

# **NATIONALISED AND SBIS ARE DEDICATED TO RURAL DEVELOPMENT WHILE PRIVATE SECTOR BANKS ALWAYS SHY AWAY FROM RURAL SECTOR LENDING – MYTH OR REALITY?**

**(WITH SPECIAL REFERENCE TO THE LEAD BANK SCHEME)**

**MR. RAJIVKUMAR G. SHARMA\***

**ASSISTANT PROFESSOR IN COMMERCE DEPARTMENT, IDAR ANJANA PATIDAR H. K.  
M. ARTS AND P. N. PATEL COMMERCE COLLEGE, IDAR- 383430 GUJARAT**

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**RESEARCH SCHOLAR, SARDAR PATEL UNIVERSITY, ANAND**

**CONTACT NO: 9081241176; WhatsApp NO: 9998509574,**

**EMAIL ID: [sharmarajiv015@gmail.com](mailto:sharmarajiv015@gmail.com) [idarfinishingschool@gmail.com](mailto:idarfinishingschool@gmail.com)**

**ORCID ID : 0009-0004-6953-9909**

## **Abstract:**

Healthy and sound banking institutions help in strengthening the economy of the country. All the banks (i.e., Nationalised Bank, RRB, Private Bank, and Cooperative Bank) have a different and invaluable contribution in keeping the middle-income developing market economy. RBI has devised a new financial inclusion scheme, namely "Lead Bank Scheme" to provide advances to less fortunate people and the rural sector. Under this scheme, all banks have to play a lead role in their allotted blocks. However, it is said that private sector banks are reluctant to provide advances to the economically underprivileged sections of society of far-flung areas due to a higher risk of NPA. The objective of the present research study is to examine any significant differences among the performance of the nationalised bank, the private bank, the cooperative bank, and the RRB using the multidimensional quantitative statistical method and to shatter the myth that "Nationalised Banks and SBIS are dedicated to rural development." To find out the facts, the researcher has collected secondary data from the state level bankers committee of the lead bank scheme and deployed an ANOVA F test. At first glance, we can conclude that the purpose of the nationalisation is not satisfied; it is far away from the expectations, as the share of the priority sector, agriculture, and weaker section advances in the total advances of the Nationalised Bank and SBI is too low as compared to other banks. The nationalised bank failed to achieve targets of agriculture sector, MSME sector, Education sector, Housing sector, Renewable Energy Project sector and Social Infrastructure sector, sub sectors of non-priority sector advances. Nationalised banks have achieved the target of weaker section only. The study says that the performance of private sector bank is upto the mark as this bank has achieved all the targets of priority and non-priority sector advances. No doubt, the study is based on a limited number of figures and secondary data. But the researcher has found the facts on the basis of multidimensional analysis.

**Keywords:** *nationalised bank, lead bank scheme, NABARD, RRBs, advances, deposits, SBI and its associate bank, co-operative bank, private bank, credit inclusion*

**Jel Classification Codes:** *G21*

## 1. INTRODUCTION:

Financial institutions in general and banks, in particular, play a dynamic role in the socio-economic development of any economy, and their development is a barometer of the socio-economic development of the country. The real development of the economy, like us, depends upon the eradication of rural poverty, unemployment, and socio-economic backwardness and the inclusion of rural people in the process of economic development (Kumar & Kumar, 2018). Easy access to monetary resources helps poor rural people for their economic development and wellbeing and reduces poverty around the globe (Dhakal & Nepal, 2016). Timely and optimum credit provided by the banks are considered to have a positive impact on economic growth (Awad & Karaki, 2019). The standard of living of the weaker section has improved substantially, in India, in the last decade with the help of FIs (Especially Commercial Banks). Commercial banks working in the rural area channelize the savings of urban or semi urban area to the people of the rural area and cater to their financial needs in a timely and cost-effective manner. The banking revolution of 1969 in India has opened the doors to a strong Indian economy, and the Lead Bank Scheme (LBS) has been introduced in India, especially for the upliftment of the people of the rural sector. Presently, this scheme has been completed fifty years, and the research papers on the lead bank scheme are few and far between. Now it is the right time to evaluate the objectives achieved by the LBS.

## 2. OBJECTIVES OF THE RESEARCH STUDY:

- a) To find out the share of the banks in providing agriculture advances, weaker section advances, and priority sector advances in Gujarat.
- b) To identify the beneficiaries of priority sector and nonpriority sector who received the highest benefits under LBS in Gujarat.

## 3. REVIEW OF RELATED LITERATURE

India ranks 131<sup>st</sup> in the world in terms of the Human Development Index (HDI) of the United Nations. HDI is influenced by various factors, the main factor among them being poverty and the low standard of living in rural areas. The banks working under LBS have emphasised various financial inclusion activities to improve the socioeconomic development of rural people. Commercial banks have shown remarkable performance in this service sector and achieved 52% financial inclusion index by the end of FY 2022. In the present research study, an attempt has been made to find out which categories of commercial banks (i.e., private banks and public banks) have made outstanding achievements in rural sector banking development under LBS. Findings of earlier researchers related to the current research topic have been presented here:

Ganapathyraman, Sankararaman & Panneer, R & Vembu (2010)<sup>1</sup> concluded that customers of the public sector bank are shifting to other banks due to deteriorating banking service quality in rural areas. It is suggested that the nationalised bank will have to improve in the area of financial performance.

Das (2014)<sup>2</sup> found that public sector banks have more accounts than private sector banks due to the trust and reliability of the public and the bank's location in a villatic area. Beneficiaries of the private sector bank acknowledged that they were compelled to retain with the public sector bank due to the inexistence of other banks or the non-availability of other bank services in the remote area.

Sharma (2020)<sup>3</sup> revealed that the financial performance had not improved after the merger of banks with a public sector bank and the NPAs of private sector banks were lower as compared to public sector banks.

Lakshmi, Thavva & Reddy, M. (2015)<sup>4</sup> highlighted that there is no significant difference between priority sector lending and weaker section advances. The commercial bank emphasised priority sector lending, and consequently priority sector lending and the share of priority sector advances in total advances gradually increased.

#### **4. RELEVANCE OF THE STUDY:**

Income and social inequality hamper economic growth (Beverley, 1999). There is a wide gap between (haves and have not) rich and poor, and hence, in order to remove the inequality of income in the country, special schemes have been devised under the LBS, and special targets of advances are set by the RBI to all banks, especially for the priority sector, with a view to more credit being deployed as compared to the non-priority sector in undeveloped and remote areas, which will help rural people to increase their household income, employability, and education.

Financial services strengthen the expansion and development of priority sectors in all emerging economies because income from the industrial sector and rural agriculture are almost equally important to the developing economy of any country, and so strengthening the financial sector in India is imperative and one of the primary drivers of the economy (Mazelliu, Majlinda, & Zogjani, Jeton, 2015). India took the first step in its effort to strengthen its financial services sector by nationalising various banks in 1969, as at that time almost all the banks served their banking services only to large scale business companies and industries, moreover, banks did not pay any attention to the credit requirements of rural areas. Therefore, banks were nationalised to increase banking business in rural and remote areas, and provide advances to small scale industrial units. In short, the banks were nationalised to enhance credit flow in the rural sector through a plethora of credit inclusion activities under LBS. It would be fair to say that at present the responsibility of all the banks (i.e., Nationalised banks, including SBI and its associate banks) is to emphasise credit inclusion in the priority sector.

It has been observed that in the last few decades, the share of private sector banks in priority sector advances is very low as compared to the nationalised banks due to NPA risk (Sharma, 2006; Das & Dey, 2018).

More than fifty years have passed since the nationalisation of major banks and the establishment of LBS, so the researcher attempts to explore the contribution of various types of banks in quantum of total lending to the rural sector, specifically under LBS.

Bank finance at an affordable cost has a positive impact on household income and accumulated asset value (Al-Shami et al., 2021), education (Arumugam, 2019), happiness (Zhong et al., 2020), mental health (Fernald et al., 2008; Weida et al., 2020), and the social lifestyle of loan beneficiaries of the rural sector. This paper studied the contribution of various banks for the economic growth and development of vulnerable groups of the rural sector through finance under LBS.

#### **5. DATA COLLECTION AND RESEARCH METHODOLOGY:**

The secondary data (a panel data set) for the purpose of research have been derived from the official website of the RBI. The study period covered ranging from 1 April 2016 to 31 March 2021. The current research paper is based on quantitative data. The researcher has deployed various

statistical tools and techniques, such as line charts for studying the trend in advances, the ANOVA F-Test and Welch Test to evaluate (determine) variability between two groups, and the Kolmogorov–Smirnov test for normality test, to deal with the research problem statement. Almost all the statistical tests on absolute figures and relative values have been performed using the SPSS student version.

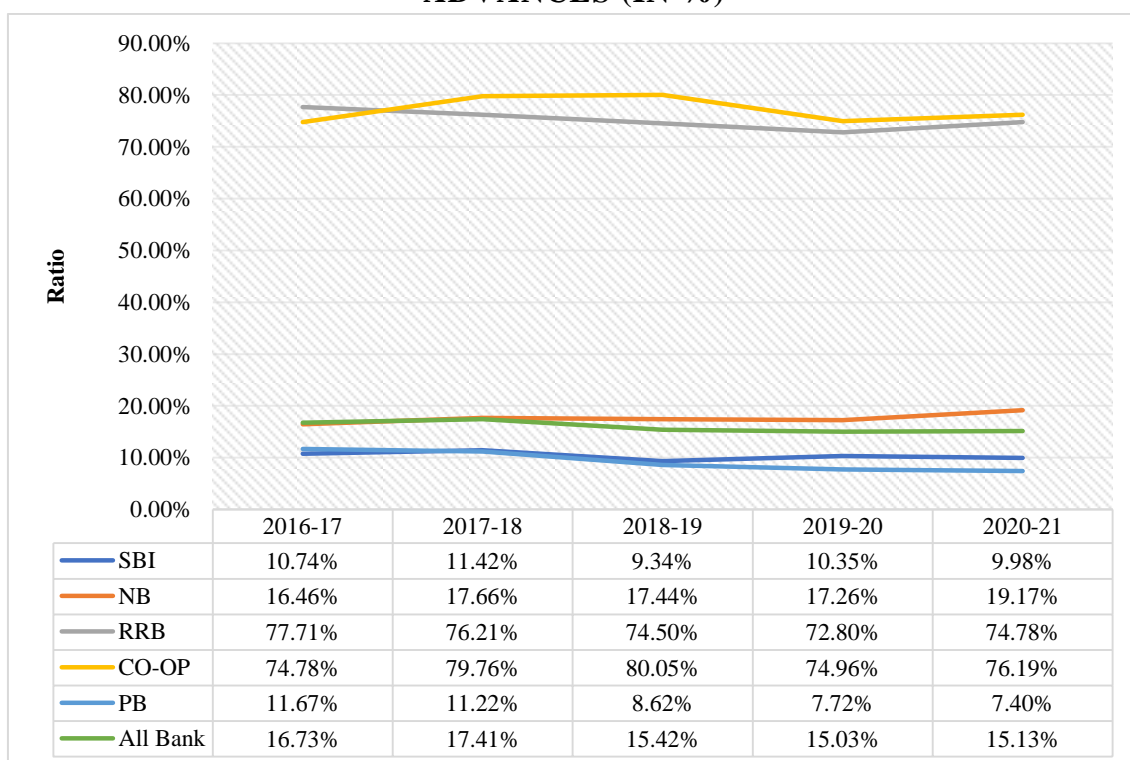
Both priority sector and non-priority sector are categorised into sub sector categories such as agriculture advances, MSME, Education, Housing, Renewable Energy Project, Social Infrastructure as each of the categories have a different risk and return tradeoff such as NPA, profitability, cost of disbursed loan amount against targeted advances, and productivity of the scheme (Desai, 2017).

So far as the ratio of agriculture advances to total advances ratio, priority sector advances to total advances ratio and, weaker section advances to total advances ratio are concerned, the absolute amount of agriculture advances, priority sector advances, and weaker section advances is taken from the balance sheet. As total advances are disbursed during the entire financial year, and so some time, advances disbursed during the year exceed total advances.

**6. ANALYSIS OF SUB SECTOR ADVANCES PROVIDED BY THE VARIOUS BANKS:**

Sector wise trend analysis has been carried out based on the relative data, and the following results have emerged:

**FIGURE 1 BANK GROUP WISE RATIO OF AGRICULTURE ADVANCES TO TOTAL ADVANCES (IN %)**



(Source: compiled from the secondary data)

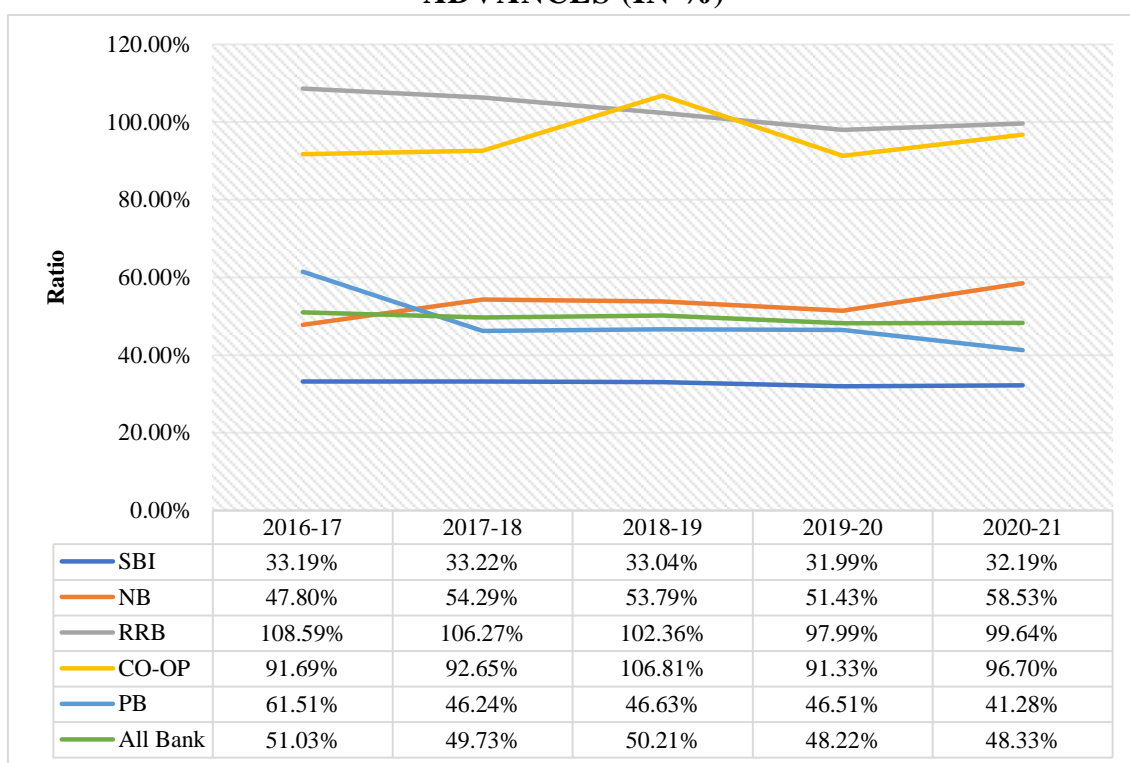
**Findings:**

The above figure No. 1 indicates that so far as agriculture advances to total advances is concerned, there is wide variation among the different bank groups. Co-operative banks and RRBs have lent remarkably more funds during the study period compared to other selected banks (i.e., State

Banks and its associate banks, Nationalised Bank, Private Bank). Co-operative banks and RRBs have lent 70% to 80% of the total deposit, it can be said that both the banks have made the most significant contribution in the disbursement of agricultural credit, the reason for this could be that the objectives of the banks, as we know, are to uplift the poorest of the poor of rural areas by providing financial support at an economical rate and in a timely manner (Irshad, Mahammad, & Shahid, Mahammad, 2019).

Private Bank and SBI Bank have lent only 7% - 12%, which is lower than the average advances provided by all banks. We may conclude that the credit inclusion activity of private banks and nationalised banks in the agricultural sector is not at par.

**FIGURE 2 BANK GROUP WISE PRIORITY SECTOR ADVANCES TO TOTAL ADVANCES (IN %)**

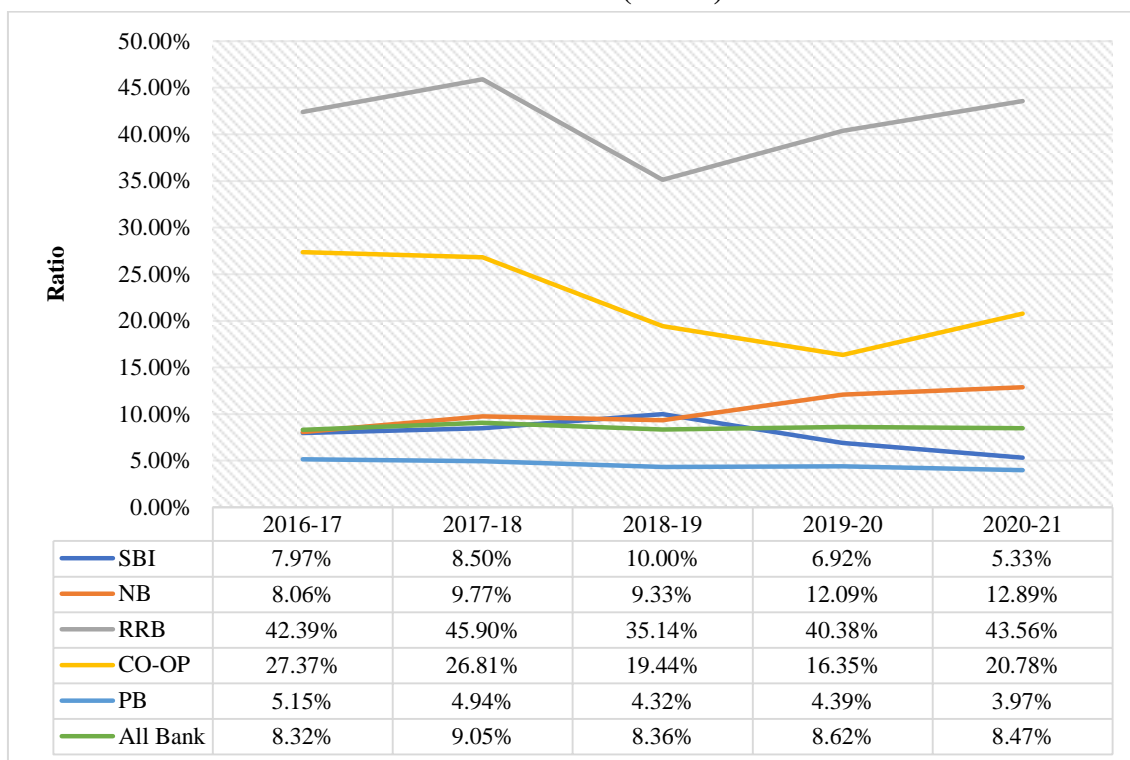


(Source: compiled from the secondary data)

**Findings:**

The above figure No. 2 exhibits that so far as the priority advances to total advances is concerned, almost the same pattern is observed as per figure No. 1. Both the Co-operative Bank and the RRB have disbursed large share of total advances to the priority and agriculture sectors. Co-operative banks have disbursed advances ranging from ninety two percent to one hundred and six percent of total advances. Similarly, RRBs have lent ninety-nine percent to one hundred eight percent of the total advances during the study period.

It is found that less attention has been paid to the agriculture and priority sectors by SBI and the Private Bank in terms of financial inclusion, as the loan amounts of these two banks are found to be lower than the average loan amount of all banks.

**FIGURE 3 BANK GROUP WISE WEAKER SECTION ADVANCES TO TOTAL ADVANCES (IN %)**

(Source: compiled from the secondary data)

### Findings:

From above Figure No. 3, it is observed that RRBs' credit to the weaker section is the highest among all the banks, i.e., this bank lends ranging from 40% to 46% of total advances to the weaker section. But this has continuously decelerated from 2016–17 to 2019–20. The cooperative bank has disbursed advances ranging from 16% to 27% of total advances to the same sector and secured a second position. Nationalised banks rank third with 8%–12% lending, and SBI ranks fourth with 5%–10% lending. Whereas the private bank comes last, i.e., this bank has disbursed advances ranging from 4% to 5% of total advances to the weaker section.

### 7. FORMULATION OF HYPOTHESIS:

On the basis of available secondary data relating to the research topic, the researcher performed statistical tools and analysed the following hypotheses to conclude the observation.

#### Note:

- The Kolmogorov-Smirnov test for testing the normality of data is performed. In case of failure of the Kolmogorov-Smirnov test, the Welch test is conducted, and after that, an ANOVA test is performed on the data if the data is normally distributed. Normality was not found in hypotheses 1, 3, 12, and 16 according to the Kolmogorov-Smirnov test, and therefore the Welch test has been conducted for those hypotheses. The ANOVA test was appropriate for all hypotheses, and basic assumptions (data normality, homogeneity of variance, and independence of data) have not been violated.
- All hypotheses are tested at .05 Significance Level.

- The word “banks” in all hypotheses includes private sector banks, public sector banks, RRBs, and co-operative banks.

Table 1 Hypothesis Testing and Results

Hypothesis No.	Null Hypothesis	Major Findings
1	<b>H<sub>0</sub></b> There is no significant difference among banks so far as the <b>target of loan beneficiaries achieved (%)</b> by the respective bank is concerned	<b>H<sub>1</sub> Accepted</b> <i>P-Value</i> (.000) < .050
2	<b>H<sub>0</sub></b> There is no significant difference among private sector banks, public sector banks, RRBs, and co-operative banks so far as, the <b>actual loan amount disbursed to beneficiaries by the respective bank against the targeted loan amount of the bank is concerned (%)</b>	<b>H<sub>1</sub> Accepted</b> <i>P-Value</i> (.000) < .050
3	<b>H<sub>0</sub></b> There is no significant difference among private sector banks, public sector banks, RRBs, and co-operative banks as far as the <b>target of loan beneficiaries of agriculture sector achieved (%)</b> by the bank concerned	<b>H<sub>1</sub> Accepted</b> <i>P-Value</i> (.026) < .050
4	<b>H<sub>0</sub></b> There is no significant difference among private sector banks, public sector banks, RRBs, and co-operative banks as far as the <b>target of loan beneficiaries of MSME sector achieved (%)</b> by the bank concerned	<b>H<sub>1</sub> Accepted</b> <i>P-Value</i> (.005) < .050
5	<b>H<sub>0</sub></b> There is no significant difference among private sector banks, public sector banks, RRBs, and co-operative banks, so far as the <b>target of loan beneficiaries of other advances under priority sectors (i.e., Education, Housing, Renewable Energy Project, Social Infrastructure) sector achieved (%)</b> by the bank concerned	<b>H<sub>1</sub> Accepted</b> <i>P-Value</i> (.003) < .050
6	<b>H<sub>0</sub></b> There is no significant difference among private sector banks, public sector banks, RRBs, and co-operative banks, so far as the <b>target number of loan beneficiaries of total advances under the priority sectors achieved (%)</b> by the bank concerned	<b>H<sub>1</sub> Accepted</b> <i>P-Value</i> (.009) < .050
7	<b>H<sub>0</sub></b> There is no significant difference among private sector banks, public sector banks, RRBs, and co-operative banks, so far as the <b>target of loan beneficiaries of the weaker section under priority sectors achieved (%)</b> by the bank concerned	<b>H<sub>0</sub> Accepted</b> <i>P-Value</i> (.168) > .050
8	<b>H<sub>0</sub></b> There is no significant difference among private sector banks, public sector banks, RRBs, and co-operative banks, so far as the <b>target of loan beneficiaries from non-priority sector achieved (%)</b> by the bank concerned	<b>H<sub>0</sub> Accepted</b> <i>P-Value</i> (.064) > .050
9	<b>H<sub>0</sub></b> There is no significant difference among private sector banks, public sector banks, RRBs, and co-operative banks, so far as the <b>target number of loan beneficiaries from the priority and non-priority sectors achieved (%)</b> by the bank concerned	<b>H<sub>1</sub> Accepted</b> <i>P-Value</i> (.011) < .050

10	<b>H<sub>0</sub></b> There is no significant difference among private sector banks, public sector banks, RRBs, and co-operative banks, as far as the <b>actual loan amount disbursed to beneficiaries of the agriculture sector by the bank compares with the targeted loan amount</b> of the bank is concerned (%)	<b>H<sub>1</sub> Accepted</b> <i>P-Value</i> (.000) < .050
11	<b>H<sub>0</sub></b> There is no significant difference among private sector banks, public sector banks, RRBs, and co-operative banks, as far as the <b>actual loan amount disbursed to beneficiaries of the MSME sector by the bank compares with the targeted loan amount of the bank</b> is concerned (%)	<b>H<sub>1</sub> Accepted</b> <i>P-Value</i> (.001) < .050
12	<b>H<sub>0</sub></b> There is no significant difference among private sector banks, public sector banks, RRBs, and co-operative banks, so far as the <b>actual loan amount disbursed to beneficiaries of other priority sectors (i.e., Education, Housing, Renewable Energy Project, Social Infrastructure) by the bank compares with the targeted loan amount of the bank</b> is concerned (%)	<b>H<sub>1</sub> Accepted</b> <i>P-Value</i> (.001) < .050
13	<b>H<sub>0</sub></b> There is no significant difference among private sector banks, public sector banks, RRBs, and co-operative banks, so far as the <b>actual loan amount disbursed to beneficiaries of the priority sector by the bank compares to the targeted loan amount of the bank concern</b> (%)	<b>H<sub>1</sub> Accepted</b> <i>P-Value</i> (.001) < .050
14	<b>H<sub>0</sub></b> There is no significant difference among private sector banks, public sector banks, RRBs, and co-operative banks, so far as the <b>actual loan amount disbursed to beneficiaries of the weaker section under the priority sector by the bank compares with the targeted loan amount of the bank concern</b> (%)	<b>H<sub>1</sub> Accepted</b> <i>P-Value</i> (.012) < .050
15	<b>H<sub>0</sub></b> There is no significant difference among private sector banks, public sector banks, RRBs, and co-operative banks, so far as the <b>actual loan amount disbursed to beneficiaries of non-priority sector by the bank compared with the targeted loan amount of the bank concern</b> (%)	<b>H<sub>0</sub> Accepted</b> <i>P-Value</i> (.110) > .050
16	<b>H<sub>0</sub></b> There is no significant difference among private sector banks, public sector banks, RRBs, and co-operative banks, so far as the <b>actual loan amount disbursed to beneficiaries of the priority and non-priority sectors by the bank compares to the targeted loan amount of the bank concern</b> (%)	<b>H<sub>1</sub> Accepted</b> <i>P-Value</i> (.013) < .050
17	<b>H<sub>0</sub></b> There is no significant difference among private sector banks, public sector banks, RRBs, and co-operative banks, so far as the <b>agriculture sector credit to total deposit ratio</b> is concerned	<b>H<sub>1</sub> Accepted</b> <i>P-Value</i> (.000) < .050
18	<b>H<sub>0</sub></b> There is no significant difference among private sector banks, public sector banks, RRBs, and co-operative banks, so far as <b>credit to the MSME sector to total deposit ratio</b> is concerned	<b>H<sub>1</sub> Accepted</b> <i>P-Value</i> (.000) < .050



19	<b>H<sub>0</sub></b> There is no significant difference among private sector banks, public sector banks, RRBs, and co-operative banks, so far as <b>credit to other priority sector (i.e., Education, Housing, Renewable Energy Project, Social Infrastructure) to total deposit ratio</b> is concerned	<b>H<sub>1</sub> Accepted</b> <i>P-Value</i> (.000) < .050
20	<b>H<sub>0</sub></b> There is no significant difference among private sector banks, public sector banks, RRBs, and co-operative banks, so far as the <b>credit to priority sector to total deposit ratio</b> is concerned	<b>H<sub>1</sub> Accepted</b> <i>P-Value</i> (.000) < .050
21	<b>H<sub>0</sub></b> There is no significant difference among private sector banks, public sector banks, RRBs, and co-operative banks, so far as the <b>credit to weaker section under priority sector to total deposit ratio</b> is concerned	<b>H<sub>1</sub> Accepted</b> <i>P-Value</i> (.000) < .050
22	<b>H<sub>0</sub></b> There is no significant difference among private sector banks, public sector banks, RRBs, and co-operative banks, so far as the <b>credit to non-priority sector to total deposit ratio</b> is concerned	<b>H<sub>1</sub> Accepted</b> <i>P-Value</i> (.000) < .050
23	<b>H<sub>0</sub></b> There is no significant difference among private sector banks, public sector banks, RRBs, and co-operative banks, so far as <b>credit to priority sector and non-priority sector to total deposit ratio</b> is concerned	<b>H<sub>1</sub> Accepted</b> <i>P-Value</i> (.000) < .050

## 8. OBSERVATIONS:

The researcher has analysed all the data pertaining to the subject under study from the view point of three perspectives, viz. Sub-Sector Advances to Total Advances, Number of beneficiaries to total beneficiaries, and Credit disbursed to all sub sector of priority sector and non-priority sector. So before reaching any scientific and fruitful conclusion, all the dimensions of the problem can be studied.

Dimension-wise observations can be listed as follows:

### a) Sub Sector Advances to Total Advances

This dimension expresses the bank group-wise composition of agriculture sector advance, weaker section advance, and priority sector advance in total advance.

- I. With reference to agriculture advances to total advances (%), undoubtedly, the performance of the co-operative bank and RRB is quite high compared to SBI, the nationalised Bank, and private banks. So far as the performance of private sector banks is concerned, it is the lowest among all the banks.
- II. In the context of priority sector advances to total advances (%), again both co-operative banks and RRB have lent the advances ranging from 91% to 108%, which is the highest among the all-sample banks.
- III. So far as the weaker section to total advance (%) is concerned, it is found that the credit flow of RRB is the highest (i.e., 35% to 45%) and has secured the top position among all banks, whereas private banks again secured the last position.

*In short, so far as this dimension of advances is concerned, the performance of co-operative banks and RRB is far ahead compared to SBI, the Nationalised Bank, and the Private Bank. The performance of private banks is the poorest.*

**b) No. of Beneficiaries**

This dimension explores the sector-wise target achieved in the number of beneficiaries by the banks under the study.

- i. It is found that the private sector bank achieved agriculture sector targets, whereas the public sector bank, RRB, and cooperative bank were far away from the target line.
- ii. If the number of beneficiaries of agriculture, MSME, Education, Housing, Renewable Energy Project, & Social Infrastructure sector are taken into consideration, then only the private sector bank has achieved all targets (more than 100%), while the rest of the banks have failed to do so.
- iii. The private sector bank and RRB have exceeded the target number of loans to the weaker section. Public sector banks and cooperative banks failed to hit the weaker section target.

*So far as this dimension of advances is concerned, we may conclude that the performance of the private sector bank is far ahead compared to SBI, the Nationalised Bank, the Co-operative Bank, and the RRB. The performance of SBI, Nationalised Bank, and Co-operative Bank is poor. We should also note that, so far as the weaker section target is concerned, the performance of RRB is also remarkable, i.e., these banks have achieved their targets in terms of number of beneficiaries.*

*Contrary to the first dimension here, private sector banks have done a good job.*

**c) Credit disbursed to all sub sectors of the priority sector and the non-priority sector**

This dimension indicates banks' lending in various sub sectors of the priority sector and the non-priority sector against targets in amount.

- i. Only the private sector bank has successfully achieved all sub sector advances of priority sector, while the public sector bank, RRBs, and co-operative sector bank fail to achieve lending targets in agriculture and priority sectors.
- ii. Both public and private sector banks successfully achieved their MSME sector lending targets. RRBs and cooperative banks failed to hit the credit target of MSME sector.
- iii. It is revealed that all banks have performed very well in disbursing credit to the weaker section and have successfully achieved the target given by the authority.

*RBI has mandated that all banks disburse 40% of their credit to the priority sector. It is remarkable that RRB, public sector banks, and cooperative banks fully met the mandatory limit set by RBI but did not meet the priority sector and non-priority sector lending targets, which are generally higher than the mandatory level (40%). Merely private sector bank successfully achieved all the targets regarding the priority and non-priority sectors.*

## 9. CONCLUDING REMARKS:

The current research paper assesses the performance of different forty-four banks (classified under four groups) on the basis of different dimensions. After getting various observations, the researcher has concluded that:

- i. Based on the first dimension, we may conclude, to some extent, that the private sector bank is not interested at all in agriculture, weaker section and priority sector advances, as the share of these sectors in the total advances is meagre. Whereas the share of co-operative banks and RRB, advances in these sectors are significantly higher than other banks (i.e., Nationalised Bank, SBI, and Private Bank). But on the basis of this dimension, we cannot conclude that the co-operative bank and the RRB are the leading banks in providing advances to the neediest sector, as we have considered only relative figures. When we talk about absolute figures of total advance to the agriculture sector, the weaker section, and priority sector, it is noted that the Nationalised Bank and SBI and its associate banks are far ahead from the co-operative bank and the RRB. This may be due to the large number of bank branches of the Nationalised bank and SBI and its associate banks in India. Therefore, it is necessary to investigate the bank's performance using other dimensions (i.e., credit disbursed against the targeted amount as well as target achieved in terms of number of beneficiaries).
- ii. The result is a tremendous eye-opener for the researcher after considering the second and third dimension (number of beneficiaries and credit disbursed to all sub sectors of priority sector and the non-priority sector), as till now it is said that the private sector bank hesitates to fulfil the credit requirement of people belonging to far-flung rural areas, and here private sector banks have performed tremendously better in achieving targets given by the authority. Therefore, it becomes worthiness to conclude that private sector banks are not reluctant to lend in remote areas, especially in the weaker section.

## 10. SUGGESTION

After examining the multi-dimensional study of the relevant facts and figures from the basis of conclusion, we may suggest the following guidelines for the betterment of lead bank performance:

- RBI should gradually increase the private sectors' weaker section targets and priority sector targets.
- Nationalised banks failed to achieve almost all sub sector targets given under priority and non-priority sectors. Either the targets given to nationalised banks are irrational or nationalised banks are not interested. To sum up, further investigation should be carried out to find out the root cause of the failure of the nationalised banks. Therefore, myth should be shattered with facts and figures.

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