micro, Small and Medium Enterprise
- 3) Export Credit
- 4) Education
- 5) Housing
- 6) Social Infrastructure
- 7) Renewable Energy
- 8) Others

### **PRIORITY SECTOR LENDING TARGETS GIVEN BY THE RBI**

The Reserve Bank of India has set the targets as well as the sub targets to achieve with regards to financing under Priority Sector Lending for all the commercial banks of India which are as given below

#### **Target of Total Priority Sector Advances**

All the domestic scheduled commercial banks and foreign banks having more than 20 branches are supposed to finance at-least 40 per cent of their net bank credit amount towards the priority sector lending. In case of foreign banks having less than 20 branches are bound to finance their 32%, 34%, 36%, 38% & 40% of their adjusted net bank credit during the financial years 2015-16 to 2019-20 respectively.

#### **Sub Targets of different categories under Priority Sector Lending**

Along with the overall target given to the commercial banks, the RBI has also given specific category-wise target to few categories as well as few sub categories which is as follows.

#### **Advances to the Agriculture Sector**

18% of the adjusted net banking credit to be diverted to the agriculture sector and out of the aforesaid 18% of adjusted net banking credit, 8% of the adjusted net banking credit is to be diverted towards the small and marginal farmers. The marginal farmers are the farmers holding piece of land having an area less than 1 Hectare. And small farmers are the farmers holding a piece of land having area of 1 hectare to 2 hectares. The agricultural labours who are having no lands, tenant farmers and the share croppers whose land holding is within the limits of marginal and small farmers are also eligible to be considered as marginal and small farmer. The aforesaid sub target is applicable to only the domestic scheduled commercial



banks and the foreign banks having more than 20 branches in India. It does not apply on the foreign bank having less than 20 branches in India.

### **Advances to Micro Enterprise**

In case of the advances to MSMEs, there is a stipulated target only in the case of Micro Enterprises. 7.5% of the adjusted net banking credit is to be diverted to the micro enterprises. The aforesaid sub target is applicable to only the domestic scheduled commercial banks and the foreign banks having more than 20 branches in India. It does not apply on the foreign bank having less than 20 branches in India.

### **Advances to the Weaker Sections**

10% of the adjusted net banking credit is to be diverted to the weaker sections for the purpose of their financial upliftment. The aforesaid sub target is applicable to only the domestic scheduled commercial banks and the foreign banks having more than 20 branches in India. It does not apply on the foreign bank having less than 20 branches in India.

Below mentioned are considered to be weaker section

- Small as well as Marginal Farmers,
- Cottage Industries and Village Industries having individual credit limit less than Rs. 1 Lac as well as Artisans
- Self Help Groups (SHGs)
- Differential Rate of Interest Beneficiaries
- Scheduled Tribes & Scheduled Caste
- Farmers who has the debt from the un institutional money lenders
- Individuals apart from the farmers who has the debt from the un institutional money lenders not more than Rs. 1 Lac.
- Female Individual having debt not more than Rs 1 Lac
- People with disabilities
- Minority Communities notified by the Government of India

### **REVIEW OF LITRATURE:**

A brief background of PSL, in the month of July, 1966, the All India Rural Credit Review Committee was set by RBI that highlighted importance of rural credit that was needed to be incorporated in national policy (Deb, 2015)<sup>1</sup>. December 14, 1967, Morarji Desai, Minister of Finance and the then Deputy Prime Minister of India, did make a statement in Lok Sabha regarding priority sectors like SSIs, agriculture and exports not receiving their share in bank credit. Hence the concept – priority sector was introduced by passing an amendment through Banking Laws Bill 1967 in Lok Sabha on 23<sup>rd</sup> December, 1967 (Dasgupta, 2002)<sup>2</sup>. Thereafter during July 1968,

<sup>1</sup>Deb, N. (2015, January - June). A Study on Priority Sector Lending by Public Sector Banks in India. *JIS Management Vista*, IX(1), 7-12

<sup>2</sup>Dasgupta, R. (2002, Oct. 12-18). Priority Sector Lending: Yesterday, Today and Tomorrow. *Economic and Political Weekly*, 37(41), 4239-4245. Retrieved from <https://www.jstor.org/stable/4412722>



meeting was held by National Credit Council making emphasis on commercial banks to increase involvement towards priority sectors by providing them financial credit (Jain, Parida, & Ghosh, 2014-15)<sup>3</sup>. In the year 1969, credit provided by banks to priority sector was only 14.6 percent of the total credit (Shajahan, 1999)<sup>4</sup>. In the year 1972(Lakshmi & Reddy, 2016)<sup>5</sup>(Jain, Parida, & Ghosh, 2014-15)<sup>6</sup>, Priority Sector Lending (PSL) was first defined based on the recommendations of Narasimhan Committee. In a speech by Mundra S.,(Mundra, 2017)<sup>7</sup>the purpose behind prescribing PSL concept to banks was to give credit worthiness to those sectors where society is unable to get credit in formal system which could be either in timely manner or adequate measure.

Between the years June 1969 to March 1979, there was an moderate increase in priority sector advances by 10 percent, i.e. it increased from 15 percent to 25 percent, against the target of 33.3 percent. This lead to an increase in advance registration from Rs. 441 crore in 1969 to Rs. 7852 crore in 1980(Angadi, 1983)<sup>8</sup> (Deb, 2015)<sup>9</sup> During the month of March, 1980, a meeting was held between CEO's of Public Sector Banks and Union Finance Minister. Here the consensus was to raise the proportion to 40percent by March 1985 by domestic banks, where Krishnaswamy Committee (1980) recommended PSL target to 40percent target to be achieved by commercial banks that included private sector banks too(Jain, Parida, & Ghosh, 2014-15)<sup>10</sup>.

The revised targets set in 1980 by Krishnaswamy Committee were (Jain, Parida, & Ghosh, 2014-15)<sup>11</sup> –

- 40 percent target was set for all commercial banks (that included public and private sector banks) for priority sector advances by March 1985.
- Agriculture credit to be allotted 16 percent credit by March 1985
- 50 percent (atleast) direct Agriculture advances to be given to weaker sections by 1983.

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<sup>3</sup>Jain, S., Parida, T. K., & Ghosh, S. K. (2014-15). *Rethinking Priority Sector Lending for Banks in India*. Mumbai: IIBF Macro Research Paper

<sup>4</sup>Shajahan, K. M. (1999, Dec. 18-24). Priority Sector Bank Lending: How Useful? *Economic and Political Weekly*, pp. 3572-3574. Retrieved from <https://www.jstor.org/stable/4408730>

<sup>5</sup>Lakshmi, T. V., & Reddy, M. S. (2015, August). Priority Sector Advances and Its Share in Development of Weaker Sections by Scheduled Commercial Banks in India. *The Asia Magazine*, V(III), 63-65

<sup>6</sup>Jain, S., Parida, T. K., & Ghosh, S. K. (2014-15). *Rethinking Priority Sector Lending for Banks in India*. Mumbai: IIBF Macro Research Paper

<sup>7</sup>Mundra, S. S. (2017). Priority Sector Lending - Status, Issues and Future Agenda. *Conference on Credit Flow of Priority Sector - Policy and Implementation* (pp. 9-15). Pune: College of Agricultural Banking, Reserve Bank of India

<sup>8</sup>Angadi, V. B. (1983, March 26). Banks' Advances to Priority Sectors: An Enquiry into the Causes of Concentration. *Economic & Political Weekly*, 18(13), pp. 503-505+507-510. Retrieved from <https://www.jstor.org/stable/4372014>

<sup>9</sup>Deb, N. (2015, January - June). A Study on Priority Sector Lending by Public Sector Banks in India. *JIS Management Vista*, IX(1), 7-12

<sup>10</sup>Jain, S., Parida, T. K., & Ghosh, S. K. (2014-15). *Rethinking Priority Sector Lending for Banks in India*. Mumbai: IIBF Macro Research Paper

<sup>11</sup>Jain, S., Parida, T. K., & Ghosh, S. K. (2014-15). *Rethinking Priority Sector Lending for Banks in India*. Mumbai: IIBF Macro Research Paper



- SSI should be given credit limit, not exceeding Rs. 25000 for the weaker sections.

In 1982, National Bank for Agriculture and Rural Development (NABARD) was set up by a committee under the chairmanship of B. Sivaram. This was set up to look after rural credit and related work. (Deb, 2015)<sup>12</sup> There after the Gosh Committee recommended new 20 Point Programme along with existing target of 40percent of total credit to PSL. Gosh Committee focused on weaker sections that included cottage industries, beneficiaries of rural development programme, artists, village, SC/ST families etc. (Jain, Parida, & Ghosh, 2014-15)<sup>13</sup>

In the year 1991, the First Narasimham Committee was formed that acknowledge the PSL programmes and asked the banking system to even reach the other neglected sectors like marginal farmers, tiny sectors, transport sector, small business, village and cottage industries etc. But this recommendation was not accepted by the government. (Jain, Parida, & Ghosh, 2014-15)<sup>14</sup>

Kalia Committee viewed that SHG (Self-help groups) can be linked with banks that could be cost effective, flexible and transparent for formalising banking system in weaker sections or rural areas. Hence RBI issues instructions for the same to banks. Thereafter periodically various committees were formed like Second Narasimham committee, Verma Committee, Vyas Committee, C. S. Murthy committee, Raghuram Rajan Committee, Malegam Committee, and few more. (Jain, Parida, & Ghosh, 2014-15)<sup>15</sup>

Small business scope under priority sector includes enterprises where equipment costing from Rs. 2 Lakh upto Rs. 10 lakh was considered earlier. Also advances from Rs. 25,000 to Rs. 5,00,000 was allotted to retail trade on the ground of inflationary pressure. (Dasgupta, 2002)<sup>16</sup>

## **METHODOLOGY:**

### **Objective Of The Study**

- To examine district wise performance of commercial banks in terms of disbursement priority sector advances in Central Gujarat.

### **Data Collection Tool**

- The secondary data was collected from the meeting proceedings of the state level banking committee website. The variables which were collected were district wise targets and achievements of different categories of Priority Sector Lending Schemes in terms of Amount and Number of Accounts.

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<sup>12</sup>Deb, N. (2015, January - June). A Study on Priority Sector Lending by Public Sector Banks in India. *JIS Management Vista*, IX(1), 7-12

<sup>13</sup>Jain, S., Parida, T. K., & Ghosh, S. K. (2014-15). *Rethinking Priority Sector Lending for Banks in India*. Mumbai: IIBF Macro Research Paper

<sup>14</sup>Jain, S., Parida, T. K., & Ghosh, S. K. (2014-15). *Rethinking Priority Sector Lending for Banks in India*. Mumbai: IIBF Macro Research Paper

<sup>15</sup>Jain, S., Parida, T. K., & Ghosh, S. K. (2014-15). *Rethinking Priority Sector Lending for Banks in India*. Mumbai: IIBF Macro Research Paper

<sup>16</sup>Dasgupta, R. (2002, Oct. 12-18). Priority Sector Lending: Yesterday, Today and Tomorrow. *Economic and Political Weekly*, 37(41), 4239-4245. Retrieved from <https://www.jstor.org/stable/4412722>



### Sampling Site

- Nine districts from Gujarat State Forms the Part of Central Gujarat Region i.e. Ahmedabad, Anand, Chhotaudepur, Dahod, Gandhinagar, Kheda, Mahisagar, Panchmahal, Vadodara.

### DATA ANALYSIS:

#### DISTRICTWISE SHARE IN PRIORITY SECTOR LENDING IN GUJARAT IN TERMS OF LOAN DISBURSEMENT AMOUNT

Formula =  $\frac{\text{Actual Disbursement of Loan of Different PSL Category Accounts}}{\text{RBI Targets of Loan Disbursements of Different PSL Category Accounts}} \times 100$

**Table: 1 Percentage of Target Achieved in Amount of Loan Disbursement of Ahmedabad District in Different Categories of PSL**

|             | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|-------------|---------|---------|---------|---------|---------|---------|---------|
| Agriculture | 66.01%  | 29.71%  | 81.77%  | 105.35% | 110.43% | 105.65% | 77.25%  |
| MSME        | 214.49% | 189.64% | 291.85% | 93.28%  | 137.80% | 135.19% | 106.80% |
| Housing     | 89.27%  | 66.79%  | 95.39%  | 178.72% | 253.45% | 223.05% | 60.48%  |
| Education   | 51.92%  | 19.42%  | 28.22%  | 219.05% | 55.05%  | 86.01%  | 107.63% |
| OPS         | 28.27%  | 48.67%  | 115.12% | 80.09%  | 90.60%  | 618.61% | 65.25%  |

**Source: Compiled and calculated from Agenda Papers of State Level Banking Committee Meetings from 2013-14 to 2019-20**

Table 1 exhibits the Percentage of Target Achieved in Amount of Loan Disbursement of Ahmedabad District in Different Categories of PSL. Looking into various categories on YoY percentage basis, Agriculture loan percentage target achieved ranges from 29.71% in 2014-15 to 110.43% in 2017-18. For MSME loans, the percentage of Amount of loan disbursement target achieved volatile ranges from 93.28% in 2016-17 to 291.85% in 2015-16. Housing loan category percentage depicts range from 60.48% in 2019-20 to 253.45% in 2017-18. Education loan category depicts range from 19.42% in 2014-15 to 219.05% in 2016-17. Other Priority Sector loans target achieved percentage ranges from 28.27% in 2013-14 to 618.61% in 2018-19.

**Table: 2 Percentage of Target Achieved in Amount of Loan Disbursement of Anand District in Different Categories of PSL**

|             | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|-------------|---------|---------|---------|---------|---------|---------|---------|
| Agriculture | 35.10%  | 40.51%  | 38.74%  | 78.94%  | 54.75%  | 86.26%  | 66.64%  |
| MSME        | 126.80% | 106.82% | 87.09%  | 36.54%  | 219.10% | 51.06%  | 65.84%  |
| Housing     | 57.19%  | 38.50%  | 10.81%  | 36.97%  | 19.19%  | 33.88%  | 48.33%  |
| Education   | 31.08%  | 44.04%  | 6.48%   | 10.78%  | 6.84%   | 12.07%  | 23.60%  |
| OPS         | 16.75%  | 41.13%  | 32.44%  | 24.33%  | 4.81%   | 27.91%  | 17.65%  |

**Source: Compiled and calculated from Agenda Papers of State Level Banking Committee Meetings from 2013-14 to 2019-20**

Table 2 discusses about the Percentage of Target Achieved in Amount of Loan Disbursement of Anand District in Different Categories of PSL. Looking into various categories on YoY percentage basis, Agriculture loan percentage target achieved ranges from 35.10% in 2013-14 to 86.26% in 2018-19. For MSME loans, the percentage of Amount of loan disbursement target achieved volatile ranges from 36.54% in 2016-17 to 219.10% in 2017-18. Housing loan category percentage

depicts range from 10.81% in 2015-16 to 57.19% in 2013-14. Education loan category depicts range from 6.48% in 2015-16 to 44.04% in 2014-15. Other Priority Sector loans target achieved percentage ranges from 4.81% in 2017-18 to 41.13% in 2014-15.

| <b>Table: 3 Percentage of Target Achieved in Amount of Loan Disbursement of Chhotaudepur District in Different Categories of PSL</b> |                |                |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | <b>2013-14</b> | <b>2014-15</b> | <b>2015-16</b> | <b>2016-17</b> | <b>2017-18</b> | <b>2018-19</b> | <b>2019-20</b> |
| Agriculture  | 39.60%         | 28.78%         | 16.95%         | 17.26%         | 37.06%         | 36.33%         | 39.67%         |
| MSME   | 20.90%         | 21.58%         | 3.42%          | 6.96%          | 30.20%         | 64.27%         | 84.13%         |
| Housing  | 260.35%        | 5.81%          | 1.91%          | 15.45%         | 37.95%         | 30.89%         | 15.26%         |
| Education  | 340.00%        | 0.47%          | 0.39%          | 0.42%          | 1.88%          | 16.05%         | 19.09%         |
| OPS  | 19.27%         | 10.22%         | 4.27%          | 20.29%         | 7.15%          | 20.69%         | 11.62%         |
| <b>Source: Compiled and calculated from Agenda Papers of State Level Banking Committee Meetings from 2013-14 to 2019-20</b>          |                |                |                |                |                |                |                |

Table 3 discusses the Percentage of Target Achieved in Amount of Loan Disbursement of Chhotaudepur District in Different Categories of PSL. Looking into various categories on YoY percentage basis, Agriculture loan percentage target achieved ranges from 16.95% in 2015-16 to 39.67% in 2019-20. For MSME loans, the percentage of Amount of loan disbursement target achieved volatile ranges from 3.42% in 2015-16 to 84.13% in 2019-20. Housing loan category percentage depicts volatile range from 1.91% in 2015-16 to 260.35% in 2013-14. Education loan category depicts range from 0.39% in 2015-16 to 340.00% in 2013-14. Other Priority Sector loans target achieved percentage ranges from 4.27% in 2015-16 to 20.69% in 2016-17.

| <b>Table: 4 Percentage of Target Achieved in Amount of Loan Disbursement of Dahod District in Different Categories of PSL</b> |                |                |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | <b>2013-14</b> | <b>2014-15</b> | <b>2015-16</b> | <b>2016-17</b> | <b>2017-18</b> | <b>2018-19</b> | <b>2019-20</b> |
| Agriculture   | 26.44%         | 24.28%         | 30.63%         | 36.98%         | 35.72%         | 66.38%         | 73.10%         |
| MSME  | 91.09%         | 146.23%        | 83.30%         | 46.89%         | 50.00%         | 114.87%        | 225.24%        |
| Housing   | 25.12%         | 24.74%         | 20.23%         | 48.35%         | 26.67%         | 23.62%         | 23.25%         |
| Education   | 10.07%         | 4.90%          | 3.22%          | 11.05%         | 5.54%          | 10.88%         | 23.30%         |
| OPS   | 23.39%         | 20.37%         | 30.36%         | 30.66%         | 2.75%          | 12.16%         | 21.03%         |
| <b>Source: Compiled and calculated from Agenda Papers of State Level Banking Committee Meetings from 2013-14 to 2019-20</b>   |                |                |                |                |                |                |                |

Table 4 discusses the Percentage of Target Achieved in Amount of Loan Disbursement of Dahod District in Different Categories of PSL. Looking into various categories on YoY percentage basis, Agriculture loan percentage target achieved ranges from 26.44% in 2013-14 to 73.10% in 2019-20. For MSME loans, the percentage of Amount of loan disbursement target achieved volatile range from 46.89% in 2016-17 to 225.24% in 2019-20. Housing loan category percentage depicts range from 23.25% in 2019-20 to 48.35% in 2016-17. Education loan category depicts range from 3.22% in 2015-16 to 23.30% in 2019-20. Other

Priority Sector loans target achieved percentage ranges from 2.75% in 2017-18 to 30.36% in 2015-16.

| <b>Table 5 Percentage of Target Achieved in Amount of Loan Disbursement of Gandhinagar District in Different Categories of PSL</b> |                |                |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | <b>2013-14</b> | <b>2014-15</b> | <b>2015-16</b> | <b>2016-17</b> | <b>2017-18</b> | <b>2018-19</b> | <b>2019-20</b> |
| Agriculture  | 57.38%         | 54.88%         | 49.17%         | 55.31%         | 62.81%         | 55.25%         | 55.18%         |
| MSME   | 120.78%        | 67.74%         | 56.78%         | 507.67%        | 94.33%         | 274.33%        | 129.66%        |
| Housing  | 25.69%         | 22.22%         | 52.38%         | 42.82%         | 74.75%         | 47.91%         | 58.58%         |
| Education  | 13.42%         | 12.98%         | 11.86%         | 28.87%         | 8.44%          | 57.98%         | 37.42%         |
| OPS  | 50.41%         | 75.40%         | 63.92%         | 28.18%         | 0.97%          | 28.45%         | 28.79%         |
| <b>Source: Compiled and calculated from Agenda Papers of State Level Banking Committee Meetings from 2013-14 to 2019-20</b>        |                |                |                |                |                |                |                |

Table 5 expresses the Percentage of Target Achieved in Amount of Loan Disbursement of Gandhinagar District in Different Categories of PSL. Looking into various categories on YoY percentage basis, Agriculture loan percentage target achieved ranges from 49.17% in 2015-16 to 62.81% in 2017-18. For MSME loans, the percentage of Amount of loan disbursement target achieved volatile range from 56.78% in 2015-16 to 507.67% in 2016-17. Housing loan category percentage depicts range from 22.22% in 2014-15 to 74.75% in 2017-18. Education loan category depicts range from 8.44% in 2017-18 to 57.98% in 2018-19. Other Priority Sector loans target achieved percentage ranges from 0.97% in 2017-18 to 75.40% in 2014-15.

| <b>Table 6 Percentage of Target Achieved in Amount of Loan Disbursement of Kheda District in Different Categories of PSL</b> |                |                |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | <b>2013-14</b> | <b>2014-15</b> | <b>2015-16</b> | <b>2016-17</b> | <b>2017-18</b> | <b>2018-19</b> | <b>2019-20</b> |
| Agriculture  | 30.18%         | 33.61%         | 43.79%         | 59.59%         | 84.88%         | 60.80%         | 56.98%         |
| MSME   | 50.80%         | 49.68%         | 40.90%         | 105.43%        | 97.81%         | 156.35%        | 225.48%        |
| Housing  | 39.85%         | 34.39%         | 23.89%         | 25.68%         | 26.08%         | 27.71%         | 41.72%         |
| Education  | 28.51%         | 13.24%         | 5.87%          | 10.77%         | 9.36%          | 17.34%         | 29.05%         |
| OPS  | 40.90%         | 24.13%         | 36.78%         | 40.29%         | 10.12%         | 30.41%         | 36.88%         |
| <b>Source: Compiled and calculated from Agenda Papers of State Level Banking Committee Meetings from 2013-14 to 2019-20</b>  |                |                |                |                |                |                |                |

Table 6 showcases the Percentage of Target Achieved in Amount of Loan Disbursement of Kheda District in Different Categories of PSL. Looking into various categories on YoY percentage basis, Agriculture loan percentage target achieved ranges from 30.18% in 2013-14 to 84.88% in 2017-18. For MSME loans, the percentage of Amount of loan disbursement target achieved volatile range from 40.90% in 2015-16 to 225.48% in 2019-20. Housing loan category percentage depicts range from 23.89% in 2015-16 to 41.72% in 2019-20. Education loan category depicts range from 5.87% in 2015-16 to 29.05% in 2019-20. Other Priority Sector loans target achieved percentage ranges from 10.12% in 2017-18 to 40.90% in 2013-14.



| <b>Table 7 Percentage of Target Achieved in Amount of Loan Disbursement of Mahisagar District in Different Categories of PSL</b> |                |                |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | <b>2013-14</b> | <b>2014-15</b> | <b>2015-16</b> | <b>2016-17</b> | <b>2017-18</b> | <b>2018-19</b> | <b>2019-20</b> |
| Agriculture  | 49.26%         | 70.36%         | 40.61%         | 45.84%         | 46.81%         | 75.66%         | 85.04%         |
| MSME   | 52.93%         | 18.52%         | 14.72%         | 31.75%         | 97.86%         | 196.00%        | 205.48%        |
| Housing  | 44.27%         | 37.09%         | 30.95%         | 43.27%         | 57.00%         | 46.78%         | 23.96%         |
| Education  | 16.41%         | 31.24%         | 14.75%         | 4.88%          | 7.91%          | 22.85%         | 33.47%         |
| OPS  | 3.11%          | 20.18%         | 117.41%        | 17.81%         | 6.52%          | 40.13%         | 63.16%         |
| <b>Source: Compiled and calculated from Agenda Papers of State Level Banking Committee Meetings from 2013-14 to 2019-20</b>      |                |                |                |                |                |                |                |

Table 7 discusses the Percentage of Target Achieved in Amount of Loan Disbursement of Mahisagar District in Different Categories of PSL. Looking into various categories on YoY percentage basis, Agriculture loan percentage target achieved ranges from 40.61% in 2015-16 to 85.04% in 2019-20. For MSME loans, the percentage of Amount of loan disbursement target achieved volatile range from 14.72% in 2015-16 to 205.48% in 2019-20. Housing loan category percentage depicts range from 23.96% in 2019-20 to 57.00% in 2017-18. Education loan category depicts range from 4.88% in 2016-17 to 33.47% in 2019-20. Other Priority Sector loans target achieved percentage ranges from 3.11% in 2013-14 to 117.41% in 2015-16.

| <b>Table 8 Percentage of Target Achieved in Amount of Loan Disbursement of Panchmahal District in Different Categories of PSL</b> |                |                |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | <b>2013-14</b> | <b>2014-15</b> | <b>2015-16</b> | <b>2016-17</b> | <b>2017-18</b> | <b>2018-19</b> | <b>2019-20</b> |
| Agriculture   | 37.06%         | 43.92%         | 25.47%         | 31.17%         | 74.92%         | 87.58%         | 65.71%         |
| MSME  | 119.08%        | 36.37%         | 20.55%         | 22.21%         | 95.93%         | 133.62%        | 121.06%        |
| Housing   | 23.15%         | 20.03%         | 13.42%         | 14.42%         | 37.41%         | 43.23%         | 25.37%         |
| Education   | 8.06%          | 16.58%         | 7.06%          | 10.69%         | 11.70%         | 42.90%         | 92.75%         |
| OPS   | 10.53%         | 21.96%         | 30.75%         | 28.12%         | 1.96%          | 35.03%         | 39.10%         |
| <b>Source: Compiled and calculated from Agenda Papers of State Level Banking Committee Meetings from 2013-14 to 2019-20</b>       |                |                |                |                |                |                |                |

Table 8 exhibits the Percentage of Target Achieved in Amount of Loan Disbursement of Panchmahal District in Different Categories of PSL. Looking into various categories on YoY percentage basis, Agriculture loan percentage target achieved ranges from 25.47% in 2015-16 to 87.58% in 2018-19. For MSME loans, the percentage of Amount of loan disbursement target achieved volatile range from 20.55% in 2015-16 to 133.62% in 2018-19. Housing loan category percentage depicts range from 13.42% in 2015-16 to 43.23% in 2018-19. Education loan category depicts range from 7.06% in 2015-16 to 92.75% in 2019-20. Other Priority Sector loans target achieved percentage ranges from 1.96% in 2017-18 to 39.10% in 2019-20.

**Table 9 Percentage of Target Achieved in Amount of Loan Disbursement of Vadodara District in Different Categories of PSL**

|             | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
|-------------|---------|---------|---------|---------|---------|---------|---------|
| Agriculture | 26.83%  | 57.51%  | 30.21%  | 45.89%  | 54.96%  | 63.66%  | 63.10%  |
| MSME        | 156.97% | 81.01%  | 158.15% | 103.27% | 107.71% | 134.41% | 93.88%  |
| Housing     | 133.66% | 128.82% | 66.78%  | 72.76%  | 108.25% | 57.76%  | 72.75%  |
| Education   | 14.43%  | 117.39% | 8.30%   | 34.13%  | 84.14%  | 101.00% | 164.38% |
| OPS         | 30.17%  | 94.43%  | 13.04%  | 194.47% | 314.17% | 356.52% | 51.19%  |

**Source: Compiled and calculated from Agenda Papers of State Level Banking Committee Meetings from 2013-14 to 2019-20**

Table 9 explains the Percentage of Target Achieved in Amount of Loan Disbursement of Vadodara District in Different Categories of PSL. Looking into various categories on YoY percentage basis, Agriculture loan percentage target achieved ranges from 26.83% in 2013-14 to 63.66% in 2018-19. For MSME loans, the percentage of Amount of loan disbursement target achieved volatile range from 81.01% in 2014-15 to 158.15% in 2015-16. Housing loan category percentage depicts range from 57.76% in 2018-19 to 133.66% in 2013-14. Education loan category depicts range from 8.30% in 2015-16 to 164.38% in 2019-20. Other Priority Sector loans target achieved percentage ranges from 13.04% in 2015-16 to 356.52% in 2018-19.

## DISCUSSIONS:

- Percentage share of various districts for various categories of PSL loans from Central Gujarat and Gujarat state depicts volatile ranges from as low share as 0.49% share to 350.00% share.
- In case of Education loans and Other Priority sector loan category the range is very volatile which should be tried to make a steady stable growth so the sustainable share can be achieved in various categories of loans and all the districts.

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