PREFACE

Banking is supposed to be one of the important service segments which is having significant role in accelerating the economic growth of a country. India is the country which is well known for the operational efficiency of banking & financial institutions in front of the entire world. Banking is a service industry, which touches the lives of millions of people. Just like any other business, banking also makes use of the resources of the society & depends on the society for its functioning. This, in turn, sets some duties & responsibilities on banks to help enhancing the welfare of the society. Therefore the concept of PSL came into existence. In this scheme, banks were directed to set aside a definite portion of their credit facilities to those sectors which are classified as priority sector. Borrowers in priority sector are given preferential treatment while lending. Interest rates are lower, security norms are relaxed, margins are concessional & period of repayment is extended in these priority advances.

This research shows the involvement of the HARCO Bank in PSL, evaluate the extent of success, identify the problems associated therewith and the methods to improve the effectiveness of the scheme. It will lead to increase in the extent of the PSL in Haryana by removing various obstacles and will result in improvement in the standard of living of the weaker sections of the society.