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RANEBENNUR-581115.

MINOR RESEARCH PROJECT

ON

“ROLE OF SYNDICATE BANK IN FINANCING OF
PRIORITY SECTOR IN HAVERI TALUK”

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EXECUTIVE SUMMARY

The research findings leading to some significant conclusions have been summarised and a few suggestions based on the research study have been offered for further streamlining of the implementation of the priority sector lending by the syndicate bank in the study area.

The priority sector bank lending has been an instrument of financial policy which aims at restoring balance within credit disbursement and for channelling credit to the weaker sections within these sectors.

The study has revealed that maximum number of priority sector loan beneficiaries have been male borrowers in the study area. The research findings indicate a slow development of entrepreneurship among women as only 5.33 percent of the borrowers under the priority sector lending by syndicate bank have been female borrowers.

The educational states of borrowers under priority sector lending by syndicate bank in the study area indicates a moderately satisfactory level of the borrowers. Majority of them had education ranging from secondary level to PUC level.

Religious affiliation of the borrowers under the priority sector lending by syndicate bank in the study area reflects largely the general trend of population composition of the where Hindu population is largest. However it is surprising that Christians have outnumbered, Muslims as borrowers of the priority sector loans financed by the syndicate bank in the study area.

Priority sector loans by the syndicate bank in the study area have gone to largest number of borrowers belonging to agricultural occupation. A lesser number of borrowers belonged to occupations like dairy, transport service and business. Borrowers belonging to other occupations are very few. Though varied groups of occupations have availed of the priority sector.

Maximum number of 2161 accounts of priority sector loans, where opened by bank. Syndicate bank has maintain of maximum of non priority sector loans that is 154.

Syndicate bank had advanced maximum amount of priority sector loans by karjagi branch which had advanced priority sector loan of Rs.6181 lacks during the same period. Bank had advanced only Rs.841 lacks of priority sector loans.

The impact of priority sector lending by the syndicate bank covered by the study has been positive in various ways. There has been increase in the additional income of 24.33 percent of the beneficiaries of the priority sector loan after availing the loan amount.

Purchase of additional land has gone up by 10 percent and increase assets of the loan beneficiaries has gone up by 43.33 percent. Increasing in production due to priority sector lending by syndicate bank has been estimated to be 40 percent. There has been an addition of irrigation by 20.33 percent. Self employment of loan beneficiaries has gone up by 10.33 percent. The respondent bank officials in the study area have estimated the positive impact to be of the order of 24.89 percent.

Thus the role of syndicate bank in the financing of priority sector in the study area has largely been positive in rising the economic states of the loan

beneficiaries.