

RESEARCH PAPER

# A study on activity wise performance of priority sector lending in Belagavi and Davangere districts of Karnataka

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## ABSTRACT

Finance is the key element which almost all activities revolve around. A sound financial system is a symbol of sound economy. It performs the role of intermediary between savers and investors. Priority Sector Lending (PSL) is a scheme which is intended to give loans to the important priority sectors of the economy. Keeping the objectives, performance of priority sector lending in Belagavi district and Davangere district was studied. The critical difference value of the ANOVA indicated, that there all the three types of banks lent amount towards the priority sectors differently in the study areas. In activity performance lent by Belagavi and Davanagere district banks, among nine sectors agriculture sector was given the prime importance. Co-operative banks lending had a major role in agriculture sector which registered a lion's share. The cooperative sector needs to be geared in respect of total advances along with priority sector lending through appropriate policy measure.

**KEY WORDS :** Financial, Priority, ANOVA, Sectors, Less developed country

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