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## NON PRIORITY SECTOR CREDIT MANAGEMENT: A STUDY OF BELGAUM DISTRICT

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### *Abstract*

*The growth and development of economy of any country depends on the status of development in banking sector. The Government of India has classified the economy into priority and non priority sector keeping in mind the development of nation. The banks have been rendering credit services to all sectors by lending credit from the amount of deposit mobilized after meeting the statutory requirements. The amount of spread to the bankers depends on their efficiency in mobilizing deposits and deploying credits. The mobilizing deposits as well as deploying credits involved risk and uncertainty, needs strategic management principles and philosophies to improve their financial health. The present study is based on the secondary data collected from Annual Reports of Lead Bank of Belagavi District. The data thus collected has analyzed by using statistical tools like mean, compound growth rate and ANOVA to examine the comparative efficiency of banks in management of credit. The study revealed that the sample branches of SBI in the district have been ahead in deployment of credit to non priority sector as compared to the sample branches of KVGB and BDCCB during study period.*

**Key Words;** *Agricultural Credit, Credit Management, Non-Priority Sector, Priority Sector, and Credit Portfolio.*

### **Introduction**

The mobilization of deposits and deployment of credit are two main functions of banks even though they have many other functions. The efficiency of the banks is measured in terms of the amount of deposits mobilized from different depositors and credit deployed in different sectors of the economy. Further, there has no meaning in mobilization of deposits unless these are deployed properly. The growth of all sectors of economy depends on the amount of credit sanctioned and disbursed to the borrowers by creating utilities.

However, the lending is not a simple task because it involves huge amount of risks on account of low recovery. Many borrowers are unable to repay their debt in time due to uncertain income and improper financial planning. In view of failure of borrowers to repay their outstanding dues in time, the banks in India have been suffering from rising amount of non-performing assets. This leads to low quality asset portfolio that in turn affects to the profitability and solvency position of banks. Therefore, the lending should be based on the sound principles like liquidity, solvency and profitability of borrowers. They should evaluate the capacity and creditworthiness of borrowers and purpose of credit before sanction and disbursement and monitor their utilisation. They also accept and implement the recommendations of Committees of nationals and internationals to manage and minimize the amount of risk and uncertainty in management of credit. The credits of banks consist of both priority and non priority sector. Priority sector credit includes credit to agriculture, allied, nonfarm and other priority sector. However, the non priority sector credit consists of all other credits other than priority sector credit. In Belagavi district, total number of accounts under non priority sector (NPS) credit during 2018-19 were 512.05 and credit sanctioned for the same period was Rs.550.44 crore as compared to 472.6 lakh number of accounts and Rs.478.81 crore credit during 2015-16.

### Objectives of the study

The main objectives of the study are;

- To examine the management of non priority sector credit of SBI.
- To examine the management of non priority sector credit of KVGB.
- To examine the management of non priority sector credit of BDCCB.
- To examine bank wise management of NPS and credits under government programmes.

### Methodology

The present study is based on the secondary data collected from Annual Credit Plan of Lead Bank of Belagavi District for period of six years. The data were collected by selecting one branch of State Bank of India (SBI), Karnataka Vikas Grameen Bank (KVGB) and Belagavi District Central Co-operative Bank (BDCCB) as sample from all taluk of Belagavi District. The Simple Percentage, Arithmetic Mean (AM), and Compound Annual Growth Rate (CAGR) are employed to examine the effectiveness of banks in management of non priority sector credit in Belagavi District. Besides, ANOVA is used to examine the significant difference between banks in credits to non-priority and government schemes. Further, books, journals, newspapers and websites are used to collect the relevant information.

## Hypothesis

- Ho; There has no significant difference in management of bank wise non priority sector credit and credit under government programmes.
- Ha; There has significant difference in management of bank wise non priority sector credit and credit under government programmes.

## Analysis of Management of Non Priority Sector Credit

**Table 1: Non Priority Sector Credits of SBI (Rs.000)**

Bank Branches	Years						Total	Average	CAGR (%)
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19			
Athani	8160.01	15976.88	14815.48	16638.38	13654.22	20432.22	<b>89677.19</b>	14946.2	20.15
Bhillhongal	9123.42	11876.92	16547.32	19765.11	17543.21	18107.01	<b>92962.99</b>	15493.83	14.69
Belagavi	12314.5	18543.98	16987.98	21311.31	18654.61	24325.31	<b>112137.7</b>	18689.61	14.59
Chikkodi	9643.91	16321.01	15965.98	18543.31	16543.32	21432.54	<b>98450.07</b>	16408.35	17.32
Gokak	7832.65	12654.96	15432.81	17654.32	15765.42	16432.11	<b>85772.27</b>	14295.38	15.97
Hukkeri	8543.87	14900.87	11865.52	13432.22	11321.34	13543.51	<b>73607.33</b>	12267.89	9.65
Khanapur	5951.23	11021.56	10321.42	10765.36	10432.33	14321.31	<b>62813.21</b>	10468.87	19.2
Raibagb	6743.32	13211.21	12832.31	14532.32	12543.34	17432.32	<b>77294.82</b>	12882.47	20.92
Ramadurga	4122.31	8654.98	9523.86	12832.34	9432.11	22654.23	<b>67219.83</b>	11203.31	40.61
Soudatti	7122.21	15432.22	13541.21	15321.96	14653.68	15321.43	<b>81392.71</b>	13565.45	16.56
<b>Total</b>	<b>79557.39</b>	<b>138594.59</b>	<b>137833.89</b>	<b>160796.6</b>	<b>140543.6</b>	<b>184002.0</b>	<b>841328.1</b>	140221.35	18.26

Source: Annual Reports of Lead District Bank.

It is obvious from table 1 that total NPS credit sanctioned by the sample branches of SBI in the district has increased from Rs.79557.39 thousands during 2013-14 to Rs.184001.99 thousands during 2018-19, which is more than double or 131.28 per cent. The CAGR and average NPS credit are 18.26 per cent Rs..140221.35 thousands respectively. Similarly, an average NPS credits of the SBI branch of Belagavi taluk showed highest in the district (Rs..18689.61 thousands), followed by the SBI branch of Chikkodi and Bailhongal taluk with Rs.16408.35 thousands and Rs.15493.83 thousands respectively. Further, the CAGR of SBI branch of Ramdurg taluk stood at highest position (40.61 per cent), followed by SBI branch of Raibag, Athani and Khanapur taluk with 20.92 per cent, 20.15 per cent and 19.20 per cent respectively.

## Development Programmes or Government Sponsored Schemes

Important Government Sponsored Programmes implemented in the district include Venture Capital Scheme for Dairy and Poultry Sector, Setting up of Agri-Clinics and Agri-Business Centers, Construction of Cold Storage, Market Infrastructure, Production of Organic Inputs, SGSY, PMRY, SJSRY, SC/ST and Women Development Programs, Debt Relief Scheme, Crop Insurance Scheme, Kisan Credit Card Scheme, etc. All these schemes have been implemented in the District by Commercial, RRBs and Co-operative banks. Total numbers of accounts during 2018-19 are 54230 thousands and Rs.433.86 crores of credit sanctioned under these programmes as compared to 62304 thousands accounts and Rs. 398.74 crores of credit during 2015-16.

**Table 2: Credits under Government Programmes of SBI ( Rs.000)**

Bank Branches	Years						Total	Average	CAGR (%)
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19			
Athani	13242.7	13654.7	23765.8	25432.2	22432.8	16342.3	<b>114871</b>	19145.1	4.3
Bhillhongal	9165.33	9765.76	16543.5	19321.6	18321.3	12987.2	<b>86104.6</b>	14350.77	7.22
Belagavi	10762.8	11543.7	20154.7	20432.4	20432.2	20312.4	<b>103638</b>	17273.05	13.54
Chikkodi	15432.1	15643.3	24977.2	26543.4	25432.7	17654.2	<b>125683</b>	20947.17	2.73
Gokak	12432.8	14326.6	22765.9	22876.4	23543.2	14524.8	<b>110470</b>	18411.64	3.16
Hukkeri	8155.71	8543.95	15432.6	17543.9	14321.3	9786.76	<b>73784.3</b>	12297.38	3.71
Khanapur	9643.88	10543.1	17654.2	21596.5	21738.5	10321.5	<b>91497.7</b>	15249.62	1.37
Raibagb	14562.8	7186.65	21675.6	23654.5	24321.5	15693.6	<b>107095</b>	17849.11	1.51
Ramadurga	7154.22	14987.8	13421.3	14321.9	15432.3	18432.4	<b>83750</b>	13958.33	20.84
Soudatti	8543.44	12252.3	18654.5	16432.1	16432.4	11765.4	<b>84080.3</b>	14013.38	6.61
<b>Total</b>	<b>109095.8</b>	<b>118447.9</b>	<b>195045.3</b>	<b>208154.9</b>	<b>202408.3</b>	<b>147820.7</b>	<b>980973</b>	<b>163495.51</b>	<b>6.26</b>

Source: Annual Reports of Lead District Bank.

Table 2 indicates that average credit sanctioned by the sample branch of SBI of Chikkodi taluk is the highest in the district with Rs.20947.17 thousands, followed by the sample branch of Athani and Gokak taluk with Rs.19145.08 thousands and Rs.18411.64 thousands respectively. Total amount of credit sanctioned by the sample branches of SBI under Government scheme has increased from Rs.109095.83 thousands during 2013-14 to Rs.147820.71 thousands during 2016-17, indicating an increase of 35.50 per cent over the study period with CAGR of 6.26 per cent. The CAGR of SBI branch of Ramdurg taluk is highest in the district (20.84 per cent) but its average credit is only Rs.13958.33 thousands. Except the SBI branch of Ramdurg and Belagavi taluk, the CAGR in all sample branches of all taluks has less than 10 per cent (ranges in between 1.51 per cent to 7.22 per cent only).

**Table 3: Credit under Non Priority Sector and Govt. Programmes of SBI (Rs.000)**

Years	Sectors	Name of Taluk										Total
		A	B <sub>1</sub>	B <sub>2</sub>	C	G	H	K	R <sub>1</sub>	R <sub>2</sub>	S	
2013-14	NPS	8160.01	9123.42	12314.46	9643.91	7832.65	8543.87	5951.23	6743.32	4122.31	7122.21	<b>79557.39</b>
	Govt prgm	13242.74	9165.33	10762.83	15432.11	12432.81	8155.71	9643.88	14562.76	7154.22	8543.44	<b>109095.8</b>
2014-15	NPS	15976.88	11876.92	18543.98	16321.01	12654.96	14900.87	11021.56	13211.21	8654.98	15432.22	<b>138594.6</b>
	Govt prgm	13654.65	9765.76	11543.71	15643.34	14326.65	8543.95	10543.11	7186.65	14987.82	12252.34	<b>118448</b>
2015-16	NPS	14815.48	16547.32	16987.98	15965.98	15432.81	11865.52	10321.42	12832.31	9523.86	13541.21	<b>137833.9</b>
	Govt prgm	23765.81	16543.45	20154.72	24977.22	22765.91	15432.61	17654.23	21675.55	13421.26	18654.52	<b>195045.3</b>
2016-17	NPS	16638.38	19765.11	21311.31	18543.31	17654.32	13432.22	10765.36	14532.32	12832.34	15321.96	<b>160796.6</b>
	Govt prgm	25432.22	19321.55	20432.42	26543.42	22876.43	17543.91	21596.48	23654.54	14321.91	16432.11	<b>208155</b>
2017-18	NPS	13654.22	17543.21	18654.61	16543.32	15765.42	11321.34	10432.33	12543.34	9432.11	14653.68	<b>140543.6</b>
	Govt prgm	22432.76	18321.33	20432.21	25432.71	23543.21	14321.31	21738.47	24321.52	15432.33	16432.42	<b>202408.3</b>
2018-19	NPS	20432.22	18107.01	24325.31	21432.54	16432.11	13543.51	14321.31	17432.32	22654.23	15321.43	<b>184002</b>
	Govt prgm	16342.32	12987.22	20312.39	17654.22	14524.83	9786.76	10321.52	15693.61	18432.42	11765.42	<b>147820.7</b>
Total NPS Credits.		<b>204547.69</b>	<b>179067.63</b>	<b>215775.93</b>	<b>224133.09</b>	<b>196242.11</b>	<b>147391.58</b>	<b>154310.9</b>	<b>184389.45</b>	<b>150969.79</b>	<b>165472.96</b>	<b>1822301.2</b>
Mean of NPS		<b>14946.2</b>	<b>15493.83</b>	<b>18689.61</b>	<b>16408.35</b>	<b>14295.38</b>	<b>12267.89</b>	<b>10468.87</b>	<b>12882.47</b>	<b>11203.31</b>	<b>13565.45</b>	<b>140221.3</b>
Mean of Govt. Progrms.		<b>19145.08</b>	<b>14350.77</b>	<b>17273.05</b>	<b>20947.17</b>	<b>18411.64</b>	<b>12297.38</b>	<b>15249.62</b>	<b>17849.11</b>	<b>13958.33</b>	<b>14013.38</b>	<b>163495.5</b>
CAGR. of NPS (%)		<b>20.15</b>	<b>14.69</b>	<b>14.59</b>	<b>17.32</b>	<b>15.97</b>	<b>9.65</b>	<b>19.2</b>	<b>20.92</b>	<b>40.61</b>	<b>16.56</b>	<b>18.26</b>
CAGR. of Govt. Progrms. (%)		<b>4.3</b>	<b>7.22</b>	<b>13.54</b>	<b>2.73</b>	<b>3.16</b>	<b>3.71</b>	<b>1.37</b>	<b>1.51</b>	<b>20.84</b>	<b>6.61</b>	<b>6.26</b>

Source: Annual Reports of Lead District Bank.

Table 3 indicates that total NPS credit of sample branches of SBI have increased from Rs.79,557.39 thousands in 2013-14 to Rs.1,84,001.96 thousands during 2018-19. On the contrary, the total credit under government programmes has increased from Rs.1,09,095.83 thousands to Rs.1,47,820.71 thousands during same corresponding period. Similarly, average credit under government programmes is highest (Rs.163495.51 thousands) as compared to the average credit of NPS (Rs.140221.35 thousands). Except during 2012-13, the sample branches of SBI have sanctioned more credit under government programmes as compared to the credits for NPS. But, the CAGR in credit to NPS in sample branches of SBI ranges in between 9.65 per cent to 40.61 per cent and the same under government programmes ranges in between 1.37 per cent to 20.84 per cent during study period.

**Table 4: Non Priority Sector Credits of KVG Bank (Rs.000)**

Bank Branches	Years						Total	Average	CAGR (In %.)
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19			
Athani	3824.93	5143.31	5812.73	6590.01	7821.26	11765.63	<b>40957.9</b>	6826.31	25.2
Bhilhongal	4123.62	4183.46	6281.16	6854.21	8453.42	10523.42	<b>40419.3</b>	6736.54	20.61
Belagavi	5421.19	5542.95	6426.92	7054.81	8665.51	14654.45	<b>47765.8</b>	7960.97	22
Chikkodi	4237.75	5426.81	6142.83	6753.45	8265.11	12765.56	<b>43591.5</b>	7265.25	24.68
Gokak	3649.82	4361.53	6015.72	6654.52	8067.93	9872.53	<b>38622.1</b>	6437	22.02
Hukkeri	4021.33	4712.29	5472.84	6123.92	7511.21	8965.55	<b>36807.1</b>	6134.52	17.39
Khanapur	3165.57	3865.38	5243.39	5864.55	7543.61	9143.57	<b>34826.1</b>	5804.35	23.63
Raibagb	3287.83	4532.78	5563.27	6342.63	7743.31	10117.13	<b>37587</b>	6264.49	25.21
Ramadurga	2943.61	3621.69	5062.52	6054.28	7132.83	13765.35	<b>38580.3</b>	6430.047	36.14
Soudatti	3583.65	4923.52	5643.42	6453.57	7969.31	9265.64	<b>37839.1</b>	6306.518	20.92
<b>Total</b>	<b>38259.3</b>	<b>46313.72</b>	<b>57664.8</b>	<b>64745.95</b>	<b>79173.5</b>	<b>110838.83</b>	<b>396996</b>	<b>66166.02</b>	<b>23.71</b>

Source: Annual Reports of Lead District Bank.

Table 4 indicates that average NPS credit of sample branch of KVGB of Belagavi taluk stood first in the district with Rs.7960.97 thousands, followed by the branch of Chikkodi and Athani taluk with average NPS credit of Rs.7265.25 thousands and Rs.6826.31 thousands respectively. The CAGR in NPS credit in sample branches of KVGB of all taluks reached beyond 20 per cent. The sample branch of Ramdurg taluk scored highest in CAGR (36.14 per cent). Total NPS credits shows tremendous progress which have surged from Rs.38259.30 thousands during 2013-14 to Rs.110838.83 thousands during 2018-19, accounting to the growth of more than double or 189.70 per cent increase over study period with CAGR of 23.71 per cent and average NPS credit of Rs.66166.02 thousands.

**Table 5: Credit to Government Programmes of KVG Bank (Rs.000)**

Bank Branches	Years						Total	Average	CAGR (In %.)
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19			
Athani	4465.92	6243.54	8953.22	8756.59	11654.42	8854.75	<b>48928.44</b>	8154.74	14.67
Bhilhongal	4032.11	5543.82	8154.01	8123.25	9754.27	8342.81	<b>43950.27</b>	7325.05	15.65
Belagavi	4218.81	5843.33	8595.59	8242.43	9876.84	9365.74	<b>46142.74</b>	7690.46	17.29
Chikkodi	4682.65	6621.24	9122.53	8946.76	1476.83	8954.44	<b>39804.45</b>	6634.08	13.84
Gokak	4365.68	6432.11	8736.04	8567.92	12753.62	8564.96	<b>49420.33</b>	8236.72	14.43
Hukkeri	3572.94	5342.79	7843.24	8056.64	8865.31	7432.41	<b>41113.33</b>	6852.22	15.78
Khanapur	4165.72	5632.62	8265.21	8426.49	10006.96	7865.47	<b>44362.47</b>	7393.75	13.56
Raibagb	4563.87	6543.81	8634.82	8674.78	1376.28	8724.31	<b>38517.87</b>	6419.65	13.84
Ramadurga	3156.34	5032.06	7534.82	7639.82	8965.99	9154.42	<b>41483.45</b>	6913.91	23.73
Soudatti	3854.72	6084.57	8365.92	7854.28	9265.58	8154.33	<b>43579.4</b>	7263.23	16.17
<b>Total</b>	<b>41078.8</b>	<b>59319.89</b>	<b>84205.4</b>	<b>83288.96</b>	<b>83996.1</b>	<b>85413.64</b>	<b>437302.8</b>	<b>72883.79</b>	<b>15.77</b>

Source: Annual Reports of Lead District Bank.



Table 5 indicates that total credits of sample branches of KVGB under the Government programmes have reached to Rs.85413.64 thousands during 2016-17 as compared to Rs.41078.76 during 2013-14, registering more than double or 107.93 per cent increase over the study period with CAGR of 15.77 per cent and average credit of Rs.72883.79 thousands. Further, the sample branch KVGB of Gokak taluk showed highest average credit of Rs.8236.72 thousands, followed by the sample branch of Athani and Belagavi taluk with average credit of Rs.8154.74 thousands and Rs.7690.46 thousands respectively. The sample branch of Ramdurg taluk stood at highest with 23.73 per cent CAGR, followed by sample branch of Belagavi and Soudatti taluks with CAGR of 17.29 per cent and 16.17 per cent respectively.

**Table 6: Credits to NPS & Govt. Program of KVG Banks (Rs. 000)**

Years	Sectors	Name of Taluks										Total
		A	B <sub>1</sub>	B <sub>2</sub>	C	G	H	K	R <sub>1</sub>	R <sub>2</sub>	S	
2013-14	NPS	3824.93	4123.62	5421.19	4237.75	3649.82	4021.33	3165.57	3287.83	2943.61	3583.65	<b>38259.3</b>
	Govt prgm	4465.92	4032.11	4218.81	4682.65	4365.68	3572.94	4165.72	4563.87	3156.34	3854.72	<b>41078.76</b>
2014-15	NPS	5143.31	4183.46	5542.95	5426.81	4361.53	4712.29	3865.38	4532.78	3621.69	4923.52	<b>46313.72</b>
	Govt prgm	6243.54	5543.82	5843.33	6621.24	6432.11	5342.79	5632.62	6543.81	5032.06	6084.57	<b>59319.89</b>
2015-16	NPS	5812.73	6281.16	6426.92	6142.83	6015.72	5472.84	5243.39	5563.27	5062.52	5643.42	<b>57664.8</b>
	Govt prgm	8953.22	8154.01	8595.59	9122.53	8736.04	7843.24	8265.21	8634.82	7534.82	8365.92	<b>84205.4</b>
2016-17	NPS	6590.01	6854.21	7054.81	6753.45	6654.52	6123.92	5864.55	6342.63	6054.28	6453.57	<b>64745.95</b>
	Govt prgm	8756.59	8123.25	8242.43	8946.76	8567.92	8056.64	8426.49	8674.78	7639.82	7854.28	<b>83288.96</b>
2017-18	NPS	7821.26	8453.42	8665.51	8265.11	8067.93	7511.21	7543.61	7743.31	7132.83	7969.31	<b>79173.5</b>
	Govt prgm	11654.42	9754.27	9876.84	1476.83	12753.62	8865.31	10006.96	1376.28	8965.99	9265.58	<b>83996.1</b>
2018-19	NPS	11765.63	10523.42	14654.45	12765.56	9872.53	8965.55	9143.57	10117.13	13765.35	9265.64	<b>110838.8</b>
	Govt prgm	8854.75	8342.81	9365.74	8954.44	8564.96	7432.41	7865.47	8724.31	9154.42	8154.33	<b>85413.64</b>
<b>Total NPS Credits.</b>		<b>89886.3</b>	<b>84369.6</b>	<b>93908.6</b>	<b>83396</b>	<b>88042.4</b>	<b>77920.5</b>	<b>79188.5</b>	<b>76104.8</b>	<b>80063.7</b>	<b>81418.5</b>	<b>834299</b>
<b>Mean of Govt. Progrms. credits</b>		<b>6826.31</b>	<b>6736.55</b>	<b>7960.97</b>	<b>7265.25</b>	<b>6437.01</b>	<b>6134.52</b>	<b>5804.35</b>	<b>6264.49</b>	<b>6430.05</b>	<b>6306.52</b>	<b>66166.02</b>
<b>Mean of NPS credits</b>		<b>8154.74</b>	<b>7325.045</b>	<b>7690.457</b>	<b>6634.075</b>	<b>8236.722</b>	<b>6852.222</b>	<b>7393.745</b>	<b>6419.645</b>	<b>6913.908</b>	<b>7263.233</b>	<b>72883.79</b>
<b>CAGR of NPS (%)</b>		<b>25.2</b>	<b>20.61</b>	<b>22</b>	<b>24.68</b>	<b>22.02</b>	<b>17.39</b>	<b>23.63</b>	<b>25.21</b>	<b>36.14</b>	<b>20.92</b>	<b>23.71</b>
<b>CAGR of Govt. Progrms. (%)</b>		<b>14.67</b>	<b>15.65</b>	<b>17.29</b>	<b>13.84</b>	<b>14.43</b>	<b>15.78</b>	<b>13.56</b>	<b>13.84</b>	<b>23.73</b>	<b>16.17</b>	<b>15.77</b>

Source: Annual Reports of Lead District Bank.

It is evident from table 6 that sample branches of KVGB sanctioned highest credits under government programmes during study period as compared to the credits under NPS. Therefore, the average government programme credit is Rs.72,883.79 thousands and average NPS credit is Rs.66,166.02 thousands. But the study further indicates that the CAGR in NPS credit in sample branches of KVGB ranges in between 17.39 per cent to 36.14 per cent during study period. On the contrary, the CAGR in sample branches of KVGB under government programmes ranges in between 13.56 per cent to 23.73 per cent.

**Table 7: Bank wise Non Priority Sector Credit and Growth Rate**

Years	Banking Groups (Rs.000)			Growth Rate (%)		
	SBI	KVGB	BDCCB	SBI	KVGB	BDCCB
2013-14	79557.39	38259.3	-	-	-	-
2014-15	138594.59	46313.72	-	74.21	21.05	-
2015-16	137833.89	57664.8	-	-0.55	24.51	-
2016-17	160796.63	64745.95	-	16.66	12.28	-
2017-18	140543.58	79173.5	-	-12.60	22.28	-
2018-19	184001.99	110838.83	-	30.92	39.99	-
Mean	140221.35	66166.02	-			
S.D.	34723.63	26122.94	-			
	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>	
<b>Between Groups</b>	16452574964	1	16452574964	17.427	0.002	
<b>Within Groups</b>	9440693440	10	944069344.0			
<b>Total</b>	25893268404	11				

Source: Annual Reports of Lead District Bank.

Table 7 depicts that the sample branches of SBI have contributed highest portion (mean credit Rs.140221.35 thousands) in the total non priority sector credit followed by sample branches of KVGB with average credit of Rs.66166.02 thousands. However, there has lack of consistency in growth rate in sample branches of SBI where as there has some level of consistency in sample branches of KVGB in NPS credit. The sample branches of BDCCB have not sanctioned credit to the non priority sector. Further, the p-value (0.002) is less than critical value (0.05) at 5 per cent level of significance. Therefore, there has a significant difference between sample branches of SBI and KVGB in credit sanction and disbursement to non priority sector. This signifies that there has lot of variations in the amount of credit sanctioned and disbursed to non priority sector by the sample branches of SBI and KVGB.

**Table 8: Bank wise Credit to Govt. Programmes and Growth Rate**

Years	Banking Groups (Rs.000)			Growth Rate (%)		
	SBI	KVGB	BDCCB	SBI	KVGB	BDCCB
2013-14	109095.83	41078.76	-	-	-	-
2014-15	118447.98	59319.89	-	8.57	44.41	-
2015-16	195045.28	84205.4	-	64.67	41.95	-
2016-17	208154.99	83288.96	-	6.72	-1.09	-
2017-18	202408.27	83996.1	-	-2.76	0.85	-
2018-19	147820.71	85413.64	-	-26.97	1.69	-
Mean	163495.5100	72883.7917	-			
S.D.	44132.44731	18506.57346	-			
	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>	
<b>Between Groups</b>	24631450498	1	24631450498	21.511	0.001	
<b>Within Groups</b>	11450830837	10	1145083084			
<b>Total</b>	36082281335	11				

Source: Annual Reports of Lead District Bank.

It is clear from 8 that sample branches of SBI have grabbed lion share in average credit under Government Sponsored Programmes (Rs.163595.51 thousands), followed by sample branches of KVGB with average credit of Rs. 72883.79 thousands. However, there has lack of consistency in the growth rate in credits of sample branches of SBI and KVGB. Further, the study reveals that sample branches of BDCCB have not sanctioned credit under Government Sponsored Programmes. In addition, the p-value (0.001) is less than critical value (0.05) at 5 per cent level of significance. Hence, there has a significant difference between sample branches of SBI, KVGB and BDCCB in credit sanction and disbursement to Government Sponsored Programmes. This signifies that there has lot of variations in the amount of credit sanctioned and disbursed to non priority sector by the sample branches of SBI and KVGB.

### Findings of the study

- Total NPS credit sanctioned by the sample branches of SBI in the district has increased from Rs.79557.39 thousands during 2013-14 to Rs.184001.99 thousands during 2018-19.
- Except the sample branch of SBI branch of Ramdurg and Belagavi taluk, the CAGR in credit to Government schemes in all sample branches of all taluks has less than 10 per cent.
- The CAGR in credit to NPS in sample branches of SBI is higher than the credit to government sponsored programmes in sample branches of SBI.
- The CAGR in NPS credit in sample branches OF KVGB of all taluks reached beyond 20 per cent.
- Total credits of sample branches of KVGB under the Government programmes have increased by more than two times during a span of six yearRs.
- The CAGR in NPS and government sponsored schemes in sample branches of KVGB ranges in between 17.39 per cent to 36.14 per cent and 13.56 per cent to 23.73 per cent respectively.
- There has a significant difference between sample branches of SBI and KVGB in credit sanction and disbursement to non priority sector and under government sponsored schemes.

### Conclusion

Institutional credit has been playing key role in the development of Indian economy in general and individuals in particular. Developmental activities are more or less depends on the development of banking sector. The Central Government of India has classified the economy into priority and non priority sector keeping the significance of the sector in the development of nation. No doubt banks have been rendering the services by sanctioning and disbursing the credit to priority and non priority sectors in the district but there has lack of consistency in the growth rate and the sample branches of BDCCB have not sanctioned any credit to non priority sector during study period. Further, there has lot of variations in the amount of credit sanctioned to non priority sector and government sponsored schemes between sample branches of SBI and KVGB. Therefore, the bank officials can make special efforts to develop non priority sector by creating awareness and educating the borrowers the significance of credit and making the credit as



borrowers friendly. The banks also sanction and disburse credit at the quantity and at the time the borrowers need the credit.

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