

**AGRICULTURAL CREDIT IN INDIA:  
CHANGING PROFILE AND REGIONAL  
IMBALANCES**

by

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## SCOPE AND COVERAGE

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The objective of the study is to make a systematic analysis of the evolution, trends and composition of institutional credit extended to the agricultural sector in India and the nature of inter-regional, inter-state and intra-state disparities prevailing in the distribution of farm credit. The subject of the study is a live one, considering the enormous amount of intellectual discourses, enquiry committee reports and public policy initiatives that have gone on now for many years. We have sought to cover all of them against the backdrop of the performance of banks in aggregate credit delivery and its distributive goals. The study is essentially a quantitative exercise, though it does strive to perceive the importance of various policy stances and banks' response to them. One important focus bestowed in the study concerns the spread of rural credit institutions in different regions on the premise that the success or otherwise of farm credit delivery is almost entirely dependent upon the presence or otherwise of the rural credit architecture.

The study begins with two introductory sections in the form of an essential background to the study. Section 2 makes a brief attempt to enumerate the kind of challenges that the agricultural sector in India has been facing at an all-India as well as at states level. Explaining that the agricultural sector has been facing crisis in twin dimensions of an agrarian crisis and an agricultural developmental crisis, the section brings out as to how reduced growth and growing marginalisation have impinged on credit delivery by banks as demand-side constraints. Section 3 brings out how public authorities have always emphasized historically the importance of rural institutional finance and how varied policy thrusts facilitated unprecedented expansion during the 1970s and 1980s after bank nationalisation and how banking infirmities of the 1990s have made the banks falter on their traditional developmental role.

The substantive discussion on the quantitative dimensions of banking progress begins with Section 4 which attempts a report card on the performance of scheduled commercial banks which constitutes the largest segment of the banking system and which face a number of policy targets and guidelines. Apart from aggregate trends, comprehensive reviews have been presented of different dimensions of inter-regional, inter-state and inter-district disparities in banking development. In all these respects, the section sets the theme of three phases in bank credit delivery: high levels of increases during the 1970s and 1980s after bank nationalisation; distinct slowdown of the 1990s; and a remarkable pick-up after the beginning of the current decade.

In terms of data and analysis, the subject of the above section concerning the progress of scheduled commercial banks has been a neat and straightforward one, particularly because of the consistent time series of data available by and large from one source. But, this has not been the case when we seek to analyse the evolving trends and composition of total institutional credit including that from cooperatives; there are problems of data discontinuity. In Section 5, some attempt has been made to clean the data series before analysing the changing roles of cooperatives *vis-à-vis* commercial banks, in the aggregate and separately in crop loans and term loans. Apart from examining the nature of inter-regional disparities that exist in total institutional credit flow for agriculture and allied activities, the section dilates a while on the extent of ground-level assistance that is rendered by banks for diversified activities as well as for rural non-farm sectors.

Section 6 takes a critical look at the evolution and progress made in the micro-finance movement in India. For the first time in literature to our knowledge, an attempt is made to present an aggregate picture of the progress of MFI movement

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in India covering the NABARD-supported SHG-bank linkage programmes and independent, private, non-bank MFIs.

In all evaluations of the performance of the banking system including that presented in the above sections of the present study, the emphasis has been on supply-side issues of public policies which have contributed to the given expansions or contractions in bank credit, particularly for the agricultural sector. But, there cannot be any dispute that the behaviour of the banking industry cannot be explained by supply-side factors alone. With the banking industry rightly being risk-averse as it is socially empowered to leverage public deposits, demand-side factors playing a role in credit delivery cannot be ignored. Section 7 makes an attempt to study different indicators of demand-side factors at the all-India as well as at the states and regional levels.

*Pari passu* with the growth of the rural credit structure, India has a long history of officially-sponsored studies on

the projections of agricultural credit requirements; also, the successive studies have brought out how the supply-demand gaps have widened over years. Section 8 briefly reviews the past studies, and more importantly, makes an attempt to present a set of projections of agricultural credit demand for the Eleventh Five Year Plan period (2007-08 to 2011-12) based on four alternative estimates derived through econometric relationships and various variants of simple relations over time. Weighing various considerations, the section sticks to the projection of agricultural credit demand at about 25 per cent per annum in terms of annual flows in the next five-year period.

Finally, the objective of Section 9 is to bring together the salient features of the results in different sections and construct a package of fairly comprehensive policy measures to address the current situation of inadequacy of institutional credit flows for the agricultural sector.

## CHALLENGES FACING THE AGRICULTURAL SECTOR IN INDIA

Indian agriculture has been facing multiple challenges now for about two decades which has culminated in a severe crisis. The farm crisis has twin dimensions as characterised by an eminent scholar<sup>1</sup>: an agrarian crisis and an agricultural crisis. No doubt, the two are intertwined but they call for independent attention. The agricultural development crisis reflected in reduced overall growth accompanied by declining productivity and profitability which has accentuated the general adversity in the livelihoods of small and marginal farmers; for the latter the root cause lies in high dependence of the population on agriculture and increasing marginalisation of land holdings. The subject becomes very relevant while dealing with agricultural credit as it forms the backdrop for answering very many demand-side questions.

<sup>1</sup> Prof. V.M. Rao described so at a seminar organised by the Indira Gandhi Institute of Development Research (IGIDR), Mumbai, in the context of sub-group deliberations for crystalising ideas on Report of the Expert Group on Agricultural Indebtedness, Ministry of Finance, Government of India, July 2007 (Chairman: Prof. R. Radhakrishna).

### Increasing marginalisation and high population pressure on agriculture

As consistent NSSO reports on land (and livestock) holding surveys reveal, the phenomenon of sub-division has resulted in number of operational holdings steadily rising, over the period 1960-61 to 2003, from 51 million to 101 million, but more significantly partly due to the uneconomic nature of tiny holdings, the area operated has receded from 133 million hectares to 108 million hectares.<sup>2</sup> As a result, the average size of operational holdings has steadily fallen from 2.63 hectares in 1960-61 to only 1.06 hectares in 2003 (Table 1).

With the inadequacy of employment opportunities in non-farm sector, the work force dependence on agriculture has

<sup>2</sup> As indicated in Table 1 above, the year 2003 was a drought year and hence the decline may have been partly due to that phenomenon. Also, the estimates for 2003 cover only kharif season operations. The NSSO (January 2006, Report No.493) has emphasized that kharif estimates are lower than the total only about 4 per cent in terms of the number of operational holdings and 1 per cent in terms of area.

**Table 1:** Certain Key Characteristics of Operational Holdings

	1960-61	1970-71	1981-82	1991-92	2003*
	(17 <sup>th</sup> )	(26 <sup>th</sup> )	(37 <sup>th</sup> )	(48 <sup>th</sup> )	(59 <sup>th</sup> )
1. Number of operational holdings (millions)	50.77	57.07	71.04	93.45	101.27
1.1 percentage increase	-	12.4	24.5	31.5	8.4
2. Area operated (million hectares)	133.48	125.68	118.57	125.10	107.65
3. Average area operated (hectares)	2.63	2.20	1.67	1.34	1.06

\*: Estimates for 59<sup>th</sup> round are based on the holdings reported for the kharif season. Also, 2003 was a drought year.

Source: Source of estimates of 17<sup>th</sup>, 26<sup>th</sup>, 37<sup>th</sup>, 48<sup>th</sup> and 59<sup>th</sup> rounds: NSS Report Nos. 144, 215, 338, 408 and 493.

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remained high. And this has happened when there has occurred a continuous decline in the share of agriculture in the country's gross domestic product (GDP). This share has steeply declined from 40.6 per cent in 1972-73 to as low a figure as 18.8 per cent in 2004-05 and 17.5 per cent in 2006-07 (1999-2000 series at current prices), whereas the share of agriculture in employment (usual principal and subsidiary status – UPSS) has declined but rather slowly from 73.9 per cent in 1972-73 to 56.5 per cent in 2004-05 (Table 2). Associated with these structural disabilities is obviously the large and widening gap in the per worker earnings in agriculture and non-agricultural sectors.

**Table 2:** Share of Agriculture in GDP and Employment

<i>(In Percentages)</i>		
<i>Year</i>	<i>Share of Agriculture in GDP at Current Prices, 1999-2000 Series</i>	<i>Share of Agriculture in Employment (UPSS)</i>
1972-73	40.6	73.9
1993-94	28.9	63.9
1999-00	25.0	60.2
2004-05	18.8	56.5
2006-07	17.5	–

*Source:* Central Statistical Organisation (CSO), *National Accounts Statistics*, Various Years and National Sample Survey Organisation (NSSO), *Employment and Unemployment Situation in India*, Various Rounds.

Within agriculture, there have been many other adverse consequences. The continued dependence of rising population and labour force on limited and non-expanding land has resulted in a continuous decline in the availability of land per agricultural worker. Apart from the sharp decline in the average size of holding, there is the growing marginalisation.

**Table 3:** Changes in the Size Distribution of Operational Holdings and Operated Area 1960-61 – 2002 –03

<i>Category of Holdings</i>	<i>Percentage of Operational Holdings</i>					<i>Percentage of Operated Area</i>				
	<i>1960-61 (17<sup>th</sup>)</i>	<i>1970-71 (26<sup>th</sup>)</i>	<i>1981-82 (37<sup>th</sup>)</i>	<i>1991-92 (48<sup>th</sup>)</i>	<i>2003 (59<sup>th</sup>)</i>	<i>1960-61 (17<sup>th</sup>)</i>	<i>1970-71 (26<sup>th</sup>)</i>	<i>1981-82 (37<sup>th</sup>)</i>	<i>1991-92 (48<sup>th</sup>)</i>	<i>2003 (59<sup>th</sup>)</i>
Marginal	39.1	45.8	56.0	62.8	71.0	6.9	9.2	11.5	15.6	22.6
Small	22.6	22.4	19.3	17.8	16.6	12.3	14.8	16.6	18.7	20.9
Semi-Medium	19.8	17.7	14.2	12.0	9.2	20.7	22.6	23.6	24.1	22.5
Medium	14.0	11.1	8.6	6.1	4.3	31.2	30.5	30.1	26.4	22.2
Large	4.5	3.1	1.9	1.3	0.8	29.0	23.0	18.2	15.2	11.8
All Sizes	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

*Source:* NSSO, *Some Aspects of Operational Land Holdings in India*, Various Rounds. Reproduced from Radhakrishna (2007).

The increases in the number of operational holdings have occurred only under the size class of marginal holdings. In 2003, as per NSSO data, as much as 71 per cent of operational holdings were such marginal holdings of (of below 1 hectare) as against 39.1 per cent in 1960-61 (Table 3).

In other words, 72 million out of 101 million operational holdings belong to such tiny land cultivation. As per the census of landholdings survey too (which goes beyond household holdings), 76 million out of 121 million operational holdings belonged to the marginal group (of less than 1 hectare holdings) in the year 2000-01 (Ministry of Agriculture 2007).

As alluded to at the outset, along with the increase in the number of operational holdings, the area cultivated has been declining. In a different context, J P Singh (2006), who has made an incisive study of agrarian changes, has brought out how, with acute distress amongst the farm community, it is likely that a good section are withdrawing from land cultivation:

“---the proportion of marginal holdings and the area owned by them has increased sharply over the years, while it has declined sharply in the case of large holdings in all the states.

“This could have happened due to many factors including agrarian distress, non-viability of a large section of holdings, urge to search for alternative avenues of employment, indebtedness, etc. It may be mentioned that the agrarian distress in certain parts of the country has been so severe that a large number of farmers have committed suicide” (J.P. Singh 2006, pp.39-40 and 43).

These questions of agrarian relations become relevant to an analysis of current and potential credit flow from institutional agencies. The tiny operational holdings are uneconomic and require innovative measures to expand their credit base

for agricultural operations. More importantly, there is no way small and marginal farmer households can improve their living standards by depending solely on agricultural incomes (Radhakrishna 2007). Therefore, there is the need for supporting off-farm and non-farm activities, again with innovative methods of financing.

### *Agricultural development crisis*

Concurrently with the land-man relations crisis, the broader crisis of agricultural growth has been staring at us now for over a decade and a half. From an average of 3.13 per cent during 1980-81 to 1990-91 and 3.34 per cent per annum during 1990-91 to 1998-99, the growth of agricultural GDP slipped to 2.28 per cent per annum during 1998-99 to 2006-07 (Table 4).<sup>3</sup> Available data suggest that the annual growth in per worker income in agriculture dipped from 1.18 per cent during 1989-90 to 1993-94 to 0.29 per cent during 1999-2000 to 2003-04 (Ramesh Chand 2006).

Looking at the agricultural growth in a disaggregated way, all major foodgrain and non-foodgrain items have suffered the setback after the decade of the 1990s and it is so with respect to all output components: area, output and yield (Table 5). Interestingly, as alluded to above, area under both foodgrains and non-foodgrains have experienced an absolute fall in the recent period, reflecting how farmers, particularly small and marginal

<sup>3</sup> Different periods chosen give different average growth rates, but the thrust of the assessment made here is contained in all official and academic publications.

**Table 4:** Growth of Gross Domestic Product (GDP) at Factor Cost and Sectoral GDP (At 1999-2000 Prices)

<i>(In Per Cent Per Annum)</i>				
<i>Year</i>	<i>Agriculture</i>	<i>Industry</i>	<i>Services</i>	<i>GDP</i>
Pre Green revolution Period 1950-51 to 1964-65	2.54	6.75	4.67	3.95
Green revolution Period 1965-66 to 1979-80	2.57	4.06	4.43	3.62
Wider Technology Dissemination Period 1980-81 to 1990-91	3.13	5.96	6.76	5.29
Post Reform Period				
i) 1990-91 to 1998-99	3.34	6.41	7.43	5.98
ii) 1998-99 to 2006-07	2.28	7.14	8.32	6.65

*Note:* Growth is compound annual growth rate and NNP denote net material product.  
Periodisation is partly based on Ramesh Chand (January 2006)  
*Source:* CSO, National Accounts Statistics, various years,

farmers, are withdrawing from cultivation. The persistence of agricultural crisis in the most recent period is reflected in the relative stagnation (0.10 per cent growth) in the index of foodgrains for the period 2003-04 to 2006-07 (Table 5)

**Table 5:** Growth of Area, Production and Yield of Major Crops in India

<i>Crops</i>	<i>1980-81 to 1990-91</i>			<i>1990-91 to 2003-04</i>			<i>2003-04 to 2006-07*</i>		
	<i>Area</i>	<i>Production</i>	<i>Yield</i>	<i>Area</i>	<i>Production</i>	<i>Yield</i>	<i>Area</i>	<i>Production</i>	<i>Yield</i>
Rice	0.40	3.56	3.47	0.15	1.14	0.99	0.90	1.17	0.18
Wheat	0.46	3.57	3.10	0.74	2.13	1.35	1.96	0.82	-1.15
Coarse Cereals	-1.34	0.40	1.62	-1.58	0.25	1.87	-2.61	-4.25	-1.78
Total Cereals	-0.26	3.03	2.90	-0.25	1.32	1.58	0.12	0.28	0.11
Total Pulses	-0.09	1.52	1.61	-0.87	-0.74	0.16	0.51	-1.06	-1.62
Foodgrains	-0.23	2.85	2.74	-0.44	1.16	1.11	0.18	0.10	-0.14
Sugarcane	1.44	2.70	1.24	1.41	1.22	-0.16	3.60	-2.43	-5.18
Oilseeds	1.51	5.20	2.43	-1.07	0.18	1.26	6.51	15.32	8.55
Cotton (lint)	-1.25	2.80	4.10	0.82	0.15	-0.69	7.59	11.60	4.08
Non-Foodgrains	1.12	3.77	2.31	-0.09	1.20	0.62	3.49	3.05	-0.14
All Crops	0.10	3.19	2.56	-0.25	1.58	0.90	1.08	3.21	2.10

*Note:* Growth is the Compound Annual Growth Rate. Data until 2003-04 is based on 1980-81 = 100 series and thereafter on 1993-94 = 100 Series  
*Source:* For the first two periods refer to Radhakrishna (2007), figures for the last period have been calculated by EPWRF.

**Table 6:** State-wise SDP Growth and Growth of Agriculture SDP

<i>(In per cent per annum)</i>						
<i>State</i>	<i>1983-84 to 1993-94</i> <i>(at 1980-81 Prices)</i>		<i>1993-94 to 1998-99</i> <i>(at 1993-94 Prices)</i>		<i>1998-99 to 2004-05</i> <i>(at 1993-94 Prices)</i>	
	<i>Agricultural GSDP</i>	<i>GSDP</i>	<i>Agricultural GSDP</i>	<i>GSDP</i>	<i>Agricultural GSDP</i>	<i>GSDP</i>
Andhra Pradesh	3.05	4.58	1.41	5.12	2.05	6.17
Assam	2.12	3.51	0.62	2.00	1.51	4.97
Bihar	-0.45	2.69	1.20	3.76	1.80	4.17
Gujarat	0.84	5.00	9.27	8.85	4.27	6.28
Haryana	4.86	6.18	1.04	5.60	2.89	6.71
Himachal Pradesh	3.08	5.89	1.72	7.06	5.43	6.24
Karnataka	3.54	5.86	2.52	7.94	-3.88	5.48
Kerala	4.4	5.33	1.36	4.82	-4.23	6.67
Madhya Pradesh	2.82	5.21	2.52	5.57	0.59	2.71
Maharashtra	5.39	7.42	1.92	6.00	-1.08	5.40
Orissa	-0.57	3.39	0.65	3.89	0.80	5.37
Punjab	4.62	5.13	1.33	4.73	2.19	3.90
Rajasthan	3.93	6.19	8.64	4.73	1.61	4.52
Tamil Nadu	4.43	7.45	1.36	6.37	-4.43	3.69
Uttar Pradesh	2.8	4.66	1.90	4.73	2.28	3.95
West Bengal	4.45	4.73	4.72	7.25	2.51	7.01
India *	3.05	5.32	2.65	6.18	1.16	5.36
CV for States	58.72	25.43	5.67	4.13	11.17	11.64

\* Aggregate GSDP derived as summation of all State's GSDP

Note: The periodisation for this study has been done by a simple inspection of the peaks and troughs in the data series.

Source: EPWRF (2003): Domestic Product of States of India: 1960-61 To 2000-01, June and [www.mospi.nic.in](http://www.mospi.nic.in)

The all-India picture presented above does hide serious inter-state differences in agricultural incomes growth. As shown in Table 6, first, almost every state has experienced reduced agriculture GSDP growth after the 1990s as compared with the growth in the 1980s. Secondly, in the first half of the 1990s, some of the states had shown dynamism in their agriculture performance; it continued up to 1998-99, but thereafter these states also have lost the momentum.

The average growth in agriculture GSDP for all the states together works out to 1.16 per cent per annum during 1998-99 to 2004-05, which has been a sharp reduction from 2.65 per cent per annum during 1993-94 to 1998-99 and 3.05 per cent per annum during 1983-84 to 1993-94. In the latest period, three of the four southern states, namely, Tamil Nadu, Karnataka and Kerala as well as Maharashtra have experienced absolute reductions in GSDP originating in agriculture and allied activities. Orissa, Madhya Pradesh, Bihar and Assam are

some of the other states which have shown low rate of growth in agriculture GSDP during 1998-99 to 2004-05.

### **Causes for the agricultural crisis**

The present dismal picture of agriculture in the country has been the result of several factors. The first and the foremost has been the neglect of agriculture in the plan resource allocations. Associated with this has been the neglect of public investments in irrigation and other infrastructure programmes. As shown in Table 7, public sector gross capital formation (GCF) in agriculture as percentage of total agriculture GCF has dwindled from 43-44 per cent until the 1980s to less than 20 per cent in 2004-05; as percentage of agriculture GDP, the public sector capital formation has dwindled to around 2 per cent from over 4 per cent until the 1990s. GCF in agriculture as a percentage of aggregate GCF in the country was about



**Table 7:** Private Capital Formation in Agriculture and Share of Term Credit (at current prices)

(Rupees, crore )											
Year	For Agriculture and Allied Activities					GCF as Per Cent of Agricultural GDP			GCF in Agriculture as Per Cent of Aggregate GDP*	GCF in Agriculture as Per Cent of India's Aggregate GCF	
	Total Gross Capital Formation (GCF)		Public Sector (GCF)	Private Sector (GCF)		Public	Private	Total (5+6)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)			
1999-2000 Series											
1980-81	4342	(100.0)	1876	(43.2)	2466	(56.8)	4.0	5.2	9.2	3.0	16.1
1985-86	6364	(100.0)	2807	(44.1)	3557	(55.9)	3.5	4.5	8.0	2.3	9.6
1990-91	15839	(100.0)	3586	(22.6)	12253	(77.4)	2.4	8.1	10.5	2.8	11.5
1993-94	16230	(100.0)	4874	(30.0)	11356	(70.0)	2.1	5.0	7.1	1.9	8.8
1994-95	17392	(100.0)	5952	(34.2)	11440	(65.8)	2.3	4.3	6.6	1.7	7.3
1995-96	19838	(100.0)	6678	(33.7)	13160	(66.3)	2.3	4.6	6.9	1.7	6.3
1996-97	24107	(100.0)	7214	(29.9)	16893	(70.1)	2.1	4.9	7.0	1.7	7.9
1997-98	28701	(100.0)	6779	(23.6)	21922	(76.4)	1.9	6.0	7.8	1.9	7.9
1998-99	31021	(100.0)	7476	(24.1)	23545	(75.9)	1.8	5.6	7.4	1.8	7.8
1999-00	50151	(100.0)	8670	(17.3)	41481	(82.7)	1.9	9.3	11.2	2.6	9.8
2000-01	46432	(100.0)	8176	(17.6)	38256	(82.4)	1.8	8.5	10.3	2.2	9.2
2001-02	60366	(100.0)	10353	(17.2)	50013	(82.8)	2.1	10.3	12.4	2.6	11.1
2002-03	61883	(100.0)	9564	(15.5)	52319	(84.5)	2.0	11.1	13.1	2.5	10.1
2003-04	61827	(100.0)	12218	(19.8)	49609	(80.2)	2.3	9.3	11.6	2.2	8.4
2004-05	70786	(100.0)	13610	(19.2)	57176	(80.8)	2.5	10.7	13.2	2.3	7.6
2005-06	83952	(100.0)							14.1	2.4	7.3
* At Current Market Prices											
Figures in brackets are percentage to Total GCF											
Source: CSO, National Accounts Statistics (Various issues)											

16 per cent or more until the 1980s but it has dwindled to less than 7 per cent by 2005-06.

Secondly, the neglect of agriculture has been more conspicuous in the case of the areas of dry-farming and rain-fed agriculture which occupy about 60 per cent of the country's cultivable land (80 million hectares out of 135 million hectares of net area shown). Associated with this has been the neglect of the need for pursuing social mobilization, institution-building and leadership formation at the grassroots level which had initially made positive impact of watershed development programmes for drought proofing of rain-fed agriculture by conserving land and water resources. Proposal now made by the government to set up a National Rainfed Areas Authority, if pursued effectively, is in the right direction (Planning Commission 2006).

Thirdly, there has been the absence of any concerted public policies to promote absence of diversification in agriculture in consonance with the needs of a diversified economy leading to improved consumption patterns of households and also in consonance with the policies of external liberalisation; a diversified agriculture could take advantage of the benefits of external trade in horticultural products in which the Indian economy may have comparative advantages. It is only now that a special focus on horticultural products has been bestowed.

Fourthly, what stands out is the failure to promote the next generation of appropriate technologies as well as institutional arrangements to filter biotechnologically improved seeds imported from abroad and supplied to farmers by private agencies; associated with this factor is the weakening of the

**Table 8:** Per Cent Distribution of Farmer Households – Liking and not Liking Farming as a Profession

	Number of Farmer Households per 1000 farmer Households								Total Number Farmer Households ('00)
	Liking Farming	Not Liking Farming due to Reason							
		Not Profitable	Lack of Social Status	Risky	Others	Total	n.r	All	
<b>Northern Region</b>									
Haryana	603	299	13	46	24	382	15	1000	19445
Himachal Pradesh	649	184	7	122	38	351	0	1000	9061
Jammu & Kashmir	615	209	77	90	9	385	0	1000	9432
Punjab	608	272	16	23	58	369	23	1000	18442
Rajasthan	612	215	11	84	78	388	0	1000	53080
<b>North-Eastern Region</b>									
Arunachal Pradesh	721	107	29	5	109	250	29	1000	1227
Assam	590	212	21	131	45	409	1	1000	25040
Manipur	674	282	20	18	4	324	2	1000	2146
Meghalaya	774	152	5	61	8	226	0	1000	2543
Mizoram	508	341	79	62	4	486	6	1000	780
Nagaland	676	268	17	12	15	312	12	1000	805
Tripura	525	202	25	170	56	453	22	1000	2333
<b>Eastern Region</b>									
Bihar	486	352	22	107	24	505	9	1000	70804
Jharkhand	528	302	22	89	57	470	2	1000	28238
Orissa	531	338	4	89	36	467	2	1000	42341
Sikkim	646	302	45	5	2	354	0	1000	531
West Bengal	538	354	18	47	36	455	7	1000	69226
<b>Central Region</b>									
Chhattisgarh	537	242	26	174	21	463	0	1000	27598
Madhya Pradesh	595	214	36	114	39	403	2	1000	63206
Uttar Pradesh	588	240	35	98	32	405	7	1000	171575
Uttaranchal	468	423	8	43	58	532	0	1000	8962
<b>Western Region</b>									
Gujarat	668	254	10	50	15	329	3	1000	37845
Maharashtra	607	286	10	74	23	393	0	1000	65817
<b>Southern Region</b>									
Andhra Pradesh	754	167	6	52	17	242	4	1000	60339
Karnataka	567	279	11	109	34	433	0	1000	40413
Kerala	666	279	6	20	25	330	4	1000	21946
Tamil Nadu	689	250	9	39	12	310	1	1000	38880
<b>Uts</b>	656	246	48	19	31	344	0	1000	732
<b>All India</b>	594	265	19	83	34	401	5	1000	
No. of persons ('00)	531168	234039	17404	73338	29265	358503	3834	893505	893504

n.r. = not reported.

Source: NSSO (2005) (Situation Assessment Survey of Farmers): *Some Aspects of Farming*, 59th Round (Jan-Dec 2003), Report No. 496

extension system which has multiple roles in propagating improved cropping patterns, application of appropriate mixture of nutrients and dissemination of the knowledge of new technologies. The fifth reason for the continued dependence of millions of small and marginal farmers on their low-productivity and low-income agriculture is the failure to promote rural industrialisation and non-farm activities in general.

A final but most dominating reason has been the weakening of the rural credit structure and the inability of the system to strengthen credit delivery arrangements for agriculture which is the subject matter of this study. A large number of farm households (about 46 million out of 89 million or 51 per cent) are excluded from the availability of any credit arrangement, let alone institutional finance, because of the weaknesses in the credit delivery mechanism.

### **Farmers' views on the crisis – an aside**

According to Dipankar Gupta (2005), both culturally and economically the Indian villages are undergoing major structural changes and facing a serious sense of apathy and helplessness. Village landholding structure is such that there are few jobs available in the fields that can engage the rural population on a sustained basis. Dipankar Gupta (2005) argues that:

“----it is sheer inertia of the agrarian economy that hardly allows for any optimism, which is forcing people to look elsewhere for both livelihood and respect”. He further asserts that “(R)arely would a villager today want to be a farmer if given an opportunity elsewhere” (p.752).

Interestingly, the NSSO's *Situation Assessment Survey of Farmers* conducted in 2003 provides empirical evidence on the above sociological phenomenon. At an all-India level, out of 89.4 million farmer households, only 53.1 million households (59.4 per cent) are willing to work in farms; a huge 35.9 million households or 40.1 per cent, if given a chance, like to work in some other profession. Out of the latter, 26.5 per cent is of the opinion that farming is not profitable and 8.3 per cent feels farming is more risky. Lack of social status figures as a cause for not liking farming though only 2 per cent say so.

A state-wise analysis reveals that, in almost all the states, a substantial proportion of farmers wants to come out of the farming profession (Table 8). But, the situation is worse among 8 major states out of 27. This is as strikingly true of underdeveloped states of central and eastern India as it is true of West Bengal which has seen some successful tenancy reforms; in all of these states, more than 45 per cent of the farmers do not like the farming profession; the most tangible cause for this lies in farming not being profitable.

## IMPORTANCE ASSIGNED TO THE ROLE OF INSTITUTIONAL FINANCE FOR AGRICULTURAL DEVELOPMENT

Public authorities in India have always emphasized the importance of rural institutional finance both for freeing the peasantry from the clutches of moneylenders and for providing crop loans as well as investment credit for agriculture. Historically, the steps which laid a firm foundation for the development of a broad-based rural banking structure in the country are essentially three:

- (i) the setting up of an agricultural credit department simultaneously with the establishment of the Reserve Bank of India in 1935 so as to confer a special developmental role for the RBI in the sphere of agricultural credit;
- (ii) the appointment of the all-India rural credit survey committee (AIRCS) in August 1951, and
- (iii) with its recommendations made in August 1954, creating the State Bank of India (SBI) in 1955 with the specific target of opening 400 new branches in rural and semi-urban areas and starting agricultural lending.

Though the AIRCS report placed great emphasis on the role of cooperatives, and as the role of extant private commercial banks in rural credit was minimal, the creation of the State Bank of India generated a new momentum in involving the commercial banks in agricultural lending. The 1950s and 1960s were also a phase of strengthening of banking regulations and consolidation of the commercial banking system, which paved the way for a bigger role for commercial banks in the development process *vis-à-vis* cooperatives. Finally, in the contemporary context, the socio-political impatience of the later 1960s with increasing rural poverty brought about the most radical step of bank nationalisation and associated public policies which rapidly expanded the spread of commercial banking in rural areas, mobilising savings and promoting large increases in borrowings from

institutional agencies by different classes of farmers, small-scale entrepreneurs and generally persons of small means. This banking expansion, in terms of geographical spread and functional reach, has been unprecedented in the economic history of any country in the world.

### Evidence of success

The post-Independence banking development, and in particular post-nationalisation banking progress continued for two decades until the end of the 1980s, received approbation in literature on the positive role played by finance in the process of development in India. Studies by Burgess and Pande (2003), Burgess and Pande (2004) and Burgess, Pande and Wong (2004) conclusively prove that state-led branch expansion into rural unbanked locations reduced poverty across Indian states; in addition, the directed bank lending requirements was associated with increased bank borrowing among the poor, in particular low caste and tribal groups. Their studies go further and notice that while the presence of a nation-wide bank branch licensing rule between 1977 and 1990 caused banks to open relatively more branches in Indian states with lower initial financial development during the period, the reverse was true outside this period; they also find that rural branch expansion in India significantly reduced rural poverty and increased non-agricultural output. Earlier, Bell and Rousseau (2001) brought out how financial intermediaries in India played a leading role in influencing her economic performance; their results suggested that the financial sector, amongst other things, was not only instrumental in promoting aggregate investment and output but also in attaining finance-led industrialisation.

More generally, there have been convincing theoretical buttressing of the financial policies of the 1970s and 1980s.

It is said that those policies had followed Patrick's (1966) supply-leading strategy, or they had resembled an endogenous growth strategy in which finance itself was seen as a crucial factor of production like knowledge and in which the influence of institutional arrangements in regard to finance on growth rates has been forcefully emphasized (see Eschenbach 2004; see also RBI 2001). Relying on K.N. Raj's work, Mihir Shah, et al (2007) argue that,

“rural credit was not merely a commodity that needed to reach the poor to free them from usurious money lenders, it could also be seen as a public good critical to the development of a backward agrarian economy like India, especially as Indian agriculture moved decisively into the green revolution phase, where private investments by richer farmers needed massive credit support” (p.1353).

### Setback after the 1990s

In the EPW Research Foundation's studies on the financial sector, we have been repetitively emphasizing that sustained expansions in sectoral credit growth in real terms during the latter half of the 1970s and the whole of the 1980s served *inter alia* as an important causal factor in the acceleration of growth rates in agriculture and unregistered manufacturing in the 1980s (Shetty 2002). *Contrariwise*, after the financial sector reforms began in the early part of the 1990s, every banking indicator representing post-nationalisation success – spread of branch banking in rural and historically under-banked regions, improved credit-deposit ratios of these regions, better credit delivery for agriculture, small-scale industries, small borrowers and other priority areas – has received a setback. No doubt, the unprecedented growth of the banking system for two decades prior to the 1990s brought in its trail many serious infirmities in the working of the whole financial system: reduced bottomline, large non-performing assets, poor capital base and insufficiency of loan loss provisions, and organisational weaknesses leading to serious deterioration in house-keeping tasks as well as customer service. By the end of the 1980s, even the post-nationalisation successes cited above had begun to wear thin. Therefore, the evolution of banking after the 1990s has reflected the enormous challenges that the public sector banks in particular have faced in cleaning up and consolidating their operations in an entirely new competitive and reform-zest environment. Apart from the onerous discipline imposed by regulatory and prudential norms as part of financial sector reforms, there has also occurred a sea - change in the role of banks as a result of competitive opportunities thrown up in para banking activities – merchant banking, housing finance, mutual funds, insurance and others, and above all, in the notion of universal banking and project finance, all shifting the balance in favour of non-farm activities.

As the story has unfolded in the following sections, even as banks have responded to the above challenges, they have very seriously faltered on their traditional developmental role particularly in their task of credit delivery for agriculture and other varied informal sectors. The resultant distortions in credit distributions, persisted for over a decade after the 1990s, became very glaring.

In particular, the inadequacy of agricultural credit has remained a live issue and many committees have examined this issue in the recent period – R V Gupta Committee (1997); V.S. Vyas Committee – I (July 2001); V.S. Vyas Committee – II (June 2004); and C. S. Murthy Working Group on Priority Sector Lending [RBI (2005a), September]. Amongst them, the V.S. Vyas Advisory Committee – II (June 2004), which has acquired a crucial status, examined comprehensively the various issues relating to bank lendings to agriculture. It came to the conclusion that both the direct (13.5 per cent) and indirect (4.5 per cent) lending targets were essential for achieving an annual growth of 4 per cent in agricultural production. It further reasoned that increased market orientation of the sector both in its inputs and output, the objectives of an equitable spread of the 4 per cent target growth, the potential for increasing India's share in world trade in agricultural commodities, the need for expanded and improved infrastructure – all of these would translate into higher credit demand. The committee noticed that as of March 2003, only five out of 27 public sector banks and two out of 29 private banks had met the target of extending 18 per cent of net bank credit outstanding to agriculture. This shortfall occurred despite monitoring credit flow through *special agricultural credit plans* (SACP) initiated since 1994-95 and reinforced further as per the recommendations of the R.V. Gupta Committee 1997 (which had preferred fixing of targets based on annual flows rather than outstandings). Since 1995-96, the shortfall in the 18 per cent target had to be covered as deposit accounts into the Rural Infrastructure Development Fund (RIDF) established with NABARD.

Again, the C. S. Murthy Internal Working Group of the RBI on Priority Sector Lending (September 2005) examined the needs of agriculture and asserted that the rationale for the priority sector prescriptions continued to exist. It argued that though the share of agriculture in GDP had come down to less than one-half of what it was three decades ago, the sector has continued to be the single largest occupation “as it still provides livelihood to about two-thirds of the population”, of whom a predominant number comprises of small and marginal farmers.

Over years, a number of scholars and semi-official bodies have also examined demand-supply gaps in agricultural credit based on some objective assessment of credit needs and they

have generally concluded that the gaps have been very large (Surjit Singh and Vidya Sagar 2004). The situation has not undergone much of a change since the National Commission on Agriculture reported in 1976 a gap of over two-thirds. The Agricultural Review Credit Committee (RBI 1989), and the successive working groups for five-year plans – the Kotaiah group for the ninth plan (1997-98 to 2001-02) and the Y.C. Nanda group for the tenth plan (2002-03 to 2006-07) – have all anticipated similar gaps in the supply of farm credit. For the current eleventh plan (2007-08 to 2011-12), the projections of ground level credit (GLC) purveyed by commercial banks, RRBs, cooperatives and other rural financial institutions, have been placed at Rs 1640,000 crore implying an annual compounded growth of 17 per cent over Rs 639,330 crore of expected GLC during the tenth plan period (2002-03 to 2006-07). In fact, the projections made do not take into account the excluded farmer categories cited above [RBI Bulletin, May 2007(c)]. We revert to this subject in a separate Chapter.

It is, however, perceived that corrections to these distortions cannot be introduced entirely by resurrecting the traditional control regime for supply-induced credit flow. The multiplicity of in-house and independent committees appointed by the Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD) – a few of them cited above – have recommended a combination of measures involving credit targets, intensive use of micro-finance institutions (MFIs), more innovative system of “agency banking”, and even embracing the philosophy of “financial inclusion” so that the banks are obliged to provide banking services to all segments of the population on an equitable basis. The authorities have responded to these recommendations quickly and positively and directed banks to rapidly expand credit delivery for agriculture and small and medium enterprises through the adoption of all of those innovative measures.

### **Agriculture credit: a primer on data base**

Agricultural credit is being rendered by all banking institutions: scheduled commercial banks, regional rural banks (RRBs) and cooperative institutions. Amongst cooperative institutions, there are diverse sources of farm credit rendering. In the short-term credit structure, primary agricultural societies (PACs) are the dominant ground-level institutions, which essentially provide crop loans but which, of late, have been permitted to grant term loans also; the bulk of their lendable resources comes from refinance from district central cooperative banks (DCCBs). However, in addition, there are some DCCBs which do render direct loan assistance to farmers; these have to be combined with loans rendered by PACs. In the long-term structure, the picture is more complex. There are state-level cooperative agriculture and rural development banks

(SCARDBs) in 20 states along with 727 primary level banks (PCARDBs). In the balance of the small-size states, separate sections of the state cooperative banks look after long-term credit needs.

Insofar as the data at the all-India level are concerned, information on agricultural credit rendered by cooperatives, regional rural banks (RRB) and commercial banks are available, separately for credit flow and credit outstandings for all recent years as disseminated by RBI and NABARD. But, it is the state level data on the ground level credit that is truly scanty and difficult to come by.

Data on agricultural lendings of cooperatives are most hazy. The traditional publication *Statistical Tables Relating to Cooperatives Movement in India* is dated as it is now available only up to 1998-99. Through the two NABARD-sponsored federation agencies – National Federation of State Cooperative Banks (NAFSCOB) and National Cooperative Federation of Agricultural and Rural Development Banks (NAFARDB)–, there are standalone data for long periods on different tiers of short-term and long-term rural credit structures, but there is no way of knowing how, for instance, credit flows from state and central cooperative banks and PACs are consolidated to produce total agricultural credit flow. It is said that as PACs hardly have resources of their own and their data on agricultural credit flows are consolidated at the state and district central level banks. PACS are the most pivotal grassroots level agencies and the strength of the cooperative structure at the states’ level is determined by their presence. Data do suggest that their lendings are somewhat higher than their borrowings from upper tiers. Also, about 35 per cent of their lendings are medium and long-term in nature. It is not known how these are accounted for in the aggregate picture drawn up on cooperative credit flows for agriculture at the all-India and at states’ levels. For avoiding the elluttering of the main body of the study, the data compiled on the cooperative credit institutions are reproduced as standalone sets in Exhibit I.

Nevertheless, we do have consolidated data for cooperatives along with those for commercial banks, though with the time series truncated after the 1990s. Even in this respect, data on outstandings at states level are not available. While such data on outstandings are available in respect of scheduled commercial banks and RRBs, there are significant differences even in them as between control returns field by banks and consolidated and published by the RBI in its Annual Reports and Reports on Trend and Progress of Banking in India, on the one hand, and branch level returns filed by banks and tabulated and published by the RBI as *Basic Statistical Returns* (BSR) of scheduled commercial banks in India, on the other. An attempt has been made in this study to marshal as much of the available data as possible and analyse at all-India and regional and state levels.

## TRENDS IN BANK CREDIT FOR AGRICULTURE

### A Report Card on the Performance of Scheduled Commercial Banks

Two pillars of public policies for involving scheduled commercial banks including regional rural banks (RRBs) in agricultural lending have been:

- (i) 'priority sector' targets and sub-targets; and
- (ii) the spread of branch network by these banks into rural and semi-urban areas as well as in underdeveloped and under-banked states and regions.

The policy of spreading branch network in rural and semi-urban areas has been combined with also the target of 60 per cent credit-deposit to be achieved by bank branches in these areas. In addition, the branch banking as an institutional arrangement was also strengthened at one time with the help of staff support, particularly a substantial number of qualified agricultural graduates and other technically qualified staff, spread over nooks and corners of the country.

With the help of these policy thrusts, significant progress was made in expanding agricultural credit until the beginning of the 1990s, but thereafter, in response to the emerging infirmities in the working of the banking system, the hard core components of these policies got jettisoned and there has occurred a serious reversal of the progress made in sectoral credit delivery. Concurrently, many demand-side factors have also played a role in the deterioration of the absorptive capacity of the agricultural sector for bank credit. Some details of these policy contours as well as those of demand-side factors are required to be noted in this study, but before doing so, an attempt is made here to present a review of the trends in agricultural credit and its distribution across land-size classes as well as size classes of loans. In the same section,

details of distribution of agricultural credit across states and regions are presented. In all of these respects, a comparison over time is made as between the performance attained during the post-nationalisation period of the 1970s and 1980s and the post-reform period of the 1990s and thereafter.

### 1. Agricultural Credit: Overall Trends

Annexure A presents trends in agricultural credit rendered by scheduled commercial banks over the past 35 years after bank nationalisation for which systematic data series are available in the Reserve Bank of India's *Basic Statistical Returns* (BSR). Table 9 and Chart 1 seek to portray annual trends in nominal and real total agricultural credit series. A cursory glance at the annual series may give an impression of continuous increases in agricultural credit, but a closer examination of the data reveal discernible breaks in the trend. Chart 2 and Table 10 bring out these discernible patterns more succinctly. Broadly, they are: first, a fairly high level of annual increases in the 1970s and 1980s; second, a sharp slowdown in the 1990s; and finally, a remarkable pick up in the growth rate after the beginning of the current decade. These patterns of expansion in agricultural credit appear more distinct in the *real* credit series. As shown in Table 10, the *real* numbers of agricultural credit grew at an annual rate of 19.2 per cent between 1972-73 and 1980-81 (deriving statistical benefits of low base) and 7.6 per cent during the whole of the 1980s. On the other hand, in the 1990s, the growth rate dipped to 2.5 per cent per annum but again thereafter, there has occurred a remarkable up-trend in the growth of agricultural credit to the highest level of 21.8 per cent per annum between March 2001 and March 2006, following social pressures and a series of policy initiatives (more of it later).

16 *Agricultural Credit in India: Changing Profile and Regional Imbalances*

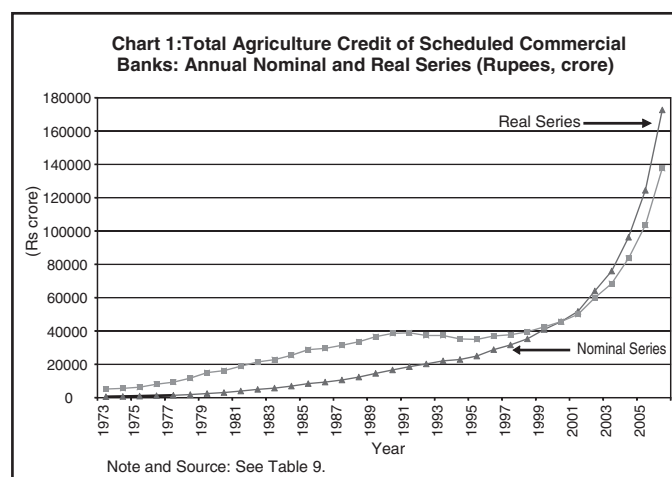
**Table 9:** Trends in Agriculture Credit: Nominal and Real Series

(Rupees crore)				
Year (March-end)	Total Agriculture Credit Nominal Series	Annual growth in Per cent	Total Agriculture Credit at 1999-00 Series	Annual growth in Per cent
Mar-73	536		5135	
Mar-74	687	28.1	5583	8.7
Mar-75	900	31.0	6268	12.3
Mar-76	1142	27.0	8090	29.1
Mar-77	1391	21.8	9293	14.9
Mar-78	1848	32.8	11688	25.8
Mar-79	2432	31.6	15010	28.4
Mar-80	3040	25.0	16214	8.0
Mar-81	3941	29.6	18853	16.3
Mar-82	4970	26.1	21445	13.8
Mar-83	5712	14.9	22801	6.3
Mar-84	6898	20.8	25371	11.3
Mar-85	8447	22.4	28788	13.5
Mar-86	9310	10.2	29586	2.8
Mar-87	10562	13.4	31424	6.2
Mar-88	12314	16.6	33508	6.6
Mar-89	14556	18.2	36605	9.2
Mar-90	16626	14.2	38562	5.3
Mar-91	18573	11.7	38921	0.9
Mar-92	20238	9.0	37288	-4.2
Mar-93	22060	9.0	37299	0.0
Mar-94	22873	3.7	35218	-5.6
Mar-95	24948	9.1	34921	-0.8
Mar-96	28809	15.5	36971	5.9
Mar-97	31634	9.8	37748	2.1
Mar-98	35263	11.5	39524	4.7
Mar-99	40889	16.0	42443	7.4
Mar-00	45638	11.6	45638	7.5
Mar-01	51730	13.3	49971	9.5
Mar-02	64009	23.7	59956	20.0
Mar-03	75935	18.6	68465	14.2
Mar-04	96245	26.7	83603	22.1
Mar-05	124385	29.2	103524	23.8
Mar-06	172684	38.8	137602	32.9

Notes:(i) Figures up to 1989 were half-yearly for end-June and end-December; thus June and December figures were averaged to produce March-end numbers appearing in the middle.

(ii) Real Series are derived by deflating the nominal series of agriculture credit by GDP deflators (at market prices, 1999-2000 series)

Source: As in Annexure A.



**Table 10:** Average Annual Growth Rates in Agricultural Credit of Scheduled Commercial Banks During Certain Distinct Phases

(In Percentages Per Annum)				
Credit Series	1972-73 to 1980-81	1980-81 to 1990-91	1990-91 to 2001-02	2000-01 to 2005-06
Nominal Agricultural Credit	28.2	16.5	10.9	26.6
Real Agricultural Credit	19.2	7.6	2.5	21.8

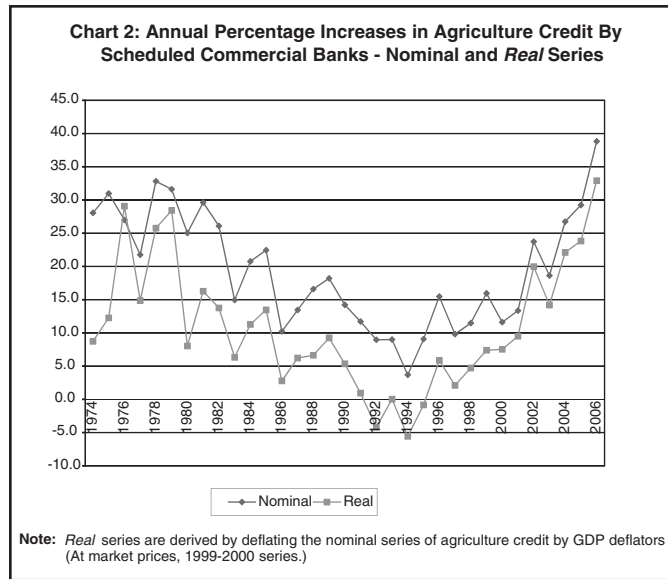
Note: Periodisation has been done not by statistical method of discerning structural breaks but by visual observations and by a more potent indicator, namely, the peaks and troughs of the number of agricultural borrowers as noted in a subsequent section.

Source: RBI (2007e), *Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006* (Vol. 35), various issues

***A caricature description of the underlying causes for the fluctuating trends***

Though varied supply- and demand-side factors are found in the fluctuating behaviour of farm credit, dominant role obviously seems to have been played by public-policy induced supply-side factors. First, the introduction of social control over commercial banks and bank nationalisation in July 1967 were prompted by the earlier neglect of agriculture and other informal sectors by the banking industry. Priority sector targets and targets for rural banking were set which brought about sharp annual increases in bank credit for agriculture, generally at an annual rate of 18 per cent to 30 per cent in nominal terms, or 6 per cent to 28 per cent in *real* terms during the 1970s and 1980s (Chart 2).





Secondly, the vast quantitative progress of commercial banking associated with social control and bank nationalisation was indeed unprecedented, but the banking system failed to imbibe the broader socio-economic distributive values and objectives in an enduring manner. Hence, the expansion brought about with a directed and forced pace resulted in growing problems of deterioration in the quality of loan portfolios, erosions in productivity, efficiency and profitability, serious management weaknesses and trade union pressures leading to over-manning in some areas and under-staffing in others, deterioration in 'house-keeping' and neglect of customer service. These institutional and organisational disabilities gave rise to conventional mainstream banking reforms which generally lead to undermining the supply-leading approach to financial intermediation.

While directed credit prescriptions for priority sectors or for agriculture and weaker sections, could not be given up due to socio-political reasons, they have nevertheless been redefined resulting in distortions in their coverage; the new definitions have included in the targets, types and sizes of loans which should be considered as commercial propositions for banks not requiring the clutches of directed credit arrangements; approach to their monitoring has become lackadaisical; and the authorities have allowed banks to close their branches in rural areas let alone continue with the programme of branch expansion when there is no evidence of excess banking spread in such areas except measured by the organisational unpreparedness of the banking industry. Along with these supply-side constraints, as shown in Section II earlier, the agricultural crisis as well as the reducing share of agriculture in total GDP began to constrain the credit absorptive capacity of the sector thus placing severe demand constraint on bank credit.

Finally, over a decade's neglect of agriculture and other informal sectors gave rise to social revulsion all-round.<sup>4</sup>

<sup>4</sup> Similar deprivations of non-farm unorganised enterprises compelled the government to appoint a National Commission for Enterprises in the Unorganised Sector (NCEUS) in September

One of its striking manifestations has been the widespread farmers' suicides attributable to the agrarian crisis. In the second half of the 1990s and thereafter, banks began to face excess liquidity as a result of their reluctance to lend partly because of weak demand but mainly because of added risk aversions originating from prudential norms prescribed under the financial sector reforms regime. The RBI took various measures after 2000 "to improve the credit delivery mechanism" (RBI 2004, p. 155), but banks initially showed lukewarm response to these measures. The central bank was seen bemoaning thus:

"Consequent upon the deregulation of interest rates and the significant reduction in the statutory pre-emptions, there was an expectation that enhanced credit flow to the needy would be facilitated. In contrast to these expectations, banks continued to show a marked preference for investments in Government securities" [(RBI (2004): *Report on Currency and Finance 2003-04*, p.155)].

As a result, banks' credit-deposit ratios remained unduly low and their profitability suffered a setback. Subsequently, apart from moral suasion from authorities and pressure to improve profitability, social pressures induced banks to expand their credit base. As alluded to in Section III, after 2000, the inadequacy of agricultural credit became a live socio-economic issue and the subject came to be examined by various committees rather repetitively (the two V.S. Vyas Committee reports referred to earlier in particular). After the banks began to implement *special agricultural credit plans* in 1995-96, some improvements in agricultural credit began to take place but in *real* terms it showed noticeable improvement only after 2000-01 (earlier Table 9). However, what gave added impetus to farm credit in recent years has been the direction issued by the Government of India in June 2004 to the banking system as a whole to double credit flow in three years, that is, to increase the credit-flow at a rate of 30 per cent per annum.<sup>5</sup> The annual targets set have been more

2004 and it has brought out a series of reports on the subject. A comprehensive report is NCEUS (2007): *Report on Conditions of Work and Promotion of Livelihoods in the Unorganised Sector (August)*. The Commission has recommended a series of measures for the speedy delivery of institutional finance for unorganised enterprises and towards this end, proposed the setting up of a National Fund.

<sup>5</sup> The Union Finance Minister's budget speech for 2006-07 said thus: Farm credit increased to Rs.125,309 crore in 2004-05 (well above the target) and is again expected to cross the target of Rs.141,500 crore set for the current year. I propose to ask the banks to increase the level of credit to Rs.175,000 crore in 2006-07 and also add another 50 lakh farmers to their portfolio.

**Table 11:** Agency-wise Ground Level Credit Flow: Targets and Achievements

(Rs. Crore)								
Agency	2002-03	2003-04	2004-05	2005-06	2006-07	Annual Growth Rates (per cent)		
						2004-05	2005-06	2006-07
Targets Set	–	–	113,075	141,000	175,000			
Achievements								
Co-operative Banks	23,636	26,875	31,231	39,404	42,480	16.2	26.2	7.8
RRBs	6,070	7,581	12,404	15,223	20,434	63.7	22.68	34.3
Commercial Banks	39,774	52,441	81,481	1,25,477	1,40,382	55.4	54.1	11.9
Other Agencies	80	84	193	382	NA	–	98.0	–
Total	69,560	86,981	1,25,309	1,80,486	2,03,296	44.1	44.1	12.7
<i>Source:</i> NABARD (2007), p.26								

than fulfilled and, in doing so, the performance of scheduled commercial banks and RRBs has been the most impressive (Table 11).

However, as brought out in a subsequent section, there are clear indications that such a knee-jerk reaction to the socio-political pressures, arising from serious credit supply gaps, will have its repercussions on first, the quality and purposes of lending, and second, on the processes of loan recovery.

*We shall not only achieve but exceed the target of doubling farm credit in three years. Since tenant farmers are not adequately served, I have asked the banks to open a separate window for self-help groups or joint liability groups of tenant farmers and ensure that a certain proportion of the total credit is extended to them. I intend to monitor closely progress in this behalf” (p. 9).*

*Subsequently, an official press release from NABARD states as under:*

*“In line with the announcement of the Farm Credit Package made by the Central Government in June 2004 to double the flow of credit to agriculture over a period of three years effective from 2004-05, the Union Budget for 2006-07 had set a target of Rs 1,75,000 crore of credit flow to the agriculture sector for the year. Against this target, the disbursement by all banks during 2006-07 (provisional figure) was Rs 2,03,296 crore, a modest growth of 13 per cent. For the year 2007-08, the Hon’ble Finance Minister has announced that Commercial Banks, RRBs and Cooperative Banks together would disburse credit for agriculture sector to the extent of Rs 2,25,000 crore, besides coverage of 50 lakh new farmers by the Commercial Banks and RRBs during the year” (Press Release dated June 7, 2007). Thus, within two years, about 10 million farmers are supposed to have been covered under the programme.*

#### ***Trends in relative share of agriculture credit in total bank credit***

Analytically, and from the yardstick of ‘priority sector’ advances (more of it later), what are more relevant are the trends in the share of agricultural sector in total bank credit. In this respect, the most notable achievement of the banking industry in the 1970s and 1980s was a decisive shift in credit deployment in favour of the agricultural sector in particular. From a puny level at the time of bank nationalisation, the credit share of the sector had moved to near 11 per cent in the mid-1970s and to a peak of about 17.5 to 18.0 per cent during the 1980s (Annexure A). This was the official target set in relation to some concept of net bank credit, initially for public sector banks. About 75 to 80 per cent of it was in the form of direct finance for farmers and the balance was indirect finance (Annexure B) rendered to institutions for assisting the agriculture sector in the form of finance for distribution of fertilizers, loans to state electricity boards for rural electrification, and other forms of indirect finance including deposits kept with NABARD in RIDF since 1995-96.

More significant achievement of scheduled commercial banks during the 1970s and 1980s was the rapid increase in the number of agricultural loan accounts they served. This number shot up from 1.37 million in 1972 to a peak of 27.74 million in March 1992, that is roughly 1.32 million accounts per year. The average loan per account served remained as low as Rs 7,500 or thereabout, that is, much less than Rs 10,000 (at prices of those years), though the number of loan accounts does not entirely correspond to the number of borrowers because the enjoyment of multiple set of accounts by big-size borrowers, in agriculture, the link is, however, the closest. The increase in the number of farmer accounts covered was not dramatic;

**Table 12:** Outstanding Credit of Scheduled Commercial Banks Against Agriculture

Year	No. of Accounts	Per Cent to All India	Outstanding Amount (Rs in lakh)	Per Cent to Total Loan Outstanding	Average Loan Per Account (In Rupees)
Dec-72	1371975	31.6	50091	9.0	3651
Dec-75	3042170	41.3	107058	10.7	3519
Dec-81	11231727	50.5	486330	17.1	4330
Mar-90	24520595	45.5	1662607	15.9	6780
Mar-92	27736718	42.1	2023764	14.8	7296
Mar-99	19788385	37.8	4088926	10.7	20663
Mar-00	20532891	37.8	4563827	9.9	22227
Mar-01	19843289	37.9	5173035	9.6	26069
Mar-02	20351184	36.1	6400855	9.8	31452
Mar-03	20840434	35.0	7593522	10.0	36436
Mar-04	21304168	32.1	9624504	10.9	45177
Mar-05	26656308	34.6	12438487	10.8	46662
Mar-06	29068113	34.0	17268407	11.4	59407

Source: RBI, *Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006* (Vol. 35), various issues. For year-wise data, see Annexure A

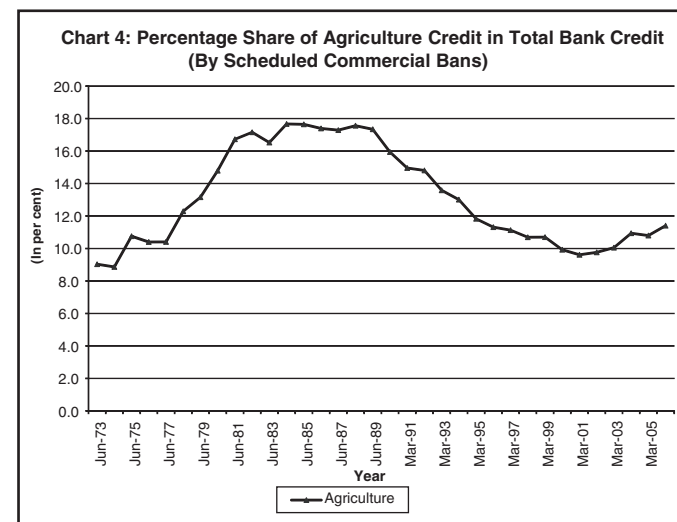
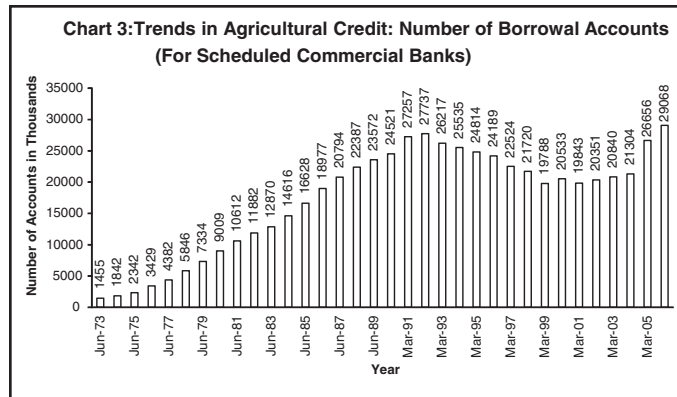
it was rather steady and systematic as it was dependent on the building up of financial infrastructure in the form of bank branches manned by qualified personnel.

### Serious setback in the 1990s

As referred to earlier, the stark reality has been the steady deterioration, generally against the declared public policies, in the sectoral deterioration of bank credit after the 1990s.<sup>6</sup> The share of agriculture in total bank credit (both direct and indirect) has dwindled from the peak of about 18 per cent to less than 10 per cent at the end of the 1990s. As indicated earlier, the annual growth of bank credit in real terms had ruled miniscule or negative for about five years in the early 1990s. Thereafter, the agricultural credit share began to pick up for the reasons explained earlier and has reached 11.4 per cent by the end of March 2006 (Table 12).

Under the impulse of the policy of doubling of bank credit flows as detailed above, the annual growth rates experienced in total agricultural loans – outstanding during the latest three years have been phenomenal, ranging from 27 to 37 per cent per annum in nominal terms or 22 to 33 per cent in *real* terms (Table 9).

<sup>6</sup> *The deterioration both in credit share and the number of loan accounts has occurred in respect of all informal sectors – small-scale industries, rural artisans and small borrower classes (See for details, see S. L. Shetty 2006, Shetty 2007 and Shukla 2006)*



More serious setback of the 1990s is seen in the sharp decline in the number of agricultural loan accounts which was reflective of the financial exclusion of a large segment of the farm community resorted to by the scheduled commercial banks. The number, which had reached a peak of 27.74 million in March 1992 as cited above, persistently declined thereafter and touched the lowest level of 19.79 million in March 1999 or 19.84 million in March 2001. Thus, in a period of ten years, there were about 8 million loan accounts which got reduced from the list of agricultural loans. However, in the latest phase of 2001-02 to 2005-06, the above loss has been restored. Again, with the policy of doubling of farm credit, the number of farmer borrowal accounts has risen to 26.66 million by March 2005 and further to 29.07 million by March 2006 (Table 12).

Charts 3 and 4 depict rather neatly the three phases of the behaviour of the number of agricultural loan accounts and the share of farm credit in total bank credit. Notwithstanding the divergent causes for their behaviour which we have addressed separately in this study, what stands out in these charts are the expansions in the post-nationalisation periods of 1970s and 1980s and the contractions thereafter, both in the number

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of accounts and the percentage share of agricultural credit. Charts also depict the edging up in both the indicators in the latest phase of the policy of doubling of farm credit flows in three years between the year-ending March 2003 to March 2006 (comparable statistics in this BSR series are not available for March 2007).

### 2. Doubling of Farm Credit and its Quality

#### Expansion of indirect lendings

The recent farm credit recovery, essentially under the influence of the policy of doubling, has taken the character

of forced pace of expansion and has in turn resulted in some distinct unhealthy features which have deprived of its quality, particularly as it forms part of the directed "priority sector" target. First, a substantial part of the recent increases have been in the form of indirect advances, that is, not to individuals but to institutions and organisations serving the interests of the farm sector indirectly (Table 13 and Annexure B). Between March 2001 and March 2006, there has occurred a five-fold expansion in indirect credit outstandings

(i.e., 480 per cent) as against a rise of two-fold expansion in direct credit (i.e., 187 per cent). As percentage of total agricultural credit, the share of indirect advances have

**Table 13:** Direct and Indirect Finance For Agriculture and Allied Activities by Scheduled Commercial Banks

<i>(Amount in Rupees Lakh)</i>						
<i>Number of Accounts</i>						
<i>Year</i>	<b>Agriculture Total</b> <i>1=(2+3)</i>	<i>Per Cent Increase</i>	<i>Direct Finance</i> <i>2</i>	<i>Per Cent Increase</i>	<i>Indirect Finance</i> <i>3</i>	<i>Per Cent Increase</i>
Mar-97	22524364		22224763		299601	
Mar-98	21720055	-3.6	21407723	-3.7	312332	4.2
Mar-99	19788385	-8.9	19520405	-8.8	267980	-14.2
Mar-00	20532891	3.8	20214350	3.6	318541	18.9
Mar-01	19843289	-3.4	19564089	-3.2	279200	-12.4
Mar-02	20351184	2.6	19740112	0.9	611072	118.9
Mar-03	20840434	2.4	20195464	2.3	644970	5.5
Mar-04	21304168	2.2	20719954	2.6	584214	-9.4
Mar-05	26656308	25.1	26010380	25.5	645928	10.6
Mar-06	29068113	9.0	28418193	9.3	649920	0.6
<i>Amount Outstanding</i>						
Mar-97	3163415		2721736		441680	
Mar-98	3526252	11.5	3050890	12.1	475362	7.6
Mar-99	4088926	16.0	3394114	11.2	694812	46.2
Mar-00	4563827	11.6	3856079	13.6	707748	1.9
Mar-01	5173035	13.3	4342026	12.6	831008	17.4
Mar-02	6400855	23.7	4743042	9.2	1657813	99.5
Mar-03	7593522	18.6	5905756	24.5	1687766	1.8
Mar-04	9624504	26.7	7009873	18.7	2614631	54.9
Mar-05	12438487	29.2	9463537	35.0	2974950	13.8
Mar-06	17268407	38.8	12456294	31.6	4812113	61.8

Source: RBI, *Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006* (Vol. 35) and earlier issues

**Table 14:** Sub-Categories of Direct and Indirect Advances: Amount Outstanding and Number of Loan Accounts

(Amount in Rupees, Crore)						
Year Ending March	Direct Advances		Indirect Advances			
	Number of Accounts	Amount Outstanding	Finance for Distribution of fertilizers and Other Inputs		Other Types of Indirect Finance (including state electricity boards and RIDF)	
			Number of Accounts	Amount Outstanding	Number of Accounts	Amount Outstanding
2001	19,035,374	40,485	80,219	2,304	202,166	16,521
2002	15,854,277	46,580	75,002	3,304	423,183	14,935
2003	17,003,304	56,858	101,289	3,241	155,855	19,501
2004	19,634,319	70,781	86,606	4,118	94,540	23,679
2005	20,932,515	95,562	80,894	5,134	628,796	30,079
2006	NA	1,34,798	NA	6,440	NA	49,965

*Note:* As this source is different, these data do not match with the BSR data presented in Table 13.  
NA : Not Available  
Source: RBI's Statistical Tables Relating to Banks in India 2005-06

risen from 16 per cent to 28 per cent during the above period (Annexure B). As shown in Table 14 below, the increases in the number of accounts for certain types of institutional accounts is mindboggling, but they are very erratic too, giving rise to doubts on the credibility of data. Incidentally, even for earlier, the number of loan accounts and amounts outstanding have exhibited erratic tendencies (Table 13).

#### **Urban and metropolitan branches dominate in agricultural loans for dominate**

Secondly, of the total increase of Rs 1029,953 crore in agricultural credit between March 2001 and March 2006, about 52 per cent (or Rs 53,306 crore) has been from urban and metropolitan branches of banks, while rural and semi-urban branches have accounted for only 48 per cent of the incremental agricultural credit during the recent period (Table 15). As a

**Table 15:** Population Group-wise Agriculture Credit of Scheduled Commercial Banks in India

(Amount in Rupees, Lakh)													
Year	Rural+Semi-Urban					Urban+Metropolitan					Total		
	No. of Accounts	Per Cent to Total	Amount	y-o-y Growth	Per Cent to Total	No. of Accounts	Per Cent to Total	Amount	y-o-y Growth	Per Cent to Total	No. of Accounts	Agriculture Credit	y-o-y Growth
Mar-95	23302918	93.9	2088243	9.4	83.7	1511081	6.1	406559	7.4	16.3	24813999	2494802	9.1
Mar-96	22723665	93.9	2334249	11.8	81.0	1464908	6.1	546646	34.5	19.0	24188573	2880895	15.5
Mar-97	21188389	94.1	2519416	7.9	79.6	1335975	5.9	643999	17.8	20.4	22524364	3163415	9.8
Mar-98	20513822	94.4	2825698	12.2	80.1	1206233	5.6	700554	8.8	19.9	21720055	3526252	11.5
Mar-99	18782640	94.9	3182862	12.6	77.8	1005745	5.1	906063	29.3	22.2	19788385	4088925	16.0
Mar-00	19475312	94.8	3610965	13.5	79.1	1057579	5.2	952862	5.2	20.9	20532891	4563827	11.6
Mar-01	18643228	94.0	4013929	11.2	77.6	1200061	6.0	1159106	21.6	22.4	19843289	5173035	13.3
Mar-02	19343338	95.0	4649651	15.8	72.6	1007846	5.0	1751204	51.1	27.4	20351184	6400855	23.7
Mar-03	19837120	95.2	5522910	18.8	72.7	1003314	4.8	2070612	18.2	27.3	20840434	7593522	18.6
Mar-04	20173953	94.7	6362353	15.2	66.1	1130215	5.3	3262150	57.5	33.9	21304168	9624503	26.7
Mar-05	25209573	94.6	8622419	35.5	69.3	1446735	5.4	3816069	17.0	30.7	26656308	12438488	29.2
Mar-06	26891025	92.5	10778710	25.0	62.4	2177088	7.5	6489697	70.1	37.6	29068113	17268407	38.8

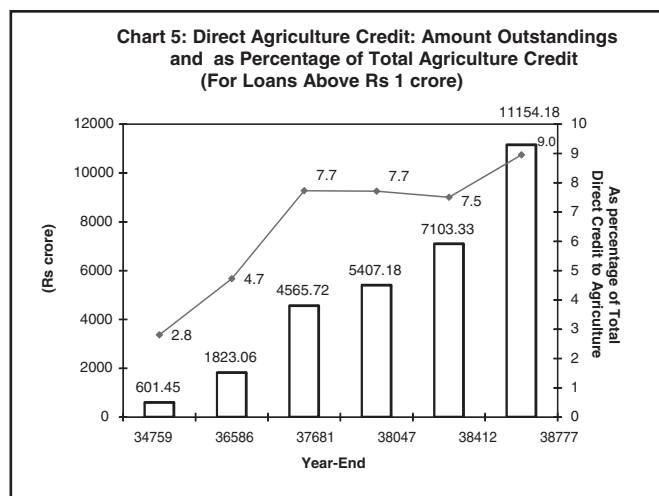
From March 1995 to March 2005 classification of centres is based on 1991 Census data.  
From March 2006 classification is based on 2001 Census, For details, See Annexure C

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result, the share of rural and semi-urban branches of banks in total farm credit has fallen from 84 per cent in March 1995 to 69 per cent in March 2005 and to 62 per cent in March 2006, while that of urban and metropolitan branches has risen from 16 per cent to 31 per cent and 38 per cent during the same periods, respectively (see also Annexure C). This indicates that the profile of farmers who are catered to by banks is increasingly assuming urban characteristics.

### Unusually large-size farm loans

Thirdly, sizeable proportions of agricultural loans granted during the recent years have been large-size loans with credit limits of over Rs 1 crore. For instance, between March 2002 and March 2006, while the number of direct loan accounts increased by 44 per cent, the amount of such loans outstanding has shot up by 163 per cent (see earlier Table 13). There is also direct evidence in this respect in the size distribution of agricultural loans. As shown in Chart 5 (and Table 16), there has been a quantum leap in the proportion of direct agricultural loans of limits of above Rs. 1 crore. For these Rs 1 crore and above accounts, the share of direct finance has gone up from



Rs 7,103 crore to Rs 11,154 crore within one year from March 2005 to March 2006, that is, from 7.5 per cent to 9 per cent of the total, or in incremental terms, 15 per cent of the total increase in direct finance (Table 16). What is more, the number of direct loan accounts with credit limits of above Rs 10 crore has increased from 139 accounting for outstanding loans of Rs

**Table 16: Size-Wise Distribution of Direct Agricultural Finance (Scheduled Commercial Banks)**

<i>(Amount in Rupees Crore)</i>						
<i>A. Details</i>						
<i>Size Group</i>	<i>March 2006</i>		<i>March 2005</i>		<i>March 2004</i>	
	<i>Amount Outstanding</i>	<i>Per Cent to Total</i>	<i>Amount Outstanding</i>	<i>Per Cent to Total</i>	<i>Amount Outstanding</i>	<i>Per Cent to Total</i>
Rs 25,000 & Less	22526	18.1	21649	22.9	17640	25.2
Rs 25,000 & up to Rs 2 lakh	53188	42.7	41436	43.8	28521	40.7
Rs 2 lakh & up to Rs 10 lakh	31738	25.5	20224	21.4	15299	21.8
Rs 10 lakh & up to Rs 1 crore	5956	4.8	4222	4.5	3231	4.6
Rs 1 Crore & up to Rs 4 crore	5117	4.1	2232	2.4	2663	3.8
Rs 4 Crore & up to Rs 10 crore	2781	2.2	1637	1.7	1085	1.5
Above Rs 10 crore	3256	2.6	3235	3.4	1659	2.4
<b>Total</b>	<b>124563</b>	<b>100.0</b>	<b>94635</b>	<b>100.0</b>	<b>70099</b>	
<i>Size Group</i>	<i>March 2002</i>		<i>March 1997</i>		<i>March 1992</i>	
	<i>Amount Outstanding</i>	<i>Per Cent to Total</i>	<i>Amount Outstanding</i>	<i>Per Cent to Total</i>	<i>Amount Outstanding</i>	<i>Per Cent to Total</i>
Rs 25,000 & Less	16245	34.3	14663	53.9	10941	61.3
Rs 25,000 & up to Rs 2 lakh	20271	42.7	7997	29.4	5057	28.4
Rs 2 lakh & up to Rs 10 lakh	7340	15.5	2144	7.9	637	3.6
Rs 10 lakh & up to Rs 1 crore	1580	3.3	1281	4.7	455	2.6
Rs 1 Crore & up to Rs 4 crore	886	1.9	694	2.6	302	1.7
Rs 4 Crore & up to Rs 10 crore	542	1.1	249	0.9	94	0.5
Above Rs 10 crore	567	1.2	188	0.7	350	2.0
<b>Total</b>	<b>47430</b>	<b>100.0</b>	<b>27217</b>	<b>100.0</b>	<b>17836</b>	<b>100.0</b>

B. Summary (As percentage of Total Bank Credit)				
Year/Range	Rs 25,000 & Less	Above Rs 25,000 & Up to Rs 2 Lakh	Rs. 2 Lakh and Less	Above Rs. 2 Lakh
(1)	(2)	(3)	4=(2+3)	(5)
March 2006	18.1	42.7	60.8	39.2
March 2005	22.9	43.8	66.7	33.3
March 2002	34.3	42.7	77.0	23.0
March 1997	53.9	29.4	83.3	16.7
March 1992	61.3	28.4	89.7	10.3

Source: RBI, *Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006* (Vol. 35) and earlier issues. See also Annexure D

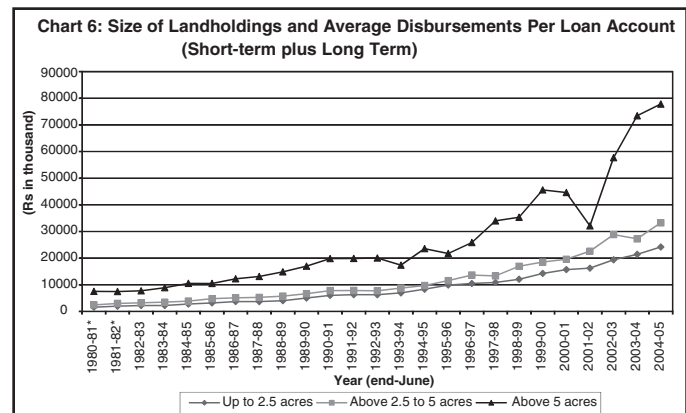
2,744 crore in March 2004 to 288 with outstanding amount of Rs 6,037 crore in March 2006 (Annexure D).

It must be noted here that the above three aspects of agricultural lendings, which reveal a qualitative change in farm credit dispensation, began somewhat before the policy of doubling of credit began to be implemented. With rapid diversification in agriculture, the character of agriculture itself may have undergone a change. And, once the banks began to expand their credit base after a long period of lull and low profitability, they turned towards indirect lendings, agricultural lendings on the periphery of urban and metropolitan areas and relatively large account holders. The process of doubling of credit vastly intensified these tendencies.

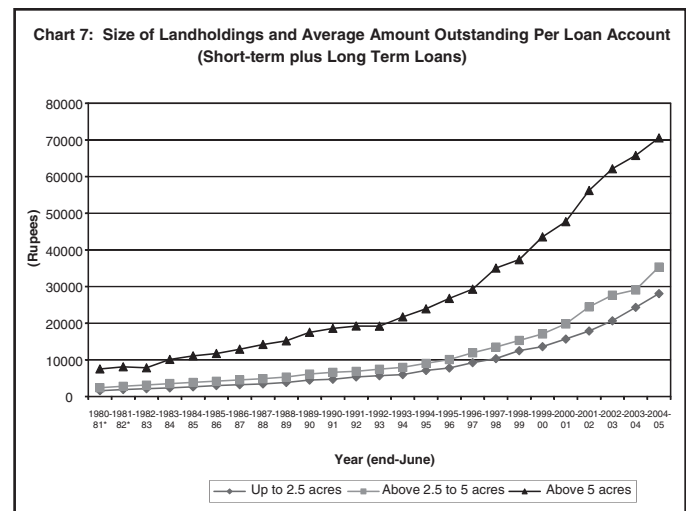
### Bank credit and land size

The available information on the distribution of commercial bank credit by land size shows that the share of marginal farmers increased marginally from 28 per cent in 1981-82 to 29 per cent by 1991-92 but declined to 25 per cent in 2003-04 or a little over 26 per cent in 2004-05. The share of small farmers increased from 21 per cent in 1981-82 to 25 per cent in 1991-92, and remained at that level thereafter. The share of cultivators above five acres fell from 52 per cent in 1981-82 to 46 per cent in 1990-91 but rose again to 52 per cent in 2003-04 and 2004-05 [Annexures E(i) and E (ii)].

Charts 6 and 7 reveal how average loan amounts per loan account have rapidly increased for large-size land holdings as compared with the relatively moderate increases for the medium-size (2.5 to 5.0 acres) and more so, for the smallest size group (up to 2.5 acres). Increases in average amounts per loan account in respect of the largest land size groups have been much more sharp in disbursements in the latest three years (Chart 6) as compared with outstandings (Chart 7).



Source: RBI, *Handbook of Statistics on the Indian Economy*, see Annexure E (i)



Source: RBI, *Handbook of Statistics on the Indian Economy*, see Annexure E (ii)

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**Table 17:** Distribution of Scheduled Commercial Banks' Outstanding Credit to Farmer Households According to Size of Holdings

Year (at end June)	Up to 2.5 Acres		Above 2.5 Acres Up to 5 Acres		Above 5 Acres	
	No of Accounts	Amount	No of Accounts	Amount	No of Accounts	Amount
1981-82	50.59	27.77	24.61	20.66	24.80	51.57
1991-92	45.42	28.79	31.43	24.87	23.15	46.34
2002-03	38.90	22.12	30.17	25.52	30.93	52.36
2003-04	42.83	24.94	31.10	23.02	26.07	52.04
2004-05	44.00	26.30	31.10	25.70	24.90	48.00
<i>Ratio of share of credit disbursed to share of area operated</i>						
1981-82	1.02		0.82		1.08	
1991-92	0.54		0.75		1.42	
2002-03	0.41		0.80		1.40	

*Source:* RBI, *Handbook of Statistics on the Indian Economy, 2005-06* and National Sample Survey Organisation (NSSO), *Some Aspects of Operational Land Holdings in India, Various Rounds.*

During 1991 to 2002, the share of marginal farmers in total area operated has increased whereas their share in total credit has declined. This has happened despite instructions issued in October 2004 after accepting V.S. Vyas committee recommendations, that banks should endeavour to increase their disbursements to marginal and small farmers; subsequently, this requirement was qualified at 40 per cent of their direct advances under special agricultural credit plans (SACPs) by March 2007. The share of credit to small farmers has risen more or less in proportion to the area operated by them. On the other hand, the share of large farmers in total

credit has gone up although their share in area has remained the same (Table 17).

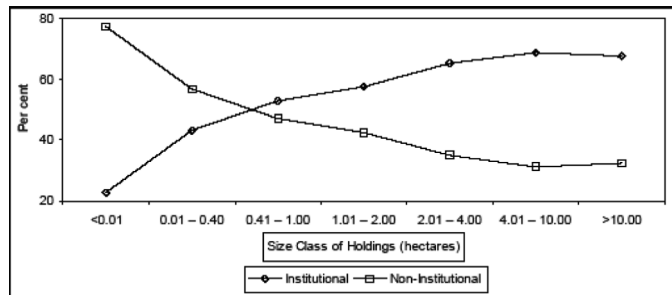
In this respect, a telling picture revealed by the NSSO's *Situation Assessment Survey of Farmers, 2003* is worth noting. As shown in Table 18 and Chart 8, there is a consistent rise in the share of loans from institutional agencies with the rise in the size class of holdings, and as an obverse, there is fall in the share of loans from non-institutional agencies. Thus, the dependence of small and marginal farmers on non-institutional agencies is as high as 57 per cent to 77 per cent.

**Table 18:** Incidence, Amount and Source of Indebtedness by Land Holding Size, 2003

Size Class of Land Possessed (Hectares)	Total Households (%)	Total Indebted Households (%)	Incidence of Indebtedness (%)	Amount Outstanding Per Farmer Household (Rupees)	Loans from	
					Institutional Agencies (%)	Non Institutional Agencies (%)
<0.01	1.4	1.3	45.3	6121	22.6	77.4
0.01 -0.40	32.8	30.0	44.4	6545	43.3	56.7
0.41 -1.00	31.7	29.8	45.6	8623	52.8	47.1
1.01 -2.00	18.0	18.9	51.0	13762	57.6	42.3
Up to 2.00	83.9	79.9	46.3	8870	51.3	49.7
2.01 -4.00	10.5	12.5	58.1	23456	65.1	35.0
4.01-10.00	4.8	6.4	65.1	42532	68.8	31.1
10.00 +	0.9	1.2	66.4	76232	67.6	32.4
All Sizes	100.0	100.0	48.6	12595	57.7	42.4

*Source:* NSSO, *Situation Assessment Survey of Farmers, 2003.*

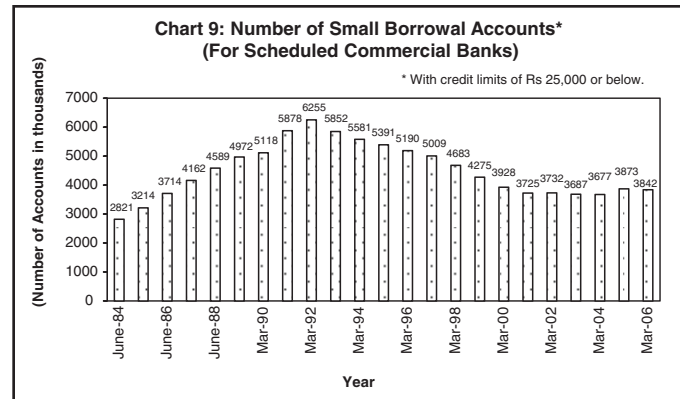


**Chart 8: Distribution of Debt by Source Across Size Class of Holdings**

Source: As in Table 18

### 3. Loss of Momentum in the Distribution of Bank Credit in Favour of Small Borrowers and other Vulnerable Groups

The neglect of agriculture and other informal sectors in bank credit dispensation is also reflected in a steady decline in the number and share in total bank credit of small borrowal accounts. Following bank nationalisation and for the next two decades, there was an upsurge in such small loan accounts. Between December 1972 and June 1983, there were 21.2 million additional bank loan accounts in the aggregate added and nursed by the scheduled commercial banks, of which 19.8 million or 93.1 per cent were accounts with Rs 10,000 or less of credit limits. This trend of focusing on small borrowal accounts continued for another decade up to March 1992 (despite the loan waiver scheme effective March 15, 1990). Between December 1982 and March 1992, there were 38.1 million additional bank accounts, of which 36.0 million (94.5 per cent) were the redefined small borrowal accounts with credit limits of Rs 25,000 and less (to account for the impact of inflation).



Source: See Annexure F

But, after the beginning of the 1990s, there was a sudden shift of focus away from small accounts (Annexure F and Chart 9). Between March 1992 and March 2001, there has been an absolute decline of about 13.5 million in the aggregate bank loan accounts and this has happened entirely because of a much larger decline of 25.3 million accounts for the redefined small borrowal accounts with credit limits of Rs 25,000 and less. On the other hand, borrowal accounts with higher credit limits of above Rs 25,000 have shown an unusually large increase of 11.8 million as compared with only 2.1 million increase in them during the preceding decade (December 1983 to March 1992).

Even in the recent period between March 2001 and March 2005, while there has occurred an addition of 24.79 million in total loan accounts, small borrowal accounts have experienced an absolute fall of 0.49 million until March 2004; during 2004-05 there was a fractional increase of 1.97 million accounts during 2004-05 but it has again been followed by a small fall in the number by 0.31 million during 2005-06 (Table 19).

**Table 19: Trends in the Number of Small Borrowal vis-à-vis other Bank Loan Accounts**

Period-End	Total Bank Borrowal Accounts (In Lakh)		Small Borrowal Accounts of Rs,25,000 or less (In Lakh)		Other Bigger Accounts (In Lakh)	
	Number	Increase Over the Previous Period	Number	Increase Over the Previous Period	Number	Increase Over the Previous Period
Dec-1983	277.48	-	265.21	-	12.27	-
March 1992	658.61	381.12	625.48	360.27	33.12	20.85
March 2001	523.65	(-) 134.95	372.52	(-) 252.96	151.13	118.01
March 2004	663.90	140.25	367.66	(-) 4.86	296.24	145.11
March 2005	771.51	107.61	387.33	19.67	384.18	87.94
March 2006	854.35	82.84	384.19	(-) 3.14	470.16	85.98

Source: RBI's, *Basic Statistical Returns of Scheduled Commercial Banks*, various issues.

It is necessary to clarify at this stage that we have consciously avoided applying deflators for the small borrowal size of Rs 25,000 because this size itself is quite substantial for a vast number of informal sector borrowers. The entire literature on the profile of small-size borrowers and the micro finance movement will justify, as shown in the following paragraphs, that the Rs 25,000 cut-off limit for small borrowal accounts remains valid even today.

Apart from the loan waiver scheme which was completed by June 30, 1991 and in which the scheduled commercial banks had a small share<sup>7</sup>, the factor that truly stands out as the one responsible for discouraging banks from lending small amounts of loans, that is, the package of prudential norms and other financial sector reforms. The definition of non-performing assets (NPAs) was tightened in April 1992 and the norms were set on capital adequacy, income recognition and provisioning. Banks had to arrest erosions in profitability. The most important step was one of the imposition of capital adequacy norms to be attained in stages by the end of March 1993; the RBI also prescribed as a practical proposition “that in respect of amounts of Rs 25,000 and less, aggregate provisioning to the extent of 2.5 per cent of the total outstanding should be made rather than a case-by-case evaluation of a large number of small accounts” (RBI 1993, p.15).<sup>8</sup>

### ***Impact of credit contraction on poor households<sup>9</sup>***

The implications of credit contractions for small borrowers are very many. First, small borrowal accounts have a regional dimension. The decline in small borrowal accounts (Rs 25,000

and below) has occurred between March 1996 and March 2001 only in three underdeveloped regions of north-east, east and central. After 2001, the state-wise data on small borrowal accounts are available for credit limit of Rs 2 lakh and below. These also show the concentration of such small borrowal accounts in these three backward regions. Second, nearly 80 per cent of small borrowal accounts have been in rural and semi-urban areas and hence their contraction is sure to hurt the borrowers in such areas. Third, about 22 per cent of the number of small accounts and 18.1 per cent of the amount outstanding of such accounts have been in respect of women borrowers; over the years this proportion has edged up implying that women borrowers have increased their share of bank borrowings. Such is not the case with the borrowers amongst scheduled castes and scheduled tribes; their share has remained generally static between 1993 and 1997; the shares of women in these groups are also broadly the same. Fourth, even within the small borrower category, still smaller loans up to Rs 7,500 had accounted for 80.5 per cent of the number of accounts and 50 per cent of the loan amount outstanding in March 1993, which had slipped to 64 per cent and 32 per cent, respectively, by March 1997. Fifth, the bulk of the small borrowal accounts have been for agricultural and allied activities. Sixth, about 50 per cent of the small borrowal accounts have been granted under special asset-creating employment programmes like the IRDP, SEEUY, SEPUP, DRI and others. Seventh, regional rural banks (RRBs) stand out as the banks serving the small borrowal accounts; it is more so in rural areas. Many of these phenomena are getting further reinforced in the more recent period. Finally, small borrowal accounts have about two-thirds of credit outstanding as standard assets, which is somewhat lower than that for the public sector banking system as a whole at 88 per cent. Standard assets of small borrowal accounts have risen with the size of loans but have been higher for agricultural activities than for industry, trade and transport except for personal and professional loans; the latter categories thus have weaker assets.

<sup>7</sup> *The RBI's Annual Report for 1991-92 (p.115) gave the following progress of the loan waiver scheme: “the implementation of Agricultural and Rural Debt Relief Scheme 1990 came to a close on June 30, 1991. Earlier figures reported by public sector banks and NABARD indicated that debt relief to the extent of about Rs 7,917 crore has been provided by banks, of which public sector commercial banks provided Rs 2,962 crore, Regional Rural Banks (RRBs) Rs 808 crore and co-operative banks Rs 4,147 crore. Against this, after carrying out verification of debt relief provided, the banks have claimed an aggregate amount of Rs 7,800 crore, commercial banks Rs 2,841 crore, RRBs Rs 804 crore and co-operatives Rs 4,155 crore (provisional)”.*

<sup>8</sup> *For this reason also, we have not found it necessary to deflate the small-size loan amounts by any deflator for inflation accounting. Also, the limit of Rs 25,000 is still considered as a sizeable loan amount for a majority of the farm community. Therefore, a rapid decline in this share, as shown in Table 19 above, remained truly disconcerting.*

<sup>9</sup> *The summary assessment in this sub-section is based on a series of occasional articles in the RBI's monthly Bulletin; See, for example, “Survey of Small Borrowal Accounts, 2001” in May 2004 issue of the Bulletin; some parts of the data on small borrowal accounts are available in the RBI's Basic Statistical Returns of Scheduled Commercial Banks, which has been the basic source of information for this part of the study. The latest data contained in July 2006 issue of RBI Bulletin are not comparable because small borrowers are defined in it as those having credit limits of Rs 2 lakh or less as against Rs 25,000 or less for the earlier studies.*

#### 4 Inter-Regional Disparities in Agricultural Credit

Another of the most crucial objectives of bank nationalisation was to narrow inter-regional and inter-state disparities in banking development, and with its help, reduce disparities in economic and social development in general. In this respect, the agricultural sector, which has been the mainstay of underdeveloped regions and states, required added credit support from the banking institutions in those areas as they have been historically neglected.

Judged against this background, the inter-regional disparities in credit distribution by scheduled commercial banks for agricultural in particular appear to be very wide. Table 20 seeks to juxtapose region-wise distribution of total agricultural credit and similar distribution of all-India number of farmer households.<sup>10</sup>

It is found that today, 46 per cent of total agricultural loan accounts and 33 per cent of loans outstanding are obtained by the southern region, but this region accounts for only 18 per cent of the total number of farmer households in the country. On the other hand, the country's central region houses 30 per cent of the country's farm households but accounts for 21 per cent of agricultural loan accounts and less than 18 per cent of loan amounts outstanding. Likewise, the eastern region has

<sup>10</sup> A similar comparison is made elsewhere between agricultural incomes and bank credit.

24 per cent share in farm households but gets only 8.2 per cent of farm loans.

When such a comparison is made, there are three distinct scenario that are discernible. First, the northern and southern regions, which are known to be agriculturally advanced, house relatively smaller proportions of farm households but account for relatively much higher absorptions of bank credit. Second, there are the cases of three underdeveloped regions – the central, eastern and north-eastern – which face a contrary situation: low level of bank credit and high proportions of the number of farm households. Finally, there is the western region wherein credit-farmer household relationships are relatively more evenly distributed.

#### *Trends in regional shares in agricultural credit*

Table 21 presents data on the region-wise distribution of agricultural credit and changes therein over the past three decades or more. Such state-wise distributions over the past four and a half decades are depicted in Annexure I. Two key results stand out from these data. First, the proportions of agricultural credit acquired by the relatively underdeveloped regions in the country – the eastern and north-eastern regions – in all-India total, have persistently declined (Part A of Table 21). Within the eastern region, the states of Bihar and West Bengal have suffered, over a period, losses in their shares of farm loans. Interestingly, while the western region has suffered a similar loss in share, the central region has gained in such

**Table 20:** Region-wise Shares in Agricultural Credit and Proportions of Farmer Households

Region	MARCH 2006						Jan-Dec 2003	
	No. of Bank Offices	Per Cent to Total	No. of Loan Accounts	Per Cent to Total	Credit Outstanding (Rs. Crore)	Per Cent to Total	Estimated No. of Farmer Households ('100)	Per Cent to Total
	1	2	3	4	5	6	7	8
Northern	11,821	16.7	29,74,089	10.2	40,615	23.5	56,380	6.3
North-Eastern	1,949	2.8	4,46,242	1.5	1,458	0.8	3,48,74	3.9
Eastern	12,308	17.4	39,34,473	13.5	14,133	8.2	21,11,40	23.6
Central	14,104	19.9	61,76,074	21.2	30,416	17.6	27,13,41	30.4
Western	10,996	15.5	24,64,602	8.5	29,739	17.2	15,67,42	17.5
Southern	19,598	27.7	130,72,633	45.0	56,322	32.6	16,15,78	18.1
ALL-INDIA	70,776	100	29,068,113	100	172,684	100	89,35,04	100.0

Note: For details of state-wise data, see the source

Source: As in Annexures G and H

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share. But what is striking is that the southern region has retained firm grip on its farm credit share which has been the highest in the range of 33 to 36 per cent; the region accounts for only 18 per cent of farm households in the country as cited earlier (Annexure I). A marginal decline in the southern region's share from 36.3 per cent in March 1992 to 32.6 per cent in March 2006 is accompanied by a sizeable increase in the share of the northern region from 17.5 per cent to 23.5 per cent – a region which is relatively well-developed.

Secondly, all regions except the central have faced declining trends in the proportions of agricultural credit in their respective regions' total bank credit (Part B of Table 21). A major possible reason for the absence of any such declining trend in the share of agricultural credit in total bank credit in the central region is probably the absence of economic

diversification within the region. The southern region, which has a well-spread banking network and which also enjoys a relatively better diversified economic structure, presents a picture of steeper decline in its share of agricultural credit in total bank credit. The southern states have all experienced this phenomenon, while the central region states of Uttar Pradesh and Madhya Pradesh have shown a contrary picture (Annexure I). The latter are the states which have shown relatively poorer agricultural growth; they have also diversified less. In the eastern region, while West Bengal has shown some decline in agricultural share, Bihar has not experienced such a fall reflecting the same feature of poor diversification.

A third and final interesting revelation regarding inter-state disparities is brought out in Table 22. In the state-wise distribution of agricultural loan accounts in total all-India

**Table 21:** Region-wise Agriculture Credit Share

<i>Part A: Regional Share in All-India Agriculture Credit</i> (Amount in Rs Lakh)										
Region	March-06		Mar-02		Mar-92		Mar-92		Dec-72	
	Amount	Per Cent to All-India	Amount	Per Cent to All-India	Amount	Per Cent to All-India	Amount	Per Cent to All-India	Amount	Per Cent to All-India
Northern	4061481	23.5	1411621	22.1	353475	17.5	123561	21.9	6584	13.1
North-Eastern	145835	0.8	58992	0.9	40558	2.0	8333	1.5	2721	5.4
Eastern	1413343	8.2	528527	8.3	227699	11.3	61077	10.8	6671	13.3
Central	3041622	17.6	1160774	18.1	359966	17.8	86615	15.4	5685	11.4
Western	2973876	17.2	1033041	16.1	307369	15.2	90126	16.0	11221	22.4
Southern	5632249	32.6	2207900	34.5	734698	36.3	194125	34.4	17209	34.4
All-India	17268406	100	6400855	100	2023765	100	563837	100	50092	100

<i>Part B: Agriculture Credit Share in Each Region's Total Bank Credit</i>										
Region	March-06		Mar-02		Mar-92		Mar-92		Dec-72	
	Amount	Per Cent Tot.Crd	Amount	Per Cent Tot.Crd	Amount	Per Cent Tot.Crd	Amount	Per Cent Tot.Crd	Amount	Per Cent Tot.Crd
Northern	4061481	12.1	1411621	10.0	353475	14.6	123561	16.4	6584	9.2
North-Eastern	145835	8.4	58992	6.1	40558	15.8	8333	18.5	2721	39.6
Eastern	1413343	10.7	528527	8.8	227699	13.5	61077	12.7	6671	6.7
Central	3041622	24.1	1160774	19.8	359966	22.6	86615	23.9	5685	13.4
Western	2973876	6.2	1033041	4.9	307369	8.0	90126	9.3	11221	5.9
Southern	5632249	13.3	2207900	12.6	734698	19.1	194125	21.6	17209	12.0
All-India	17268406	11.4	6400855	9.8	2023765	14.8	563837	16.1	50092	9.0

Source: RBI(2007e), Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006 (Vol.35) and earlier issues

**Table 22: State-wise Share in All-India Agriculture Credit: Number of Loan Accounts and Amounts Outstanding**

A. Number of Agricultural Loan Accounts (Per Cent to All-India)															
States	Haryana	Punjab	Rajasthan	Assam	Bihar	Orissa	West Bengal	Madhya Pradesh	Uttar Pradesh	Gujarat	Maha-rashtra	Andhra Pradesh	Karnataka	Kerala	Tamil Nadu
Dec-72	1.0	1.3	1.9	0.4	1.9	0.9	4.1	3.0	3.9	5.0	8.5	16.5	8.9	13.3	27.7
Dec-75	1.1	1.5	1.9	0.6	3.2	2.1	4.7	3.3	5.7	3.4	6.8	17.6	9.8	14.8	21.7
Dec-78	1.5	2.6	2.3	0.5	4.8	4.7	5.7	3.5	10.1	3.0	5.3	18.0	9.1	11.5	14.6
Dec-81	2.0	3.2	3.1	0.5	5.6	5.8	5.3	4.3	10.5	3.1	5.7	17.6	7.8	9.2	13.9
Dec-84	2.3	3.2	3.5	0.7	5.9	5.5	5.7	4.7	11.1	3.2	5.9	17.5	8.5	7.2	12.6
Dec-87	2.5	3.0	3.8	1.0	6.9	5.0	6.1	5.1	11.1	3.6	5.9	15.4	9.6	6.7	11.7
Mar-90	2.4	2.7	4.3	0.9	7.6	4.9	6.4	5.6	11.6	3.8	5.9	15.1	8.8	6.0	11.4
Mar-93	2.1	2.6	4.0	1.3	9.2	4.7	5.8	5.7	13.1	3.9	6.9	14.5	8.3	4.9	10.8
Mar-96	1.8	2.4	4.0	1.4	8.9	4.7	5.7	5.8	13.0	3.6	6.6	14.6	7.8	4.9	12.5
Mar-99	1.8	2.8	4.4	0.9	6.6	4.1	4.4	5.4	13.8	4.0	6.9	16.3	8.4	6.0	12.0
Mar-02	2.2	3.4	4.6	0.6	3.5	4.0	4.2	4.0	14.1	4.4	6.3	16.9	8.2	6.4	11.6
Mar-03	2.0	2.8	4.6	0.7	3.6	3.7	4.1	3.9	15.5	4.3	5.8	17.3	8.0	6.6	11.6
Mar-04	2.3	2.9	4.7	0.7	3.7	3.3	3.6	3.9	15.8	4.0	4.5	17.3	8.1	7.4	13.2
Mar-05	2.0	2.6	4.7	0.7	4.1	3.4	3.6	3.9	16.0	3.7	4.7	18.4	7.5	6.5	13.3
Mar-06	2.1	2.5	4.8	0.9	4.4	3.6	3.8	4.3	15.2	3.8	4.7	17.0	6.7	6.6	14.5
B. Amount of Agricultural Credit Outstanding (Per Cent to All-India)															
States	Haryana	Punjab	Rajasthan	Assam	Bihar	Orissa	West Bengal	Madhya Pradesh	Uttar Pradesh	Gujarat	Maha-rashtra	Andhra Pradesh	Karnataka	Kerala	Tamil Nadu
Dec-72	1.4	2.2	2.2	5.4	1.5	0.3	11.5	2.1	9.3	8.1	14.1	8.9	9.8	3.7	11.6
Dec-75	2.6	4.7	2.6	4.6	2.5	0.9	8.1	3.6	10.9	5.9	13.7	11.4	10.1	4.5	12.1
Dec-78	4.3	6.7	3.5	2.9	3.6	1.9	6.2	4.1	9.7	5.7	10.5	12.8	9.0	4.1	8.3
Dec-81	3.9	7.5	4.1	1.3	5.6	2.3	3.9	4.7	11.2	5.4	9.2	12.4	8.1	4.4	9.7
Dec-84	6.5	15.3	4.3	1.1	3.1	2.5	2.5	4.5	8.3	4.5	7.8	12.8	8.4	0.4	8.2
Dec-87	4.7	7.3	4.8	1.4	4.0	3.1	3.8	5.8	8.9	5.1	9.0	13.0	10.7	5.2	9.9
Mar-90	4.3	6.1	4.9	1.6	4.8	2.8	4.2	6.6	10.2	5.1	8.8	12.6	9.6	4.4	10.7
Mar-93	3.9	5.9	5.2	1.2	5.2	2.3	4.1	6.5	11.2	7.5	8.8	11.5	9.0	4.1	10.5
Mar-96	3.5	5.8	4.0	1.1	5.0	2.4	3.2	6.1	10.0	5.4	9.8	12.9	9.8	4.5	11.6
Mar-99	3.6	6.2	5.2	0.7	3.6	2.0	2.6	6.7	10.5	5.5	9.7	12.7	10.5	4.5	10.3
Mar-02	4.3	6.3	6.4	0.6	2.3	1.9	2.9	5.9	10.8	5.9	10.2	11.8	10.5	4.2	7.9
Mar-03	4.1	6.2	6.4	0.6	2.1	1.7	2.9	5.7	11.6	5.4	9.8	11.4	10.2	4.0	8.2
Mar-04	4.1	5.8	5.7	0.5	2.0	1.5	4.0	5.6	10.7	4.7	10.4	11.2	10.1	4.5	9.4
Mar-05	3.9	5.9	5.7	0.4	2.4	1.7	3.1	5.8	11.2	4.8	9.9	11.7	10.1	3.6	10.0
Mar-06	4.1	5.1	5.4	0.5	2.4	1.7	3.4	5.5	10.6	5.1	12.0	10.4	9.0	3.4	9.7

Source: For details, see state-wise distributions presented in Exhibit B

agricultural loan accounts, the four southern states have experienced steady improvement between the mid-1990s and now. The northern states of Haryana, Punjab, and Rajasthan have stood their ground during the same period. An underdeveloped state to show still better improvement is Uttar Pradesh; its share in farm loan accounts increased from 13 per cent in the mid-1990s to 15 to 16 per cent now. In contrast, laggards in this respect are Gujarat and Maharashtra in the western region and Bihar, West Bengal and Orissa in the eastern region – all have experienced losses in the shares of all-India agricultural loan accounts (Table 22 is attached).

The above broad trends in the state-wise distribution of agricultural loans broadly hold true also for the corresponding distribution of agricultural loan amounts. However, there is a major qualitative difference between the two distributions. First, the percentage shares in loan amounts in underdeveloped states like Bihar and UP are considerably smaller than the relative shares in loan accounts, implying that they obviously absorb lower average size per loan account; the opposite is true of Maharashtra, Punjab and Haryana. Secondly, the states like UP and Andhra Pradesh which have enjoyed a growing share in agricultural loan accounts have not been benefited from similar increases in loan share; their loan shares have generally remained static in recent years. Maharashtra, which has found a reduction in loan account share, got a substantial increase in loan amount share, implying a growing rise in the average size of loans.

### 5. Regional Distribution of RIDF Funds

The situation in the mid-1990s was such that, on the one hand, banks were not fulfilling credit targets for agriculture on the ground of limited absorptive capacity of different regions, and on the other, shortage of resources at the state governments' level were delaying on-going projects relating to minor and medium irrigation, soil conservation, watershed development, rural roads and other forms of rural infrastructure which, when implemented, would have strengthened the agricultural economy and enhanced its credit absorbing capacity. Therefore, banks were required to make contributions to a Rural Infrastructure Development Fund (RIDF) to the extent of their shortfall in agricultural lending target subject to a maximum of 1.5 per cent of net bank credit. A grading disincentive structure has been in operation in the form of reduced interest rates paid on non-fulfilment of the priority sector targets. The initial amount under RIDF-I in 1995-96 was Rs 2,000 crore and the latest tranche under RIDF-XIII for 2007-08 has been placed at Rs 16,000 crore divided into two components – an allocation of Rs 12,000 crore for the normally defined rural infrastructure projects and an additional Rs 4,000 crore under a separate window

for the rural roads component of Bharat Nirman programme (This latter provision has been done for the second year in succession). The cumulative RIDF corpus including the Bharat Nirman components have touched Rs 80,000 crore up to 2007-08.

Studies reveal widening gap between sanctions and disbursements of RIDF funds for rural infrastructure projects. There appears to be undue delays in disbursing sanctioned amount. To address this problem, the scope of utilizing RIDF has been widened. For example, under RIDF-XII as many as 31 broad sectors and activities have been approved by the government for RIDF projects. These projects include minor irrigation projects/micro irrigation, flood protection, watershed development/reclamation of waterlogged areas, drainage, forest development, market yard/godown, apna mandi, rural haats and other marketing infrastructure, cold storage, seed farms, plantation and horticulture, grading and certifying mechanisms such as testing and certifying laboratories, community irrigation wells for the village as a whole, fishing harbour/jetties, riverine fisheries, animal husbandry and modern abattoirs and infrastructure for rural education and public health institutions, construction of toilet blocks and anganwadi centers.

Table 23 presents state-wise and region-wise distribution of RIDF sanctions and disbursements under all its eleven tranches, I to XI, together until the end of March 2006. It is found that the highest proportions of over 30 per cent each of sanctions as well as disbursements have been assigned to the southern region which is the most well-banked region. Of the 7.28 lakh villages, only 11 per cent belong to the southern region or as said earlier, only 18 per cent of the country's farm households reside in this region. On the other hand, the three less-banked regions, namely, central, eastern and north-eastern, which together account for near about 70 per cent of the villages or 58 per cent of farm households, have got just 38 per cent of the RIDF project funds sanctioned and 35.4 per cent of the project funds disbursed (Table 23). Amongst the eastern region states, Bihar, which is the largest and the least banked one, has got only 2.3 per cent and 0.8 per cent of the sanctions and disbursements, respectively; it has 7.9 per cent of rural households or an equivalent proportion of farmer households.

A number of factors like the issues of governance and organisational initiative, population density, and the absorptive capacity for the RIDF funds themselves, may have played a role. Even so, *a priori* there is reason to believe, based on preliminary analysis, that the objectives of improving rural infrastructures and the credit absorbing capacities of underdeveloped regions with the help of RIDF resources are not being achieved.

**Table 23:** State-wise, Tranche-wise Sanction and Disbursement Under RIDF as on March 31, 2006 (IDF I to RIDF XI)

State/Region	TOTAL (RIDF I to RIDF XI)				
	Sanction	Per Cent	Disbursement	Per Cent	Disbursement As Per Cent of Sanction
Northern Region	5620.56	(10.96)	3857.16	(12.31)	68.6
Haryana	1314.96	(2.56)	846.04	(2.70)	64.3
Himachal Pradesh	1241.61	(2.42)	854.60	(2.73)	68.8
Jammu & Kashmir	1097.14	(2.14)	810.06	(2.59)	73.8
Punjab	1966.85	(3.84)	1346.46	(4.30)	68.5
North-Eastern Region	2063.24	(4.02)	989.97	(3.16)	48.0
Arunachal Pradesh	368.32	(0.72)	179.56	(0.57)	48.8
Assam	1061.61	(2.07)	425.73	(1.36)	40.1
Manipur	38.20	(0.07)	8.95	(0.03)	23.4
Meghalaya	169.61	(0.33)	109.60	(0.35)	64.6
Mizoram	109.45	(0.21)	88.79	(0.28)	81.1
Nagaland	161.71	(0.32)	89.43	(0.29)	55.3
Tripura	154.34	(0.30)	87.91	(0.28)	57.0
Eastern Region	7527.38	(14.68)	3746.93	(11.96)	49.8
Bihar	1184.59	(2.31)	248.97	(0.79)	21.0
Jharkhand	545.62	(1.06)	234.71	(0.75)	43.0
Orissa	2269.78	(4.43)	1230.48	(3.93)	54.2
Sikkim	62.53	(0.12)	53.75	(0.17)	86.0
West Bengal	3464.86	(6.76)	1979.02	(6.32)	57.1
Central Region	9946.87	(19.40)	6365.69	(20.32)	64.0
Chhattisgarh	1280.79	(2.50)	794.47	(2.54)	62.0
Madhya Pradesh	3485.00	(6.80)	2227.13	(7.11)	63.9
Uttar Pradesh	4451.61	(8.68)	2941.83	(9.39)	66.1
Uttaranchal	729.47	(1.42)	402.26	(1.28)	55.1
Western Region	10677.21	(20.82)	6953.30	(22.20)	65.1
Rajasthan	2719.93	(5.30)	1796.65	(5.74)	66.1
Goa	66.76	(0.13)	44.71	(0.14)	67.0
Gujarat	4727.16	(9.22)	2814.83	(8.99)	59.5
Maharashtra	3163.36	(6.17)	2297.11	(7.33)	72.6
Southern Region	15447.75	(30.12)	9414.21	(30.05)	60.9
Andhra Pradesh	7383.56	(14.40)	4267.07	(13.62)	57.8
Karnataka	2818.19	(5.50)	1800.87	(5.75)	63.9
Kerala	1563.15	(3.05)	890.79	(2.84)	57.0
Tamil Nadu	3682.85	(7.18)	2455.48	(7.84)	66.7
All India - Total	<b>51283.01</b>	<b>(100.00)</b>	<b>31327.26</b>	<b>(100.00)</b>	<b>61.1</b>

Figures in brackets represents per cent to total  
Source: NABARD

### Measured gap between default and allocation of RIDF

While on RIDF, it is necessary to take note of an important revelation made by the Radhakrishna Expert Group on Agriculture Indebtedness (July 2007). As is widely known, the

domestic scheduled commercial banks have been defaulting on their priority sector targets of 18 per cent for the agricultural sector. What is now revealed by the Radhakrishna Expert Group report is that only a small part of the shortfall (default) has been allocated to RIDF. Thus, of the total outstanding credit in 2005-06, the shortfall in the priority sector targets

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for agriculture has been placed at Rs 36,628 crore whereas the amount allocated to RIDF was only Rs 14,000, that is, only 38 per cent of the shortfall (see for details Table 24). The Radhakrishna Expert Group has therefore concluded that a substantial increase in investment in agriculture – directly or indirectly – could have been financed if the banks had allocated these funds for RIDF or otherwise.

#### Further gap between allocation and actual deposits

What is more, there arises a further gap between what is allocated to banks as a group and what is actually sought from banks as deposits under the RIDF after the projects are sanctioned to state governments. Thus, as shown in Table 25, with the latest receipt of Rs 6,966 crore as deposits from commercial

**Table 24:** Measured Gap Between Default and RIDF Allocation for all Domestic Scheduled Commercial Banks

(Rupees Crore)				
	2003-04	2004-05	2005-06	2006-07*
Number of banks defaulting in respect of achievement of agricultural lending target	45	43	44	NA
Amount of agricultural credit defaulted	Rs. 24,586	Rs. 31,759	Rs. 36,628	NA
Amount allocated to banks for RIDF under respective tranches as per corpus announced by the Government	Rs. 8,000 crore for RIDF-X (for 2004-05)	Rs. 8,000 crore for RIDF-XI (for 2005-06)	Rs. 14,000**	Rs. 16,000 **
Difference between Amount defaulted and allocations	Rs. 16,586 crore	Rs. 23,759 crore	Rs. 22,628 crore	NA

*Note:* \* Not yet allocated. \*\* Rs.4,000 crores under the separate window for rural roads component of Bharat Nirman Programme under RIDF-XII for 2006-07 and RIDF XIII for 2007-08.  
*Source:* Radhakrishna (2007), p.51

**Table 25:** Year/Tranche-wise Disbursements and Deposits received under RIDF

(Rs. Crore)						
Year (1)	Deposits (2)	Disbursements (3)	RIDF Tranche (4)	Corpus (5)	Deposits (6)	Disbursements (7)
1995-96	350.00	387.34	I	2000	1,586.56	1,760.87
1996-97	1,042.30	1,087.08	II	2500	2,225.00	2,397.95
1997-98	1,007.04	1,009.03	III	2500	2,308.02	2,453.50
1998-99	1,337.95	1,313.12	IV	3000	1,412.53	2,482.00
1999-00	2,306.63	2,277.87	V	3500	3,051.88	3,054.96
2000-01	2,653.64	3,176.85	VI	4500	3,912.03	3,956.95
2001-02	3,590.72	3,790.37	VII	5000	3,898.63	3,947.28
2002-03	3,857.09	4,103.42	VIII	5500	4,790.63	4,770.28
2003-04	2,158.69	3,922.09	IX	5500	3,933.82	4,007.75
2004-05	4,353.47	4,316.85	X	8000	4,729.11*	4,732.10
2005-06	6,092.37	5,953.32	XI	8000	2,522.01	2,455.59
2006-07	6,966.43	6,222.58	XII	10000 <sup>£</sup>	1,346.12	1,540.69
2007-08	-	-	XIII	12000 <sup>£</sup>	-	-
Total	35,716.33	37,559.92	Total	72000	35,716.34	37,559.92

£ In addition, Rs 4,000 crore each were allocated for Bharat Nirman Programme (-): means not available  
 \*The source places this figure at 7,729.11 crore which is apparently an error; the total given in the source is as above.  
*Source:* NABARD (2007).



banks during 2006-07 (attributable to different tranches), the cumulative deposits received under the fund have aggregated Rs 35,716 crore against the allocation of Rs 60,000 crore until tranche XII.

## 6. Bank Group-wise Distribution of Agricultural Credit

It is found that amongst the major groups, State Bank of India and its subsidiaries have reduced the agriculture sector's share in their total bank credit outstanding in a steep manner from 25.6 per cent in 1984 to 19.9 per cent in 1987 and thereafter steadily to 11 to 12 per cent in recent years. With the help of creating many agricultural branches, SBI group had expanded its share to the highest level of over 20 per cent immediately after bank nationalisation, but after the 1990s, all banks were readjusting their sectoral credit portfolios to suit the emerging liberal economic policy scenario. Nationalised banks too have made these adjustments. But, in terms of share in the total credit, RRBs have of late improved their lendings to agriculture; so have other scheduled commercial banks to an extent (Table 26 is attached).

## 7. "Priority Sector" Now a Nebulous Concept

The Narasimham Committee - I (1993) had observed that the system of 40 per cent directed credit should be phased out. But because of the society's imperative needs supported by political compulsions, the 40 per cent target for the priority sector could not be dispensed with.<sup>11</sup> Instead, what the authorities have done has been to nullify, through the back door, the operational relevance of the priority sector target by including vast numbers of items which, by no stretch of imagination, can be conceived as belonging to the weaker sections borrowing small loans, who would not possess other bankable projects and who would otherwise face difficulty in getting bank credit. During 2000-01, the definition has been expanded to cover bank finance to agriculture through NBFCs and finance for distribution of inputs for activities allied to agriculture, that is, agri-clinics and agri-businesses, up to Rs 15 lakh (raised from Rs.5 lakh). Insofar as non-farm sector is concerned, such changes are a galore. The ceiling of Rs 2 lakh has been raised to Rs 5 lakh in respect of professionals and self-employed persons. For medical practitioners, a higher ceiling of Rs 10 lakh for rural and semi-urban areas and a

<sup>11</sup> *The Narasimham Committee – II on Banking Sector Reforms (April 1998) appreciated the reasons why the government could not accept the other recommendations. Though there were high NPAs, any sudden reduction of priority sector targets could have the danger of a disruption in the flow of credit to deprived sectors.*

further advance of Rs 10 lakh for the purchase of a one motor vehicle have been reckoned under priority sector lending. Also, investments in special bonds of specified institutions and investment in venture capital are eligible for inclusion under priority sector lending. The number of vehicles permitted for transport operators has been increased from two to six and finally to ten from October 1997. New housing loans up to Rs 5 lakh for individuals and loans to software industry even up to Rs 1 crore have been likewise included under this category.

Therefore, any systematic evaluation of banks' performance in regard to 'priority sector' advances is not possible because of these frequent definitional changes. The consequence of these definitional changes has also resulted in about 49 per cent of "priority sector" advances belonging to the miscellaneous categories in March 2006 as against about 20 per cent during the whole of the 1990s (Table 27). Year after year the RBI has been reporting that the public sector banks, which are the mainstay of priority sector lendings, have been fulfilling the 40 per cent targets except for a 0.4 percentage shortfall as on the last Friday of March 2007 (RBI 2007, p. 142). It is also shown that agricultural advances under the priority sector of public sector banks have ranged from 14 to 15 per cent of net bank credit as per these reportings (Table 28 is attached). Amongst them also, the target has been achieved because the 'other priority sector' advances now constitute about 40 per cent of the priority sector advances themselves as against 20 per cent a decade ago; these obviously have been done at the cost of agriculture and small-scale industries.

It is not our contention that the old definition and coverage of priority sector deserve to be treated as immutable. It is just that the umbrella of credit policy direction and targeting has to be used primarily for the weak and disadvantaged sectors and sections whose investment and income-earning activities are not overtly bankable and hence deserve the clutches in the form of credit policy directives and targeting. The target had to be kept high at 40 per cent because the two largest sectors of the economy by employment and by contribution to value of output, namely, agriculture and small-scale industries, were covered under the "priority sector".

It is also true that with the release of larger lendable resources of banks by reducing cash reserve ratio (CRR) and statutory liquidity ratio (SLR), the quantum of credit available for the 'priority sector' has gone up. Similarly, the absorptive capacities of the informal sectors like agriculture (as measured by their contribution to GDP, for instance) may have been eroded. However, both these questions do not justify any reduction in the intended allocation of 40 per cent of bank credit, or 18 per cent thereof for agriculture and 22 per cent for non-farm informal sectors, as "priority sector" credit. An internal RBI Working Group on Priority Sector Lending

**Table 26: Bank Group-wise Distribution of Credit by Major Sectors**

<i>(in Percentages to Total)</i>												
Nationalised Banks												
SBI and its Associates						Other Scheduled Commercial Banks						
Year	Agriculture		Industry		Others		Agriculture		Industry		Others	
	No. of Accounts	Amount Outstanding	No. of Accounts	Amount Outstanding	No. of Accounts	Amount Outstanding	No. of Accounts	Amount Outstanding	No. of Accounts	Amount Outstanding	No. of Accounts	Amount Outstanding
Dec. 1973	32.3	7.9	6.0	67.2	61.7	24.9	34.2	10.0	5.1	55.4	60.7	34.6
Dec. 1984	59.1	25.6	7.6	41.7	33.3	32.7	47.1	13.9	5.4	41.3	47.5	44.8
Dec. 1987	53.0	19.9	8.6	48.1	38.4	32.0	45.2	16.5	5.9	46.1	48.9	37.4
March 1992	43.3	17.0	9.0	50.9	47.7	32.1	39.6	14.6	9.8	46.5	50.6	38.9
March 1997	42.4	11.6	8.5	53.3	49.1	35.1	39.5	11.8	7.4	47.4	53.1	40.8
March 2002	38.5	11.9	7.2	38.9	54.3	49.2	36.2	10.3	7.6	36.7	56.2	53.0
March 2004	34.3	12.1	5.0	38.5	60.7	49.4	37.3	12.5	4.2	37.0	58.5	50.5
March 2005	37.7	11.7	9.1	41.0	53.2	47.4	41.9	12.0	4.1	40.5	54.1	47.6
March 2006	35.9	12.2	5.3	40.5	58.8	47.3	41.9	13.3	4.0	39.5	54.1	47.1
<b>RRBs</b>												
Dec. 1973							27.0	9.8	1.8	50.6	71.2	39.6
Dec. 1984							17.8	5.2	3.0	50.1	79.2	44.7
Dec. 1987	53.0	56.5	8.5	6.9	38.5	36.6	19.3	5.3	3.4	52.7	77.3	42.0
March 1992	50.9	50.4	10.8	8.7	38.3	40.9	22.5	8.3	4.2	33.1	73.3	58.6
March 1997	47.9	47.5	9.8	8.0	42.3	44.5	22.8	5.2	5.2	44.5	72.0	50.3
March 2002	48.1	46.3	9.8	7.2	42.1	46.5	16.4	3.1	6.1	58.8	77.5	38.1
March 2004	51.3	47.0	7.1	5.9	41.6	47.1	11.1	4.0	2.0	42.7	86.9	53.3
March 2005	55.5	50.4	6.4	5.6	38.1	44.0	10.6	4.5	1.5	35.0	87.9	60.4
March 2006	56.8	51.4	5.8	5.1	37.4	43.5	11.9	4.5	1.6	31.6	86.5	63.8
<b>Foreign Banks</b>												
Dec. 1973							32.0	9.4	5.3	58.1	62.7	32.5
Dec. 1984							50.2	17.5	6.1	41.5	43.7	41.0
Dec. 1987							47.4	17.7	7.0	46.0	45.6	36.3
March 1992	0.7	0.6	6.0	65.6	93.3	33.8	42.1	14.8	9.6	47.7	48.3	37.5
March 1997	0.1	0.3	1.4	65.6	98.5	34.1	40.5	11.1	8.0	49.3	51.5	39.6
March 2002	0.01	0.5	1.0	51.8	99.0	47.7	36.1	9.8	7.5	41.4	56.4	48.8
March 2004	0.01	1.1	1.2	43.4	98.8	55.5	32.1	10.9	4.3	38.0	63.6	51.1
March 2005	0.01	0.7	0.7	44.4	99.3	54.9	34.6	10.8	4.8	38.8	60.6	50.4
March 2006	0.05	0.7	1.0	40.5	98.9	58.8	34.0	11.4	3.9	37.4	62.1	51.2

Source: RBI: Basic Statistical Returns, Various Issues

**Table 27:** Priority Sector Advances

(Rupees, Crore)					
Year	Agriculture	SSI	Others		Total
(1)	(2)	(3)	(4)		(5)
1990-91	16,750	17,181	8,984	(20.9)	42,915
1999-00	44,381	52,814	34,632	(26.3)	131,827
2000-01	51,922	56,002	46,490	(30.1)	154,414
2001-02	60,761	57,199	57,299	(32.7)	175,259
2002-03	73,518	60,394	77,697	(36.7)	211,609
2003-04	90,541	65,855	107,438	(40.7)	263,834
2004-05	125,250	74,588	181,638	(47.6)	381,476
2005-06	173,972	91,212	245,554	(48.1)	510,738
2006-07	230,398	117,880	285,864	(45.1)	634,142

(i) Data are provisional and relate to select banks (47 banks for 2003-04 and 52 banks from 2004-05 onwards) which account for 90 per cent of bank credit of all scheduled commercial banks

Note: Figures within brackets are percentages to total "priority sector advances"

Source: RBI (2007): *Handbook of Statistics on the Indian Economy, 2006-07* (p. 102)

(Chairman: C.S. Murthy, September 2005) has clearly spelt out that the rationale for having priority sector prescriptions continues to remain valid:

“Even after 36 years of priority sector lending prescriptions, it is observed that certain important sectors in the economy continue to suffer from inadequate credit flow. Even though the current share of agriculture and allied activities in India’s GDP at 22 per cent is less than half of what it was three decades ago, the agriculture sector continues to be the single largest occupation as it still provides livelihood to about two-thirds of the population. Moreover, the production base continues to comprise predominantly small and marginal farmers. It also contributes about 14.7 per cent of the export earnings and provides raw material to a large number of industries. Similarly, the SSI sector occupies a unique position in the Indian economy. In terms of employment generated, this sector is next only to agriculture sector. It has a share of over 40 per cent of the gross industrial value added in the economy. About 50 per cent of the total manufactured exports of the country are directly accounted for by this sector. The policy thrust to this sector has been consistent with multiple objectives of employment generation, regional dispersal of

industries and a seedbed for entrepreneurship. A few other segments also impact a large number of small borrowers. However, credit deployment to these sectors of the economy has not been to the desired extent. **As such, the need for having priority sector prescriptions continues to exist**” (RBI’s *Internal Working Group on Priority Sector Lending*, September 2005, Section 6.2, Emphasis in the original).

Except for the above recommendation, the Murthy Working Group has not proposed any significant change in the composition of different items in the priority sector, thus perpetuating the system of allowing relatively large-size loans and loans not for vulnerable sections as part of the ‘priority sector’. For instance, by no stretch of imagination can the retail traders with Rs.10 lakh credit limit or medical practitioners or self-employed professionals with credit limits of Rs. 15 lakh or individuals constructing houses with loans up to Rs 15 lakh, be considered as non-bankable without the clutches of RBI directed credit programmes. The RBI has issued fresh guidelines on ‘priority sector’ targets of 18 per cent for agriculture and 40 per cent for all sectors, effective from April 30, 2007. These new guidelines have further distorted the quality of these targets. For instance, these have included bank loans given to corporates, partnership firms and institutions for pre-harvest and post-harvest activities up to an aggregate amount of Rs 1 crore and even one-third of loans in excess of Rs 1 crore per borrower for all agricultural and allied activities, as part of direct finance target.

### Continued relevance of agricultural credit target

Be that as it may, at least for record it is necessary to emphasize the strong academic as well as operational case for a target for agricultural lendings. The C.S. Murthy Working Group on Priority Sector Lending (RBI, September 2005) has accorded considerable thought to the relevance of continuing with the directed credit arrangement for agriculture and allied activities. No doubt, the failure of scheduled commercial banks to expand their credit base for agriculture is to be seen against the relative decline in the share of agriculture in the country’s economy. In a nutshell, the share of agriculture and allied activities in total GDP has steadily slipped from 38.9 per cent in 1980-81 to 31.3 per cent in 1990-91 and further to 17.5 per cent in 2006-07. Therefore, an obvious policy question that is repeatedly asked is whether the 18 per cent of net bank credit target set for agriculture should still be valid. As reviewed above, various experts have held that it remains valid. There are a few other important considerations which make us perceive so. First, the proportions of paid-out costs in terms of modern inputs have considerably increased in agriculture over the years. Second, vast diversifications are taking place in agriculture away from crop husbandry

**Table 28: Advances to the Priority Sector by Public Sector Banks**

Year	(Number of Accounts in Lakh) (Amount Outstanding in Rupees Crore)													
	Agriculture			Small-scale Industries			Other Priority Sector Advances			Total Priority Sector Advances			Net Bank Credit	
	No. of Accounts	Amount Outstanding	Per Cent to Total	No. of Accounts	Amount Outstanding	Per Cent to Total	No. of Accounts	Amount Outstanding	Per Cent to Total	No. of Accounts	Amount Outstanding	Per Cent to Total	Amount Outstanding	Per Cent to Total
Mar-96	208	26351	(14.3)	33	29482	(16.0)	115	13751	(7.5)	356	69609	(37.8)	184391	@
Mar-97	195	31012	(16.3)	32	31542	(16.6)	107	16548	(8.7)	334	79131	(41.7)	189684	@
Mar-98	192	34305	(15.7)	30	38109	(17.5)	103	18881	(8.7)	325	91319	(41.8)	218219	@
Mar-99	166	37631	(14.2)	24	42591	(16.1)	93	23661	(8.9)	284	104094	(39.2)	265554	
Mar-00	160	45296	(14.3)	22	46045	(14.6)	81	30816	(9.7)	265	127478	(40.3)	316427	
Mar-01	188	53571	(15.7)	20	48400	(14.2)	80	40791	(12.0)	288	149116	(43.7)	341291	
Mar-02	158	58142	(14.8)	19	54268	(13.8)	81	59074	(15.0)	258	171484	(43.5)	394064	
Mar-03	168	70502	(14.5)	17	52646	(10.8)	85	71197	(14.7)	273	199786	(41.2)	485271	
Mar-04	190	84435	(15.1)	17	58311	(10.4)	89	96170	(17.1)	301	244456	(43.6)	560819	
Mar-05	202	109917	(15.3)	14	68000	(9.5)	89	125114	(17.4)	314	307046	(42.8)	717419	
Mar-06	238	155220	(15.3)	17	82434	(8.1)	92	163756	(16.1)	358	409748	(40.3)	1017656	
Mar-07	253	205091	(15.6)	20	104703	(8.0)	102	201023	(15.3)	391	521180	(39.6)	1317705	@

\$ Inclusive of funds provided to RRBs by their sponsoring banks, loan to software industry, food & agro-processing sector & SHGs eligible for being treated under priority sector advances

Notes: @ provisional

Source: (RBI) Report on Trend and Progress of Banking in India 2006-076

**Table 29: Sector-wise NPAs of Public Sector Banks**

(Amount in Rupees Crores)														
Public Sector Banks														
Year (1)	Agriculture (2)	Per Cent to Total	SSI (3)	Per Cent to Total	Others (4)	Per Cent to Total	Priority Sector (5=2+3+4)	Per Cent to Total	Public Sector (6)	Per Cent to Total	Non-Priority Sector (7)	Per Cent to Total	TOTAL (8=5+6+7)	Per Cent to Total
Mar-95							19208	50.0	1316	3.4	17861	46.5	38385	100
Mar-96							19106	48.3	1411	3.6	19067	48.2	39584	100
Mar-97							20774	47.7	1461	3.4	21341	49.0	43576	100
Mar-98							21184	46.4	1362	3.0	23107	50.6	45653	100
Mar-99							22606	43.7	1496	2.9	27608	53.4	51710	100
Mar-00							23715	44.5	1055	2.0	28524	53.5	53294	100
Mar-01	7377	13.9	10339	19.4	6440	12.1	24156	45.4	1711	3.2	27307	51.4	53174	100
Mar-02	7822	13.8	10584	18.7	6734	11.9	25139	44.5	1116	2.0	30251	53.5	56506	100
Mar-03	7707	14.6	10162	19.2	7069	13.4	24938	47.2	1087	2.1	26781	50.7	52807	100
Mar-04	7240	14.4	8838	17.6	7762	15.5	23840	47.5	610	1.2	25698	51.2	50148	100
Mar-05	7254	15.2	7835	16.4	8308	17.4	23397	49.1	450	0.9	23849	50.0	47696	100
Mar-06	6203	15.0	6917	16.7	9253	22.4	22374	54.1	341	0.8	18664	45.1	41378	100
Mar-07	6506	16.9	5843	15.1	10604	27.5	22954	59.5	490	1.3	15158	39.3	38602	100

Source: RBI's Report on Trend and Progress of Banking in India 2006-07

and in favour of horticultural and livestock products, which require higher amounts of short-term and investment credit. Third, these are the new production activities which have a large export potential, and in the context of a competitive environment under the WTO arrangement, they could be supported by special credit facilities. Fourth, the proportion of workforce dependent on agriculture remains at about 56.5 per cent as per the latest NSSO results. Fifth, the proportion of marginal and small-size operational holdings constitutes 87.6 per cent of the total and they account for 43.5 per cent of the area operated (59<sup>th</sup> NSSO Round for 2002-03). Very large numbers of such farmers require credit support not only for agricultural operations but also in their diversification activities into allied agricultural activities as well as into non-farm enterprise areas; the latter will be treated as farm sector borrowers until they graduate into independent non-farm professions. Finally, of the 89 million farm households in the country, as many as 46 million or 51.4 per cent stand excluded from any credit arrangement, official or private. The exclusion by official agencies is as much as 80 per cent of farm households. This explains the gap that is required to be filled if a genuine policy of “financial inclusion” has to be pursued.

## 8. Non-Performing Assets

That the agricultural sector is replete with varied risks is widely known. Fluctuations in business fortunes and market uncertainties are also found in small-scale industries and all other informal enterprises. Nearly 60 per cent of GDP and over 90 per cent of the country’s employment come from these two sets of informal sectors. While risks associated with agriculture and other informal sectors are encountered by banks in lending to them, there is nevertheless a responsibility on the financial system to evolve appropriate devices to come round the risks in lending. Also, the non-performing assets (NPAs) of banks, particularly from informal sectors, got magnified after the introduction of new prudential norms under the financial sector reform agenda, essentially because the reforms agenda has failed to build checks and balances to take account of the special needs of agriculture and other informal sectors.

Be that as it may, the public sector banks were indeed facing high levels of NPAs until the first half of the 1990s. They were ruling at peak levels of 15 per cent to 16 per cent of total advances around 1996-97; they have steadily declined to 11.1 per cent in 2000-01 and steeply thereafter to 3.7 per cent in 2005-06. In fact, in the process of cleaning up the balance sheets, improved loan recovery arrangements and enlargement of loan loss provisioning, net NPAs as percentage of advances

in respect of public sector banks have been brought down to 1.30 per cent in 2005-06 – similar to international standards or better than the performances of emerging market economies [Rakesh Mohan (2005), p. 1115].

It is not as though the NPAs of public sector banks as percentage of sectoral advances have always been higher in agriculture than those in priority sectors as a whole or than those in non-priority sectors. Rakesh Mohan (2004), who has presented a three-year average data for 2001 to 2003, makes the following judgement:

“It is found that the proportion of NPAs are indeed higher for agriculture than they are for the non-priority sector. However, they are not as high as those for small scale industries (SSI) and for other priority sectors. In fact, it is likely that if public sector enterprises are excluded from the data for the non-priority sector, the performance of NPAs in agriculture may not be much higher than for lending to the non-priority sector private sector credit exposure as a whole” (Lecture delivered by Rakesh Mohan at the 17<sup>th</sup> National Conference of Agricultural Marketing, Indian Society of Agricultural Marketing, Hyderabad, February 5, 2004)

We have made an independent assessment of the NPA positions of public sector banks. As shown in Tables 29, the percentage share of agriculture in the total NPAs of public sector banks has been ranging from 14 per cent to 15 per cent for the years March ending 2001 to March ending 2007, which has been just equivalent to the sector’s share in net bank credit. The NPAs situation has been more discouraging in respect of small-scale industries (SSIs) and other priority sectors. Interestingly, there has occurred a very sharp rise in NPAs of “other priority sectors”, that is, those miscellaneous categories for which banks have found it very attractive to lend in preference to lending for agricultural and SSIs (Table 29). (Table 29 is attached).

A more direct evidence of the satisfactory performance of the agricultural sector *vis-à-vis* other priority sector categories is to be seen in Table 30. As seen therein, there has occurred a sharp decline in the proportion of NPAs in total agricultural advances, from 13.7 per cent in 2001 to 3.2 per cent in 2007 (Table 30).

It is not our contention that agricultural lendings are risk-free; it is just that agricultural lendings are in no way more risky than the lendings to other sectors. More importantly, NPAs are a function of the organisational efforts put in to lend and to recover loans. Also, considering the fact that farmers face a variety of risks and uncertainties, the lending institutions have to show greater sensitivities to their problems and needs.

**Table 30:** Sector-wise NPAs of Public Sector Banks and Private Sector Banks

<i>(Amount in Rupees Crore)</i>			
<i>State Bank Group</i>			
<i>Year</i>	<i>Agriculture NPAs</i>	<i>Total Agriculture Advances</i>	<i>NPAs as Per Cent of Advances</i>
(1)	(2)	(3)	(4)
Mar-01	3019	20519	14.7
Mar-02	3162	22793	13.9
Mar-03	2974	23782	12.5
Mar-04	2501	26540	9.4
Mar-05	2274	33296	6.8
Mar-06	2304	47633	4.8
Mar-07	2377	63419	3.7
<i>Nationalised Banks</i>			
Mar-01	4357	33166	13.1
Mar-02	4659	40290	11.6
Mar-03	4734	49725	9.5
Mar-04	4740	59646	7.9
Mar-05	4980	79179	6.3
Mar-06	3899	107267	3.6
Mar-07	4057	141672	2.9
<i>Public Sector Banks</i>			
Mar-01	7377	53685	13.7
Mar-02	7822	63083	12.4
Mar-03	7707	73507	10.5
Mar-04	7240	86187	8.4
Mar-05	7254	112475	6.4
Mar-06	6203	154900	4.0
Mar-07	6506	205091	3.2
<i>Private Sector Banks</i>			
Mar-01	322	5394	6.0
Mar-02	439	8022	5.5
Mar-03	537	11873	4.5
Mar-04	459	17652	2.6
Mar-05	465	21473	2.2
Mar-06	515	36185	1.4
Mar-07	861	52056	1.7
<i>All Scheduled Commercial Banks</i>			
Mar-01	7699	59080	13.0
Mar-02	8261	71105	11.6
Mar-03	8244	85380	9.7
Mar-04	7699	103839	7.4
Mar-05	7719	133948	5.8
Mar-06	6718	191085	3.5
Mar-07	7367	257147	3.0

*Source:* (RBI) Report on Trend and Progress of Banking in India 2006-07

## 9. Weighted Averages of Lending Rates

There have been complaints that average earnings of scheduled commercial banks from their agricultural lendings has been low and inadequate because the banks' transaction costs in such lendings have been relatively high. But, an exercise undertaken by us of the weighted averages of lending rates of different bank groups (based on interest range-wise distribution of loans in RBI's BSR) reveals that at the aggregate level of scheduled commercial banks, the average rates of interest are generally higher for agriculture than those for all industries together (Table 31). A major reason for this may be that the rates of interest charged by private banks and foreign banks for agriculture have been much higher than those charged by the public sector banks. But, separate data available on the weighted averages of interest rates bank group-wise and occupation-wise indicate that average interest rates earned by public sector banks have been only fractionally lower than those earned from "industry" as a group (Table 32). It should be admitted that these data do not cover small borrowal accounts of below Rs 2 lakh which may fetch lower rate of interest. Even so, the limited point sought to be made here is that for an average bank to earn reasonable rates of interest from agriculture – it will fix certainly much higher

**Table 31:** Occupation-wise Weighted Average Lending Rates

<i>Years (End-March)</i>	<i>Agriculture</i>	<i>Industry</i>	<i>Total</i>
1990	12.8	15.3	14.6
1991	13.5	15.7	15.0
1992	15.0	17.6	16.7
1993	15.8	17.8	17.0
1994	15.6	17.4	16.6
1995	15.5	16.6	16.1
1996	15.9	17.9	17.2
1997	15.9	17.6	17.0
1998	15.4	16.9	16.4
1999	15.4	15.6	15.6
2000	14.96	15.10	14.94
2001	14.58	14.70	14.30

*Notes:* For years March 1990 to March 1998, data on outstanding credit relate to accounts, each with credit limit of over Rs 25,000.  
For years March 1999 to March 2001, data on outstanding credit relate to accounts, each with credit limit of over Rs 2 Lakh.

*Source:* Calculated by EPWRF.

**Table 32:** Bank Group-wise and Occupation-wise Weighted Average Lending Rates

Years (End-March)	State Bank Bank Group	Nationalised Banks	Regional Rural Banks	Other Scheduled Com.Banks	Foreign Banks	All Scheduled Com.Banks
<i>Agriculture</i>						
2002	13.52	13.81	15.51	14.74	13.55	13.87
2003	13.12	13.20	14.75	14.26	12.66	13.33
2004	12.56	12.90	14.18	14.55	13.49	13.03
2005	12.00	12.23	13.28	13.88	15.80	12.45
<i>Industry</i>						
2002	13.13	14.07	15.38	14.59	13.99	13.98
2003	12.60	13.73	14.51	14.17	14.74	13.68
2004	12.78	13.12	13.77	14.53	14.30	13.44
2005	12.61	12.81	13.00	14.03	15.46	13.21
<i>Total</i>						
2002	12.92	13.53	14.88	14.57	14.33	13.66
2003	12.44	13.20	14.21	14.05	14.68	13.31
2004	12.16	12.56	13.64	14.13	14.64	12.96
2005	11.91	12.16	12.82	13.28	14.95	12.57
Notes: Data on outstanding credit relate to accounts, each with credit limit of over Rs 2 lakhs. Amount Outstanding figures are used as weights for calculating average lending rates.						
Source: RBI, <i>Statistical Tables related to Banks in India, 2005-06</i> and earlier issues.						

than the prime lending rates (PLRs) which recover all costs and provisions; whereas small loans are governed by the PLRs of each bank.

### 10. Data Base Issues in Agricultural Credit

Even though as an aside, it is necessary to take note of the fact that the data published by RBI and NABARD based on their *control returns* invariably tend to overestimate the size of bank credit outstanding against agriculture and allied activities as compared with that revealed by *Basic Statistical Returns of Scheduled Commercial Banks* (BSR). The latter is a more scientifically designed annual survey conducted by the RBI, the data for which are collected from the branch offices of scheduled commercial banks individually and hence, their quality is not influenced by the regional offices and head offices of banks. Otherwise, there does not appear to be any valid reason for the persistent overestimation of agricultural credit totals by the *control returns* as compared with those tabulated by the BSR system. It is also interesting that the over-estimation so reported has risen from about Rs 6,662 crore in March 2002 to Rs 12,828 crore in March 2005 and to 15,526 crore in March 2006 (Table 33). Besides, almost

the entire part of the difference is to be found under direct finance for agriculture as distinguished from indirect finance.

There is yet another reason to believe that the overestimation could be still more because the *control returns* cover agricultural advances under the “priority sector” which by definition should normally exclude many big-size advances given against agricultural operations (such as loans beyond Rs 10 lakh against pledge/hypothecation of agricultural produce, and loans for input distribution for allied activities beyond Rs 40 lakh shown as indirect finance), whereas the BSR data include all agricultural advances.

### 11. The Programme of Spreading Rural Branch Network

Two key policy pillars identified by us as having had significant influence on agricultural credit expansion by scheduled commercial banks have been: (i) the policy of priority sector advances; and (ii) the spread of branch network in rural and semi-urban areas as well as in underdeveloped regions along with the associated credit distribution policies. Details of the policy of ‘priority sector’ advances, its initial thrust and



**Table 33:** Data Reported on Agricultural Advances of Public Sector Banks: A Comparison of Control Return and BSR Numbers

A. Agricultural Advances Reported as Per Priority Sector Data for Public Sector Banks (Control Returns) (As on last reporting Friday)								
	No. of Accounts (in Lakh)				Amount Outstanding (Rs. Crore)			
	Mar-03	Mar-04	Mar-05	Mar-06@	Mar-03	Mar-04	Mar-05	Mar-06@
Agriculture	168	190	202	237	70502	84435	109917	154900
Direct	165	187	195	219	51484	62170	83038	111636
Indirect	3	3	7	18	19017	22265	26879	43264

@ - Data are provisional

B. Advances to Agriculture by Public Sector Banks (BSR Data) (As on 31st March)								
	No. of Accounts (in Lakh)				Amount Outstanding (Rs. Crore)			
	Mar-03	Mar-04	Mar-05	Mar-06	Mar-03	Mar-04	Mar-05	Mar-06
Agriculture	140	140	177	201	59992	76445	97089	139374
Direct	136	137	174	198	45,000	53215	71334	96230
Indirect	4	3	3	3	14,992	23230	25755	43144

C. Difference								
	No. of Accounts (in Lakh)				Amount Outstanding (Rs. Crore)			
	Mar-03	Mar-04	Mar-05	Mar-06	Mar-03	Mar-04	Mar-05	Mar-06
Agriculture	28	50	25	36	10510	7990	12828	15526
Direct	29	50	21	21	6484	8955	11704	15406
Indirect	-1	0	4	15	4025	-965	1124	120

Note: Both the sets of data do not cover Regional Rural Banks (RRBs)

Source: (i) For A, Report on Trend and Progress of Banking in India, 2005-06, p.250.

(ii) For B, RBI, Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006 (Vol. 35) and earlier issues.

subsequent weakening, have been discussed at length earlier. This sub-section is devoted to a review of the second policy of branch banking which was undoubtedly linked to the initial success in the expansion of bank credit for agriculture. As we will presently explain, the subsequent slowdown in branch expansion in rural and semi-urban areas, has been having its repercussions on not only the relative proportions of credit distribution in favour of agriculture and other informal sectors but also on the quality of its distribution in terms of size and urban orientation.

#### **Branch banking: a costly neglect**

Recognisedly, an outstanding aspect of banking development after the nationalisation of banks in July 1969 had been the rapid growth and territorial spread of branch network all over the country, particularly in rural and semi-urban areas as well as in underdeveloped regions. From a base of a little over 8,000 bank branches in 1969, the presence now of over 70,700 branches indeed represents an unprecedented growth of scheduled commercial banking in India. However, the

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bulk of this expansion took place before the 1990s. In the first two decades (1970-1991), 53,537 branches were added, that is, 2,550 branches per year. But, thereafter in about a 16-year period until March 2007, only 8,987 branches have been added, that is, 562 branches per year or about one-fifth of what was achieved until the 1990s.

While some slowdown was expected after the initial spread at a rapid pace, it is the neglect of rural areas that stands out. By the early 1990s, the number of bank branches operating in rural areas had crossed 35,000 or about 57 per cent of the total number of bank branches operating in the country (as per the centres with 10,000 of population classified based on the 1981 population census data at that time). Reclassification of the areas based on the 1991 census to an extent contributed to the bringing down of the number of rural bank branches from 33,017 in March 1995 to 32,981 in March 1996. Since then, on a comparable basis, the number of rural branches has steadily come down to as low a figure as to 31,967 by March 2005 (Table 34) by mergers and swapping of rural branches. Again, partly due to the reclassification of centres based on the 2001 Census, the number of rural branches has declined to 30,610 in March 2006 and further to 30,461 in March 2007.

It is significant that the first Narasimham Committee Report - I on the Financial System (November 1991) had specifically recommended that "each public sector bank should set up one or more rural banking subsidiaries to takeover all its rural branches" and that the operations of regional rural banks (RRBs) should be expanded to embrace all types of banking business (*ibid.* pp.76-78). Thus, the imperative of

continuing with the expansion of branch banking in rural areas and underdeveloped regions was recognised even by the Narasimham Committee - I (1991). Earlier, there was a branch expansion programme monitored by the RBI which got disbanded. On the expiry, on March 31, 1995, of this branch expansion programme 1990-95, no fresh programme was drawn up on the ground that the subject had to be left to the commercial judgements of banks (RBI, 1997). Banks were allowed to convert their non-viable rural branches into satellite offices or closure of bank branches at rural centres served by two commercial banks. RRBs were allowed to relocate their loss-making branches at new places even outside the rural areas. What is more, the programme of opening branches was made privy to achievements in prudential norms. To quote the RBI's *Trends and Progress of Banking in India, 1996-97*:

"Banks had been given the operational freedom to open and relocate branches at semi-urban, urban and metropolitan centres subject to approval of respective Boards and ensuring track record of profit in the last three years. The loss-making banks are subject to restrictions on opening of branches. With regard to opening up a branch in rural areas, prior approval of the Reserve Bank is required subject to conditions such as the recommendation from the Directorate of Institutional Finance of the concerned State Government. Banks falling under the category of having achieved 8 per cent CRAR, declaring net profit for the last three consecutive years, containing their NPAs within 15 per cent of their total advances and with a minimum of Rs. 100 crore as owned funds have to prepare a Plan of Action for opening branches during the next 12

**Table 34:** Spread of Bank Branch Network in India  
(Scheduled Commercial Banks including RRBs)

Period-end	Rural		Semi-Urban		Total	
	Number of Bank Branches	Per Cent to Total	Number of Bank Branches	Per Cent to Total	Number of Bank Branches	Per Cent to Total
December 1969	1,443	17.6	3,337	40.8	8,187	100
March 1991	35,134	56.9	11,566	18.7	61,724	100
March 1995	33,017	51.7	13,502	21.2	63,817	100
March 1996	32,981	51.2	13,731	21.3	64,456	100
March 2002	32,443	47.8	14,910	21.9	67,897	100
March 2003	32,283	47.4	15,042	22.1	68,078	100
March 2004	32,107	46.8	15,252	22.2	68,645	100
March 2005	31,967	45.7	15,619	22.3	69,969	100
March 2006	30,610	43.3	15,471	21.9	70,706	100
March 2007*	30,461	43.1	16,035	22.7	70,711	100

*Notes:* Decline in March 1996 is partly due to reclassification of centres based on the 1991 Census. Similarly, in March 2006, the decline is due to reclassification based on 2001 Census.

*Source:* Reserve Bank of India: *Basic Statistical Returns*, various issues. \* RBI's *Quarterly Handout*.

months. This has to be forwarded to the Reserve Bank for prior approval after taking clearance from the concerned Board of Directors” (RBI, 1997: 42-43).

***Equal neglect of branch banking in underdeveloped regions after the 1990s***

Three historically underbanked regions, also underdeveloped economically, namely, north-eastern, eastern, and central regions, had received special attention in the branch expansion programme of scheduled commercial banks until the 1990s. These three regions accounting for about 50 per cent of the country’s population, had about 25 per cent of bank branches in 1969. By March 1992, their proportion of bank branches had shot up to 42.6 per cent, that is, from a total of 2,068 branches to 26,439. But after the 1990s, the proportion of bank branches opened in these regions has steadily declined, and by March 2007, it has declined to 40.6 per cent of the total. No doubt, the branch expansion programme in totality had received a setback after the 1990s, but interestingly, even out of the reduced rate of expansion, the proportions obtained by the underdeveloped regions have receded more. Even if the same share as obtained in March 1992 had remained in March 2007, the number of bank branches in these three underdeveloped regions should have been 29,001 as against the actual number of 27,624, or a loss of 1,377 branches. The loss should be much more if it is measured against the branch expansion momentum that was envisaged under the supply-leading role assigned to the banking system after bank nationalisation. We are not stressing this point beyond a point as it raises the whole question of the absorptive capacity of the underdeveloped regions beyond a point.

Looking at it differently, it is found that slower growth of bank branches is reflected in the measure of population per bank office (Table 35). The consistent and rapid decline in this measure until 1991, got reversed thereafter, particularly in the three underdeveloped regions of north-eastern, eastern and central, pinpointed above. While in the south, the population covered by each bank office in 2007 was sustained at the 1991 level and in the north and western regions, there were marginal increases, the three underdeveloped regions faced significant deterioration, with the population per bank office moving up from 17,000 to 21,000, from 16,000 to 19,000 and from 16,000 to 20,000, respectively (Table 35). Amongst the major states, while Bihar and Uttar Pradesh have this measure above the respective regional averages, Madhya Pradesh and West Bengal have it below the regional averages.

Viewed in this light, the assertion in official reviews that the population per branch has not changed much since the 1980s is not factually correct (Rakesh Mohan 2004:859). In the first place, there has been some deterioration, and secondly, and

more importantly, the loss of population coverage per branch has occurred precisely in underdeveloped regions which required the support of banking spread.

The concept of non-viability or that of loss making cannot be a static concept. It was perceived that over a period of 2 to 3 years, rural branches would generally achieve break-even points. Also, if some of the branches were perpetually non-viable, the branches in their neighbouring areas may be profit-making; there is some scope for cross-subsidisation and promotion of banking business jointly by branches located in the neighbouring rural/semi-urban/urban areas. Finally, if some branches have willy-nilly to be closed down, there is scope for expansion elsewhere. Therefore, the newer approach of totally dispensing with branch expansion programme, or one of assigning it to individual banks based on their own commercial perceptions, is sure to arrest the territorial spread of banking in the country, particularly in rural areas. Also, all these have been done without planning for an alternative system of spreading rural branch network in the country through some form of banking subsidiaries and through regional rural banks (RRBs). The rural branches do create organisational strain for banks and they may be less profitable to begin with, but the problems are not insoluble given the will, and the need, to serve the vast rural population. Now, in the process of implementing the strategy of financial inclusion, the expansion of branch network has become all the more important. The Committee on Financial Inclusion (Chairman: Dr. C. Rangarajan) has, in its Interim Report (March 2007) has emphasized the importance of branch expansion in the following words:

“3.22 In several districts, the population per branch office is much higher than the national average, particularly in rural and semi urban areas. The list of such districts has already been circulated by RBI among banks. The District Level Consultative Committees (DLCCs) in these districts may identify centres for opening branches by RRBs, Commercial Banks and UCBs in the next three years keeping in view the SHG presence and scope for application of the BF/BC Model.<sup>12</sup> For the NE Region, the financial sector plan has already identified such centres and branch expansion plan as laid out therein may be implemented. SLBC may monitor the branch expansion plan for each State.

“3.23 It is observed that RRBs are not operating in as many 80 districts. Necessary notification may be issued for extending their area of operation, particularly in States featuring high levels of exclusion. Sponsor Banks may be advised to initiate necessary action” (pp. 17-18).

<sup>12</sup> BF/BC signifies Business Facilitator / Business Correspondent as envisaged under RBI’s circular dated 25 January 2006

**Table 35:** Population Per Bank Office by Region and State

Region/State	Number of Offices				Population Per Office ('000s)			
	Mar-07	Mar-91	Dec-81	Dec-72	Mar-07	Mar-91	Dec-81	Dec-72
<b>Northern Region</b>	11907	9426	6138	2396	12	11	13	26
Haryana	1817	1280	857	321	13	13	15	31
Himachal Pradesh	847	736	400	122	8	7	11	28
Jammu and Kashmir	867	786	529	128	13	10	11	36
Punjab	2848	2178	1644	721	9	9	10	19
Rajasthan	3537	3105	1724	637	17	14	20	40
Chandigarh	213	137	88	37	4	5	5	7
Delhi	1778	1204	896	430	9	8	7	9
<b>North-Eastern Region</b>	1947	1870	831	202	21	17	30	97
Arunachal Pradesh	72	68	22	5	17	13	29	94
Assam	1262	1236	548	152	22	18	33	96
Manipur	79	84	39	7	32	22	36	153
Meghalaya	187	158	63	17	13	11	21	60
Mizoram	84	73	12	1	12	9	41	332
Nagaland	77	71	42	6	33	17	18	86
Tripura	186	180	105	14	18	15	20	111
<b>Eastern Region</b>	12258	11362	6207	1625	20	16	24	76
Bihar	3606	4906	2701	574	24	18	26	98
Jharkhand	1531				19			
Orissa	2376	2103	1114	217	16	15	24	101
Sikkim	59	29	5		10	14	63	
West Bengal	4749	4303	2375	830	18	16	23	53
A & N Islands	37	21	12	4	11	13	16	29
<b>Central Region</b>	14089	13005	6878	2171	20	16	24	60
Chhattisgarh	1067				21			
Madhya Pradesh	3535	4414	2360	728	18	15	22	57
Uttar Pradesh	8565	8591	4518	1443	21	16	25	61
Uttaranchal	922				10			
<b>Western Region</b>	10881	9526	6412	3223	14	13	15	24
Goa	363	263	248	127	4	4	4	6
Gujarat	3826	3471	2388	1297	14	12	14	21
Maharashtra	6657	5775	3771	1795	15	14	17	28
Dadra and Nagar Haveli	17	7	5	4	19	20	21	19
Daman and Diu	18	10			10	10		
<b>Southern Region</b>	19629	16535	11469	5033	12	12	14	27
Andhra Pradesh	5616	4703	2923	1047	14	14	18	42
Karnataka	5165	4407	2914	1422	11	10	13	21
Kerala	3673	2912	2401	947	9	10	11	23
Tamil Nadu	5070	4434	3172	1588	13	13	15	26
Lakshadweep	10	8	5	4	7	6	8	8
Pondicherry	95	71	54	25	11	11	11	19
All-India	70711	61724	37935	14650	15	14	18	37

*Note:* Population statistics considered is that of the respective population census except that of 2003 for which mid-year population estimates from the CSO are used.

*Source:* RBI: *Basic Statistical Returns and Quarterly Statistics of Scheduled Commercial Banks*, various issues

## 12. Credit-Deposit Ratio as a Potent Instrument of Achieving Distributional Goals in Credit Delivery

### The Rationale

With a view to reducing inter-regional imbalances in credit delivery and encouraging banks to deploy the bulk of rural and semi-urban deposit funds in those areas themselves, the public sector banks had been asked to achieve a credit-deposit ratio of 60 per cent in their rural and semi-urban branches since March 1979. This target was subsequently extended to private sector banks also. There was no state-level target but the 60 per cent norm had emerged as a yardstick to judge banks' performance in backward states and districts. In other words, this is a target which every bank, and not necessarily every rural or semi-urban branch, was required to achieve.

The 60 per cent ratio generally allowed for the banks' non-credit requirements of cash reserve ratio (CRR) and statutory liquidity ratios (SLR) including cash with themselves. The imposition of such a target ratio had its rationale in the historical neglect by the banking industry of rural and semi-urban areas, of backward regions and states and of agriculture and other informal sectors – all of which were found to be closely linked. It was even found that, except for the initial thrust after bank nationalisation, the scheduled commercial banks again tended to neglect rural areas in their branch banking programmes. Therefore, the government was forced to set up regional rural banks (RRBs) for the specified underdeveloped districts though, as the *Report of the Working Group on Rural Banks*, July 1975 (Chairman: M. Narasimham) had repeatedly emphasized,

“the setting up of new institutions should not in any way lead to a let up in the pace of either rural branch expansion or extension of rural credit by the commercial banks.....” (pp. 12-13).

or

“The rural banks are not being set up as substitutes for commercial or cooperative banks” (p.12).

### The initial success

Alongside the opening of rural bank branches between 1970 and 1991, shares of rural deposits and rural credit in aggregate deposits and credit had risen. More significantly, with the prescribed targets of 60 per cent credit-deposit ratio, the C-D ratios of rural branches had touched 64-65 per cent by the mid-1980s (Table 36).

These positive developments have uniformly suffered a setback after the beginning of the 1990s. No doubt, rural C-D ratios appear much higher based on *utilisation* rather than *sanction* of bank credit<sup>13</sup>, but even such C-D ratios have experienced sharp reductions between 1990 and 2000; overall only 36 per cent of the incremental deposits in rural areas in the whole of the 1990s have been deployed in the very areas even after taking into account the net in-migration of credit from outside the rural areas.

The bank credit so migrated are truly those of relatively large loan account holders. For instance, as of March 1990, the number of extra loan accounts as per *utilization* as compared with *sanction* was 2,53,068, but they accounted for extra bank credit of Rs 9,333.65 crore, thus resulting in an average credit of Rs 3.71 lakh per loan account for these extra accounts. This contrasts with the average loan amount of just Rs 5,708 per account in a rural branch as per *sanction*. In fact, the average amount per loan account migrated has further shot up from around Rs 4.1 to Rs 5.5 lakh until 1998 to a range of Rs 15.4 lakh to Rs 30.0 lakh (Table 37). Second, in the 1990s, the incidence of migration has got reduced in respect of rural branches, has remained high ranging from 22 per cent to 58 per cent between 1990 and 2006. Third, the average size of loans has risen to such an extent, as shown above, that the migrated bank credit has completely lost its rural and

<sup>13</sup> An innovative data set gathered in the RBI's banking statistics relates to the capturing of the phenomenon of migration of bank credit from the place of *sanction* to the place of *utilization*. This is the distinction between C-D ratios based on *sanction* and *utilization*.

**Table 36:** Population Group-wise C-D Ratio as per Sanction and Utilization

Year/ Population Group	Jun-80	Mar-90		Mar-00		Mar-06	
	Sanction	Sanction	Utilization	Sanction	Utilization	Sanction	Utilization
Rural	54.5	61.2	97.1	40.4	49.3	55.8	88.2
Semi-Urban	47.2	49.1	48.5	34.7	40	50.1	57.8
Urban	60	55.6	52.9	41.9	42.1	57	64.1
Metropolitan	87	69.9	58	78.9	73.2	87.5	76.3
All-India	67.2	60.7	60.7	56	56	72.4	72.4

Source: RBI, *Banking Statistics: Basic Statistical Returns of Scheduled Commercial Bank in India*, March 2006 (Vol. 35) and earlier issues

**Table 37: Population Group-wise Outstanding Credit of Scheduled Commercial Banks According to Place of Sanction & Utilisation**

Year	Rural Branches																
	As Per Place Of Sanction						As Per Place of Utilisation						Extent of Net Migration (in Migration Per Cent)	In-Migration of Credit into Rural Areas			
	No. of Accounts	% to All India	Amount Outstanding	% to All India	C-D-Ratio		No. of Accounts	% to All India	Amount Outstanding	% to All India	C-D-Ratio		No. of Accounts	Amount Outstanding	Average Amount		
	1	2	3	4	5	6	7	8	9	10							
1990	28147793	52.3	1606785	15.4	61.2	28400861	52.7	2546750	24.4	97.1	58.5	253068	939965	3.7			
1991	32282038	52.1	1859897	15.0	60.0	32465094	52.4	2664386	21.5	85.9	43.3	183056	804489	4.4			
1992	33895809	51.5	2069226	15.1	57.9	34015483	51.6	2752005	20.1	77.0	33.0	119674	682779	5.7			
1993	32746252	52.7	2290640	14.1	55.3	32881221	52.9	3038283	18.7	73.4	32.6	134969	747643	5.5			
1994	32203250	54.0	2467035	14.0	50.0	32310293	54.2	3086300	17.5	62.6	25.1	107043	619265	5.8			
1995	29200944	50.3	2517431	11.9	48.6	29406873	50.6	3352916	15.9	64.7	33.2	205929	835485	4.1			
1996	28580976	50.4	2901237	11.4	47.3	28795008	50.8	3861351	15.2	63.0	33.1	214032	960114	4.5			
1997	27104273	48.7	3252522	11.4	44.1	27280171	49.0	4025888	14.2	54.6	23.8	175898	773366	4.4			
1998	26568062	49.6	3759808	11.4	43.4	26761082	49.9	4813214	14.6	55.5	28.0	193020	1053406	5.5			
1999	24433632	46.7	4209081	11.0	41.0	24473040	46.8	5390862	14.1	52.5	28.1	39408	1181781	30.0			
2000	25038199	46.1	4875339	10.6	40.4	25079582	46.1	5942576	12.9	49.3	21.9	41383	1067237	25.8			
2001	22457677	42.9	5443125	10.1	39.0	22510707	43.0	6888194	12.8	49.4	26.5	53030	1445069	27.3			
2002	25101576	44.5	6668190	10.2	41.8	25162856	44.6	8771289	13.4	55.0	31.5	61280	2103099	34.3			
2003	25532535	42.9	7715335	10.2	43.7	25636572	43.1	10647948	14.1	60.3	38.0	104037	2932613	28.2			
2004	25408923	38.3	8502095	9.7	43.6	25564806	38.5	10990745	12.5	56.3	29.3	155883	2488650	16.0			
2005	29067890	37.7	10997562	9.5	51.6	29357131	38.1	16047983	13.9	75.3	45.9	289241	5050421	17.5			
2006	28576751	33.4	12607634	8.3	55.8	29053685	34.0	19942287	13.2	88.2	58.2	476934	7334453	15.4			

Source: As in Table 36. See Also Annexure J

semi-urban characteristics. Also, net migration has occurred essentially from metropolitan branches of banks (Annexure J). In view of the above, the C-D ratio of rural branches as per utilisation cannot be characterised as high unless a detailed study on the nature of loan accounts so migrating into rural areas is undertaken.

#### **Sanction and utilisation differences in bank credit at the states' level too**

A significant point to note in regard to inter-regional disparities in credit flow is that the improvement that took place in narrowing the disparities during the first two decades of bank nationalisation, has been reversed and that there has occurred a sizeable fall in C-D ratios of the less developed regions in

the 1990s in terms of both *sanction* and *utilisation* [Tables 38 and 39].

However, the only silver-lining in this respect has been that the data show that after March 2000, there has been an improvement in C-D ratios of backward regions, particularly in terms of *utilisation*. It should be recognised that even this has occurred when there has been a sizeable improvement in the overall C-D ratio at the all-India level due to sharp reductions in cash reserve and statutory reserve ratios and due to vast increases in personal loans and other retail sector credit (EPWRF, 2006).

It may be argued that credit absorptive capacities of backward states and regions may have eroded during the decade of the 1990s, but as is shown in a subsequent section, this is only

**Table 38:** Regional Scenario of Credit-Deposit Ratios

Region	March 2006		March 2002		March 1996		March 1992		December 1982		December 1972	
	San- ction	Utili- sation	San- ction	Utili- sation	San- ction	Utili- sation	San- ction	Utili- sation	San- ction	Utili- sation	San- ction	Utili- sation
Northern	64.6	67.9	56.2	55.0	51.4	50.4	51.1	49.3	70.0	67.7	47.6	46.6
North-Eastern	40.7	52.3	27.2	53.2	35.5	41.1	46.7	66.3	41.2	57.5	36.3	71.4
Eastern	49.2	55.6	37.6	41.4	47.0	46.4	49.5	49.1	56.1	55.2	62.9	62.6
Central	44.2	50.0	33.9	38.4	40.0	42.0	47.6	50.2	47.8	50.6	39.1	44.4
Western	92.0	78.9	79.7	71.3	72.2	71.4	58.2	56.5	73.7	73.0	76.2	71.8
Southern	84.4	90.8	64.6	68.9	74.2	74.8	76.5	77.7	79.2	80.2	91.1	94.7
All-India	72.4	72.4	58.4	58.4	59.8	59.8	57.7	57.7	67.1	67.1	66.4	66.4

*Source:* RBI, Banking Statistics: Basic Statistical Returns of Scheduled Commercial Bank in India, March 2006 (Vol. 35) and earlier issues

**Table 39:** Credit-Deposit Ratios for Selected States

Region	March 2006		March 2002		March 1996		March 1992		December 1982		December 1972	
	San- ction	Utili- sation	San- ction	Utili- sation	San- ction	Utili- sation	San- ction	Utili- sation	San- ction	Utili- sation	San- ction	Utili- sation
Rajasthan	77.3	86.0	48.4	55.4	45.4	45.3	55.6	59.3	70.1	74.1	48.6	54.5
Bihar	30.3	40.0	21.3	21.9	30.1	31.1	36.9	38.5	42.8	50.7	28.1	53.0
West-Bengal	56.3	61.4	45.8	49.2	55.2	53.3	52.8	51.0	59.3	54.1	76.0	65.5
Madhya Pradesh	60.5	67.2	46.6	50.3	56.2	60.6	61.0	63.2	58.2	61.2	46.6	51.8
Uttar Pradesh	41.0	46.3	29.9	34.3	33.8	35.0	42.5	45.3	44.7	47.3	36.9	42.2
Gujarat	55.6	75.3	44.1	54.7	52.9	56.9	52.4	57.3	52.0	53.9	56.4	64.6
Maharashtra	100.2	81.3	92.3	77.5	79.6	77.3	60.7	57.1	83.7	81.7	83.8	74.8
Tamil Nadu	110.5	109.3	85.4	88.5	94.9	94.4	89.0	89.1	94.6	94.5	109.5	110.0
All-India	72.4	72.4	58.4	58.4	59.8	59.8	57.7	57.7	67.1	67.1	66.4	66.4

*Source:* RBI, Banking Statistics: Basic Statistical Returns of Scheduled Commercial Bank in India, March 2006 (Vol. 35) and earlier issues

partially true; the supply of credit has been found to have fallen behind the demand for it rather significantly. Also, even after taking into account the *utilization* of credit, the C-D ratios of underdeveloped regions are far below 60 per cent, thus suggesting that substantial proportions of deposits in these regions are being used elsewhere. Generation of deposits could also be considered as a measure of economic potential for bank lendings.

#### ***Inter-district disparities in bank credit – Initial improvement and subsequent setback***

Inter-regional and inter-state disparities are better reflected when we disaggregate the banking data into district levels; such desegregation throws up the presence of vast intra-state disparities

The improvement in banking development in the post-nationalisation period was reflected in a large number of districts sporting noticeably higher growth in bank deposits, higher credit growth and improved C-D ratios. Number of districts enjoying C-D ratios of 60 per cent and above shot up from 136 in March 1980 to 209 in March 1985; thereafter they remained in the range of 177-163 until March 1992. Such improvement took place in rural centres of districts too (See Annexure K).

But, as in the case of other banking indicators cited earlier, a large number of districts began to experience in the 1990s reductions in credit delivery in relation to deposits that they generated. At one extreme, in March 1990 or even up to March 1992, there were just about 20-28 districts (out of 401-478) which had C-D ratios of less than 20 per cent, but in March 2000, there were as many as 105 districts (out of 565) within this lowest range of C-D ratios (Table 40).

Classification of districts by their C-D ratios and by states reveals an interesting picture (Annexure K). As presented in a summary table (Table 41) as of March 2006, north-eastern, eastern and central regions have their districts concentrated in low C-D ratio loops, while the western region districts appear somewhat spread out across various C-D ratio ranges. The southern region enjoys the distinction of its districts being concentrated in high C-D ratio loops (Table 41; see also Annexure L).

#### ***Intra-state disparities: Further evidence***

Also, as expected, there have been acute inter-district disparities within states in banking development. The district-wise data base built by the EPWRF reveals uniform deterioration of these intra-state disparities since the beginning of the 1990s. An example of the data for the four states of Maharashtra, Andhra Pradesh, West Bengal and Karnataka, presented in Table 42, brings out how such a deterioration has occurred between March 1992 and March 2006. The acute concentration of bank credit share amongst the top five districts, in each of these states, has further intensified after March 1992. In Maharashtra, the credit share of top five districts has further risen from 89.9 per cent in March 1992 to March 2006. In Andhra Pradesh, the corresponding share of top five districts has risen from 59.3 per cent to 65.8 per cent. Likewise, in Karnataka and West Bengal, the proportions of top five districts have risen from 70 per cent to 78 per cent and from 81.8 per cent to 84.8 per cent, respectively. In metropolitan-oriented states like Maharashtra and West Bengal, the top centres obviously absorb disproportionately high credit shares (Table 42). At the other extreme, the credit shares of bottom five districts

**Table 40:** Classification of Districts By Range of C-D Ratios (Per Cent)

<i>C-D Ratio Range (Per Cent)</i>	<i>March 2006</i>	<i>March 2005</i>	<i>March 2004</i>	<i>March 2000</i>	<i>March 1990</i>	<i>March 1985</i>	<i>March 1980</i>
	<i>Number of Districts</i>						
< 20	28	54	79	105	28	20	29
20 – 30	69	97	117	130	49	37	59
30 – 40	67	105	127	97	71	71	64
40 – 50	88	84	83	85	60	49	64
50 – 60	62	87	73	47	69	41	49
60 – 100	196	149	98	87	142	157	114
> 100	91	23	12	14	35	52	22
Total	601	599	589	565	454	427	401

*Source:* Classification compiled by EPWRF from district-wise data contained in RBI(2007e), Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006 (Vol.35) and earlier issues



**Table 41:** Region/State-wise Classification of Districts by Range of C-D Ratios across Regions/Selected States

Region/State	Range of C-D Ratios as per Utilisation									
	0-40	41-60	61-100	>100	Total	0-40	41-60	61-100	>100	Total
	Number of Districts, 2006					Number of Districts, 2003				
Northern Region	23	20	41	13	97	43	26	24	4	97
North-Eastern Region	22	25	19	13	79	44	14	8	5	71
Eastern Region	54	26	24	11	115	73	26	12	2	113
Central Region	54	46	33	14	147	87	33	20	3	143
Western Region	7	13	33	11	64	18	10	29	7	64
Southern Region	4	20	46	29	99	15	30	40	14	99
India	164	150	196	91	601	280	139	133	35	587
Bihar	23	8	3	4	38	32	6	-	-	38
Jharkhand	20	1	1	-	22	17	2	1	-	20
Madhya Pradesh	10	15	15	8	48	17	15	11	2	45
Orissa	1	9	14	6	30	6	14	8	2	30

Note: C-D denotes Credit-Deposit  
Source: Computed by EPWRF from RBI, *Basic Statistical Returns of Scheduled Commercial Banks in India, 2003 and 2006*. For details, See Annexure L

have slipped from 0.67 per cent to 0.23 per cent between March 1992 and March 2006 in the case of Maharashtra and from 6.4 per cent to 4.9 per cent in the case of Andhra Pradesh (Table 42).

Likewise, in the case of Karnataka and West Bengal, the shares of the bottom districts have fallen from 6.2 per cent to 2.2 per cent and from 3.3 per cent to 2.7 per cent, respectively.

### 13. Substitute Policy Devices to Promote Larger Credit Absorption in Backward States and Regions

To a significant extent, the credit absorptive potentials of the underdeveloped regions and districts had suffered a setback in the 1990s and hence, their C-D ratios were deteriorating. To mitigate this situation, substitute policy devices were considered and put in place. Two special policy initiatives set out to show larger credit absorption in backward regions were: (i) bank investments in securities and bonds of state governments and state-associated bodies; and (ii) resources placed by banks with NABARD in rural infrastructure development fund (RIDF) which are utilized for funding state governments for rural infrastructure projects including irrigation projects; as discussed earlier, 2,44,025 projects for

Rs 61,540 crore have been sanctioned up to the end of March 2007 under the RIDF

Though inter-regional disparity remains, the north-eastern, eastern and central regions show significant improvements in (credit utilisation + investments + RIDF) to deposit ratios. As shown in Table 43 below, the number of states with C-D ratios of 50 per cent and above have steadily increased, from 7 under C<sup>S</sup>-D ratio to 15 under C<sup>U</sup>-D ratio, to 21 under (C<sup>U</sup>+I) to D ratio and to 24 under (C<sup>U</sup>+I+RIDF) to D ratio, as of March 2003.<sup>14</sup>

Based on credit utilisation *plus* investment to deposit ratio, the number of states with C-D ratios of 50 per cent and above increases from 19 in March 2003 to 27 in March 2006. But, to add a caveat, C-D ratio based on utilisation plus investment improves the position of underdeveloped regions, but it does so even for the advanced southern region significantly from 79.2 per cent in March 2003 to 97.5 per cent in March 2006 (Table 44). In fact, the inter-regional inequality further widens for, while the utilisation of central region's deposits remain less than 60 per cent and that of eastern region at less than 66 per cent, the utilisation in the southern region come close to 100 per cent and in the northern region at 72 per cent

<sup>14</sup> These data are not available beyond March 2003

**Table 42:** District-wise Aggregate Deposits and Bank Credit

Districts	End of March 2006		End of March 1992	
	Credit Share (in Per Cent)	Credit- Deposit Ratio	Credit-Share (in Per Cent)	Credit- Deposit Ratio
<b>A. Maharashtra and Andhra Pradesh</b>				
Maharashtra				
State total	100.0	81.3	100.0	60.7
Top 5 districts	92.4	81.3	89.9	60.5
Mumbai	80.6	82.0	79.5	61.2
Pune	5.6	75.0	5.4	66.9
Thane	2.9	61.0	1.7	32.4
Raigad	2.0	236.5	2.1	56.6
Nagpur	1.4	58.2	1.2	69.2
Bottom 5 Districts	0.23	51.7	0.67	35.2
Andhra Pradesh				
State total	100.0	86.2	100.0	80.1
Top 5 districts	65.8	92.4	59.3	91.2
Hyderabad	42.8	95.9	36.3	101.3
Visakhapatnam	6.3	48.7	6.7	65.5
East Godavari	5.9	145.5	6.0	80.7
Krishna	5.7	109.2	5.8	71.2
Guntur	5.1	117.7	4.5	132.6
Bottom 5 Districts	4.9	61.3	6.4	55.5
<b>B. Karnataka and West Bengal</b>				
Karnataka				
State total	100.0	93.4	100.0	84.8
Top 5 districts	78.0	96.8	70.0	78.1
Bangalore Urban	61.5	90.4	46.7	85.1
Bangalore Rural	7.4	596.6	8.8	57.0
Dakshin Kannada	3.3	58.4	5.8	94.9
Bellary	3.1	157.0	4.5	65.8
Mysore	2.8	74.1	4.2	66.2
Bottom 5 Districts	2.2	84.8	6.2	67.2
West Bengal				
State total	100.0	63.6	100.0	51.0
Top 5 districts	84.8	66.4	81.8	49.8
Kolkata	71.5	79.6	64.1	51.7
Bardhaman	3.8	36.5	4.0	29.1
North 24 Paraganas	3.4	20.1	4.9	40.7
Paschim Medinipur	3.2	82.5	4.5	57.4
Haora	2.9	43.4	4.3	62.4
Bottom 5 Districts	2.7	43.3	3.3	47.9

*Source:* RBI, *Basic Statistical Returns*, March 1992 and March 2006.

**Table 43:** Number of States and UTs in Different Ranges of C-D Ratio – March 2003

Range of CDR	C <sup>S</sup> DR	C <sup>U</sup> DR	C <sup>U+I</sup> /D Ratio	C <sup>U+I+RIDF</sup> /D
<30	17	8	2	2
30-50	11	12	14	9
50-60	1	7	4	8
>60	6	8	15	16
Total	35	35	35	35
<b>March 2006</b>				
Range of CDR	C <sup>S</sup> DR	C <sup>U</sup> DR	C <sup>U+I</sup> /D Ratio	C <sup>U+I+RIDF</sup> /D
<30	8	2	-	-
30-50	12	12	8	-
50-60	5	6	6	-
>60	10	15	21	-
Total	35	35	35	-

*Note:* C<sup>S</sup>/DR: Credit as per Sanction to Deposit Ratio ; C<sup>U</sup>/D Ratio: Credit as per Utilisation to Deposit Ratio;  
C<sup>U+I</sup>/D Ratio: Credit as per Utilization *plus* Investment to Deposit Ratio; C<sup>U+I+RIDF</sup>/D: Credit as per Utilisation *plus* Investment *plus* RIDF to Deposit Ratio  
*Source:* RBI (2005): Report of the Expert Group on Credit Deposit Ratio  
RBI (2007): Report on Trend and Progress of Banking in India 2006-07

(Table 44). Further, inclusion of RIDF benefits improves the C-D ratios across all regions – developed as well as underdeveloped (Table 45).

The objective of RIDF was to improve the credit absorbing capacity of the agricultural sector by strengthening rural infrastructure. As discussed earlier, contributions to the RIDF represent the shortfall in banks' achievements of priority sector targets. By implication, the utilization of RIDF funds should be relatively more oriented towards the under-banked regions of the country, but the objective of RIDF to bring about better regional distribution of rural infrastructure and improved credit absorption in underdeveloped states does not seem to have been achieved.

#### ***Innovative measures: a caution on their significance***

Counting banks' investments in trustee securities as well as funds earmarked for rural infrastructures are an innovative method of measuring the improved inter-state and inter-regional distribution of lendable resources of banks. But, a

**Table 44:** Region-wise CDR (as per Sanction) and C+I/D Ratio (as per Credit Utilisation) of Scheduled Commercial Banks

Region/ Year	Mar-95		Mar-00		Mar-03		Mar-06	
	$C^S/D$	$C^U+I/D$	$C^S/D$	$C^U+I/D$	$C^S/D$	$C^U+I/D$	$C^S/D$	$C^U+I/D$
Northern	48.6	53.4	51.1	54.8	56	60.5	64.6	72
North-Eastern	35.6	68.8	28.1	48.9	27.4	67	40.7	66.7
Eastern	47.1	62.7	37	48.3	39.6	54.3	49.2	65.5
Central	39	57.3	33.9	48.5	33.3	49.9	44.2	59.9
Western	63.2	67.2	75.4	78.6	81	74.9	92	82
Southern	69.4	80.9	66.2	75.5	66.3	79.2	84.4	97.5
All-India	55.6	65.3	56	63.6	59.2	66.4	72.4	78.3

$C^S/D$  : Credit (as per sanction) + Investment to Deposit ratio  
 $C^U+I/D$ : Credit (as per utilisation) + Investment to Deposit ratio  
Source: As in Table 43

**Table 45:** Region-wise Credit plus Investment plus RIDF to Deposit Ratio

Region/Year	March 2000		March 2003	
	$C^S/DR$	$C^U+I+RIDF/D$	$C^S/DR$	$C^U+I+RIDF/D$
Northern	51.1	55.2	56.0	61.4
North-Eastern	28.1	50.2	27.4	69.4
Eastern	37.0	48.9	39.6	55.2
Central	33.9	49.6	33.3	51.3
Western	75.4	79.1	81.0	75.5
Southern	66.2	76.3	66.3	80.5
All-India	56.0	64.3	59.2	67.4

$C^S/DR$  : Credit (as per sanction) + Investment to Deposit Ratio  
 $C^U+I+RIDF/D$ : Credit (as per utilisation) + Investment + Rural Infrastructure Development Fund (RIDF) to Deposit Ratio  
Source: RBI (2005): Report of the Expert Group on Credit Deposit Ratio

few cautionary observations that strike us are as follows. First, these innovative measures have not improved inter-regional disparities in the banks' resource flow. Secondly, the large-size underdeveloped regions of eastern and central India have only fractionally higher amounts of lendable resources of banks in relation to their bank deposits, but the consequential expanded credit-deposit ratios have remained about 60-65 per cent, much lower than 72-98 per cent achieved in developed regions, implying that these backward regions do generate sizeable bank deposits but the banks are organisationally weak in expanding their credit base in those regions. Hence, they continue to utilize in credit or otherwise invest in other advanced regions. This is a pointer to the basic thrust of this study, that unless we strengthen the institutional structure in rural areas and underdeveloped regions, their economic potentials cannot be further exploited. From bank ability point of view, their potentials are not as weak as it is made out, if the bank deposits that they generate are an indication.

## FLOW OF TOTAL INSTITUTIONAL CREDIT INCLUDING THAT FROM COOPERATIVES

The study hitherto has concentrated only on bank advances extended by scheduled commercial banks including regional rural banks (RRBs) because of three self-evident reasons; increasing and now dominant involvement of these banks in agricultural lendings; definitive policy focus on these banks in terms of priority sector targets after bank nationalisation; and neater availability of data for them through control and statutory returns. But, India has a long history of rural finance from the cooperative sector.

“Although the share of cooperative credit is now much lower than that of commercial banks, the reach of cooperative credit societies is much wider. With over 1.10 lakh primary credit societies and 127 million members and 45 million borrowing membership, cooperative credit societies have more than twice the number of rural outlets and four times more accounts than those of scheduled commercial banks and RRBs put together. Cooperative credit societies provide small loans to small borrowers in rural areas. In March 2003, while the public sector banks had 164 lakh accounts with an average loan size of Rs. 31,585, the cooperative societies had 639 lakh account holders whose average borrowing was only Rs.6,637 (*Report of the Task Force on Revival of Cooperative Credit Institutions* (Short-Term), February 2005, Chairman: A. Vaidyanathan)”.

In fact, as we would presently show, loans issued by the cooperative institutions until the second half of the 1990s for the agricultural sector have always been higher than those issued by scheduled commercial banks and RRBs together. In addition, there are sizeable amounts of indirect assistance extended by cooperatives in the form of loans to institutions, state electricity boards and commercial organisations engaged in the distribution of agricultural inputs or in lending secondary assistance to weaker sections; in this

respect too, available data suggest that the involvement of cooperatives had been much more extensive than that of commercial banks.

The objective of this section is to present a review of the aggregate flow of institutional finance for agriculture and allied activities including that from cooperatives and how differing roles are played by cooperatives and commercial banks in rendering crop loans and term loans for the farm sector over years. Before doing so, however, it is necessary to steer clear of a data problem regarding institution-wise distribution of agricultural loans disbursed every year.

### *Data sources: a primer*

In the previous section, we have made a reference to data issues concerning bank credit outstanding against agriculture from scheduled commercial banks. Data on total institutional flows appear to be facing much more complex problems. In this respect, we may recall that the RBI (and later NABARD) had instituted a system of collating a special set of data on flows (or the same as loans issued) of institutional assistance for agriculture and allied activities as distinguished from loans outstanding against the sector separately for cooperatives, RRBs and commercial banks. In fact, agriculture and allied activities was the only sector for which such separate sets of data on loans issued and outstandings were being obtained from institutions, tabulated and disseminated; credit data in respect of all other sectors have been made available, as now, only in the form of bank credit outstanding.

However, in the above set of official statistics on agricultural credit issued, there has occurred a break in the series. Earlier, the RBI, in coordination with NABARD, was publishing such flow and stock figures of agricultural loans in its annual

publication *Handbook of Statistics on the Indian Economy*, but this publication has discontinued the dissemination of continuous series after 2001-02. In the sequence of events thereafter, a number of disruptive developments in the early 1990s affected agricultural lendings and also the accurate flow of data on the subject (*Economic Survey, 1994-95*, pp. 51-52). With a view to giving a boost to agricultural lendings, public sector banks were asked to prepare by June 1994, *special agricultural credit plans* (SACPs) for 1994-95 and thereafter and thus meet the agricultural credit sub-target of 18 per cent under the priority sector. For this purpose, some changes were introduced in the scope of priority sector advances; for agriculture in particular, direct and indirect advances were allowed to be clubbed together for meeting the 18 per cent sub-target.

It is based on the above system of *special agricultural credit plans* that the RBI has been obtaining control returns from commercial banks from 1995-96 onwards and transmitting them to NABARD, and NABARD in turn has been compiling the data on aggregate credit disbursements for agriculture by combining RBI figures on scheduled commercial banks and its own control returns on RRBs and the cooperative sector. The kink in the series referred to above has thus come about because the RBI data on farm credit from commercial banks have covered both direct and indirect advances.

Thus, the data on agricultural disbursements after 2004-05 are not comparable with the earlier series. This is mainly because, to repeat, commercial bank data cover indirect lendings including RIDF deposits. These indirect lendings are of a special character; they are given to commercial undertakings and they partake the character of commercial loans though directed towards agricultural and rural development. The quintessential part of the policy on agricultural credit expansion lies in direct lendings by banks. In any case, we require data on direct disbursements of agricultural credit by different agencies to farmers so that we can work out their growth, the relative contributions of different agencies – cooperatives, RRBs, and commercial banks – towards crop loans and investment credit, and what is more, relate them to agricultural inputs, capital formation and GDP originating in the sector.

The absence of continuous time series on farm credit disbursements after 2004-05 has thus created a serious gap in data and problems in evaluating the performance of institutions in farm lending.

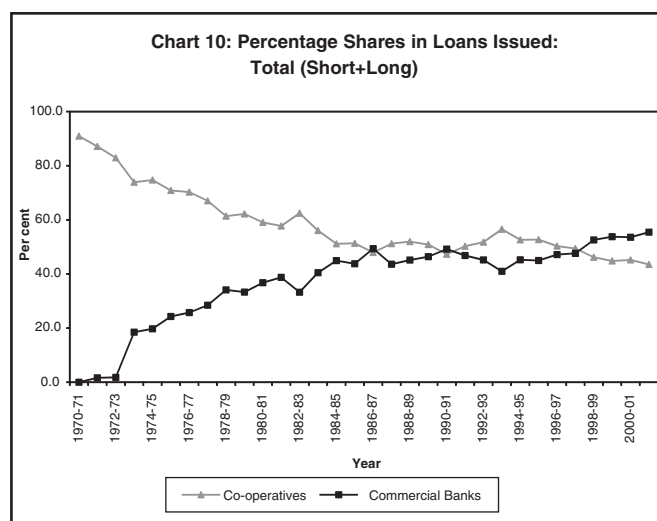
As explained below, we have sought to adjust the series for the period after 2004-05 by excluding the independently available information on indirect lendings of scheduled commercial banks from the official series of disbursements.

Even so, it is our considered view that the data series remain non-comparable as between those presented in the RBI's *Handbook* for the period 1970-71 to 2001-02 and those reworked by us by adjusting for the indirect lendings of commercial banks for the period 1995-96 to 2006-07. There is also a third set of data for the interregnum 2002-03 to 2004-05 which NABARD has been disseminating along with the data for the subsequent period though the basis of it is not known. We thus attempt an analysis of data series in two parts: the first set which covers the period of three decades of 1970s, 1980s and 1990s for which comparable time series are available up to 2001-02; and the second set covering the period 1995-96 to 2006-07 along with the truncated period 2002-03 to 2004-05 for which data have been collated and put out by NABARD.

### 1. Changing Roles of Cooperatives and Commercial Banks: 1970s to 1990s

Annexures M, N and O depict the changing roles of different agencies in agricultural credit. All the three Annexures cover over the 30-year period 1970-71 to 2001-02. Annexure M presents shares of cooperatives, RRBs and commercial banks in loans issued separately for short-term and long-term credit as well as for the aggregate credit. Annexure N repeats the same distribution of credit by different agencies for loans outstanding (as distinguished from loans issued). While these Annexures provide annual growth rates and their averages for specified periods as worked for this research project, Annexure O depicts relative proportions and loans issued and outstanding as percentages of agricultural GDP for individual years also worked out for the project.

These data vouchsafe for the increasing role of commercial banks in agricultural lendings after bank nationalisation. Correspondingly, the share of cooperatives in crop loans as well as term loans began to recede. But, it must be said to the credit of the cooperative structure that the decline in its share had been slow and gradual until the 1990s. Also, based on their vast institutional reach, cooperatives retained their specialisation in crop loans, while commercial banks, based on their vast resources and expertise, expanded their base in investment credit. In terms of absolute amounts of total disbursements, cooperatives had higher amounts than commercial banks and RRBs put together until 1997-98. It was only thereafter that a push to agricultural lendings by commercial banks was provided based on the R.V. Gupta Committee report (1998) which introduced a number of procedural simplifications. This was particularly true in crop loans. In term credit, commercial banks and RRBs together had overtaken the cooperatives in the early 1980s; in essence that was how the commercial banks' involvement



in agricultural lendings began. Overall, as said earlier, the cooperatives have retained their specialisation in crop loans and commercial banks in term loans (Chart 10).

To dilate a little more on the trends during the first three decades after bank nationalisation, the following key results are discernible.

First, after a sharp increase in total agriculture credit disbursements at an annual rate of about 17 per cent during the initial decade of the 1970s, there was a slowdown particularly after the second half of the 1980s which continued until the early 1990s. In fact, during the 1990s as a whole, the growth in outstandings of agricultural credit was the lowest at less than 10 per cent per annum; it was high at 16.6 per cent during the 1970s as it was over a low base and it fell to an average growth of 13.8 per cent during the 1980s (Table 46). Growth in loans issued has also decelerated during 1990s except for

large increases of 22 to 28 per cent for three years 1993-94 to 1995-96; for the next 6 years, the annual growth rates has ranged from 10 per cent to 15 per cent. Prior to 1993-94, the growth rates were still lower.

The lowest growth in farm credit in the 1990s is officially explained thus:

“This is partly due to writing-off of agricultural debts under Agricultural Debt Relief Scheme of 1990 and partly because of various factors like the vitiated recovery climate and the unsatisfactory recovery performance, lack of requisite infrastructure and inadequate support and cooperation from the concerned development agencies of the State Governments and banks’ hesitation in lending to high risk borrowers due to the introduction of prudential norms relating to income recognition, assets classification, provisioning and capital adequacy” (*Economic Survey 1994-95*, p. 51-52).

Second, the share of crop loans in total agricultural disbursements has taken a U shape in the 30-year period (Chart 11); it gradually fell from 72 per cent in the early 1970s and reached the lowest level of 57 per cent in 1991-92. Thereafter, the crop loan share looked up and regained the 71 per cent share obtained in the early 1970s. *Contrariwise*, the share of term loans increased until the beginning of the 1990s and then fell during the 1990s (Chart 11). Secondly, the above is reflected in differing growth rates in the three decades. The massive rates of increases in the 1970s, particularly by commercial banks, yielded to moderation in the 1980s.

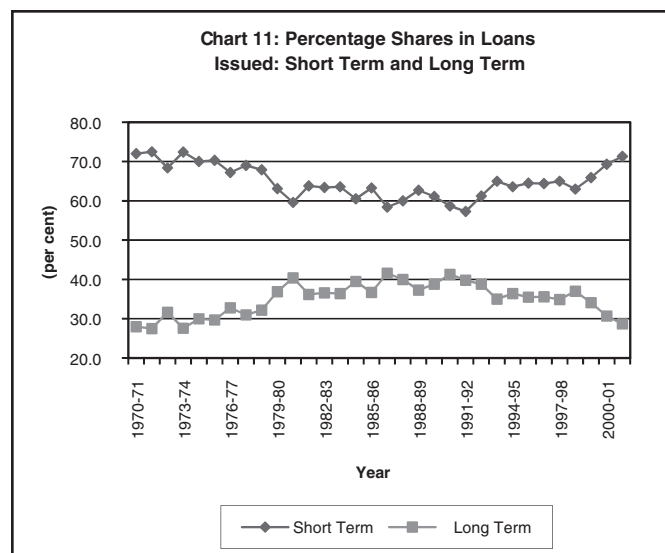
Even so, the average rates of increases by commercial banks in short-term loans were much higher than those of cooperatives. Also in these crop loans both the sets of institutions improved their growth rates in the 1990s (Table 47). It was in term loans

**Table 46: Average Annual Growth Rates in Agricultural Credit: 1970s, 1980s, 1990s**

Period	<i>(Per Cent Per Annum)</i>							
	Total Loans Issued				Total Loans Outstandings			
	Co-operatives	Commercial Banks	Scheduled Commercial Banks and RRBs	Total	Co-operatives	Commercial Banks	Scheduled Commercial Banks and RRBs	Total
1971-72 to 1981-82	12.9	29.0	29.2	17.4	11.7	31.1	30.6	16.6
1981.82 to 1991-92	9.3	13.7	13.6	10.7	9.8	18.9	17.7	13.8
1991-92 to 2001-02	12.4	15.0	16.1	14.0	7.8	9.4	11.0	9.7

(for details, see Annexures L and M)

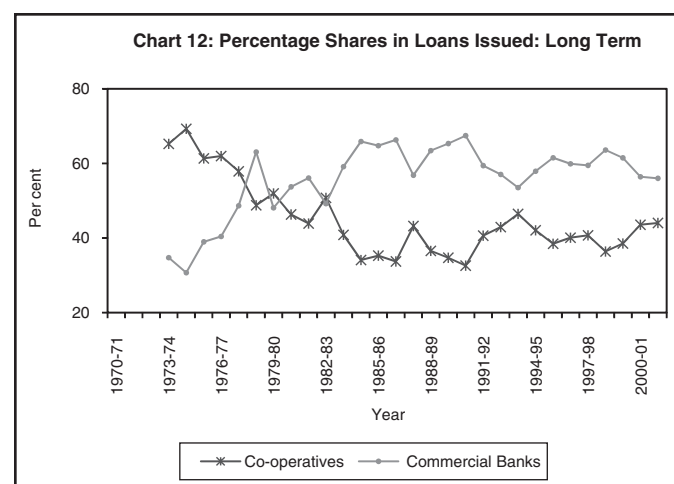
Note: Growth rates are averages of annual growth rates



that both the sets of institutions slowed down their growth rates, but a distinct slowdown has occurred in the case of commercial banks, particularly in loans outstanding (7.9 per cent in the 1990s and 19.5 per cent in the 1980s as against 37.4 per cent in the 1970s).

Finally, despite differing growth rates, the relative shares of different agencies in crop loans, in term loans and in

total agricultural loans have generally produced a distinct pattern (See Annexures P and Q and Table 48). To begin with, in crop loans, there occurred a steady fall in the shares of cooperatives accompanied by corresponding increases in the shares of commercial banks and RRBs together. In term loans, commercial banks did make a headway in the 1970s and until the mid-1980s, but thereafter they slackened, which is reflected in their share falling in 1992-93 and 2001-02; cooperatives' share fell until 1985-86 but increased thereafter (Table 48 and also Chart 12).



**Table 47: Average Annual Growth Rates in Agricultural Credit by Different Credit Agencies**

(In percentages)								
Loans Issued								
	Short-Term				Long-Term			
	Co-operatives	Commercial Banks	SCBs+RRBs	Total@	Co-operatives	Commercial Banks	SCBs+RRBs	Total@
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1971-72 to 1981-82	12.9	25.4	25.9	16	14.7	30	30.7	22
1981-82 to 1991-92	8.6	15.1	16.4	9.6	12.1	13	13.4	11.9
1991-92 to 2001-02	13.2	18.7	20.1	16.4	11.1	10.5	10.6	10.6
Loans Outstandings								
	Short-Term				Long-Term			
	Co-operatives	Commercial Banks	SCBs+RRBs	Total@	Co-operatives	Commercial Banks	SCBs+RRBs	Total@
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1971-72 to 1981-82	12	29.3	29.7	16.9	16.8	37.4	38	22.6
1981-82 to 1991-92	9.3	13.2	14.7	10.9	10.6	19.5	20.8	15.8
1991-92 to 2001-02	9.3	15.2	16.3	13.2	6.5	7.9	8.1	7.8

@ Total includes loans issued by State Governments

Source: RBI (2007), Handbook of Statistics on the Indian Economy 2006-07, October (See Annexures M and N)

It must be noted that the broad characterisation of the changing roles of cooperatives and commercial banks, were induced by different policy interventions in different points in time. First, after bank nationalisation, in the early 1980s, the 20-point programmes were introduced and the targets of priority sectors enhanced. In 1979-80, the IRDP programme was introduced. Second, towards the end of the 1980s, the socio-political undercurrents resulted in such policy actions as loan waivers. Third, with serious organisational weaknesses faced by banks, the 1990s began with banking reforms and consequential slowdown in agricultural lendings by commercial banks, but the processes of provisioning and reducing NPAs got an impetus. The crisis in agriculture combined with sharp reductions in farm loans by banks brought forth the government response in the form of introducing special credit plans in 1994-95 which gave a push to farm loans by commercial banks. Overall, until the end of the decade of the 1990s, the commercial banks faltered on their lending operations. In this period, when commercial banks thus narrowed their agricultural credit base after the introduction of the banking reforms in the 1990s, cooperatives came to

the rescue of the agricultural sector to an extent, as is evident from a slight improvement in their share, particularly in term loans in which they were losing ground for two decades in the 1970s and 1980s to the commercial banks (Table 48); the share of cooperatives in agricultural term loans, which had steeply declined to about one-third by 1990-91, improved to 44 per cent in 2001-02 (Table 48 and Chart 12).

#### *Trends in farm credit as a proportion of agriculture GDP*

As Chart 13 depicts the ratios of farm loans issued to agricultural GDP, the achievements of the banking industry in improving the loans to GDP ratio was steady and brisk until the end of the 1980s, but those levels reached could not be regained thereafter until the end of the 1990s. Total agricultural credit as percentage of agricultural GDP steadily increased from 4.5 per cent in 1970-71 and attained a peak of 9.7 per cent in 1987-88. Thereafter, it began to dip and picked up only in 1995-96; in 2001-02 the ratio at 8.6 per cent was still lower the levels attained in the 1980s (Annexure O). Both crop loans and term loans to agricultural GDP ratios have fallen in the 1990s (see also Chart 13).

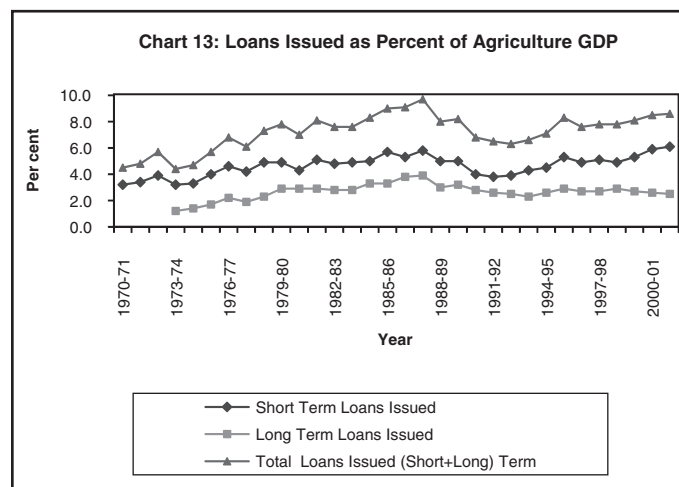
**Table 48:** Changing Shares of Different Agencies in Agricultural Loans

Period	(In Percentages)					
	Loans Issued					
	Short-Term		Long-Term		Total (Short-Term + Long-Term)	
	Co-operatives (1)	SCBs+RRBs (2)	Co-operatives (3)	SCBs+RRBs (4)	Co-operatives (5)	SCBs+RRBs (6)
1971-72	84.5	12.2*	65.2*	34.8*	87.1	1.6
1981-82	65.5	22.7	43.9	56.1	57.7	38.7
1985-86	60.7	31.5	35.3	64.7	51.3	43.7
1992-93	57.3	37.6	42.9	57.1	51.7	45.2
2001-02	43.3	55.2	44.0	56.0	43.5	55.4
Period	Loans Outstandings					
	Short-Term		Long-Term		Total (Short-Term + Long-Term)	
	Co-operatives (7)	SCBs+RRBs (8)	Co-operatives (9)	SCBs+RRBs (10)	Co-operatives (11)	SCBs+RRBs (12)
	1971-72	86.7	13.3	-	-	85.6
1981-82	56.7	36.1	55.2	44.8	55.8	44.2
1985-86	55.3	44.7	35.8	64.2	42.8	57.2
1992-93	50.5	49.5	34.9	65.1	40.2	59.8
2001-02	33.8	66.2	30.8	69.2	32.2	67.8

\* For 1973-74

Source: RBI (2007), *Handbook of Statistics on the Indian Economy 2006-07*, October. For details, see Annexures P and Q



**Table 49: Trends in Indirect Lendings for Agriculture Loans Issued**

(Rupees, Crore)				
Year	Cooperatives	Scheduled Commercial Banks	Total	As Percentage of Agriculture GDP
1993-94	10,076	332	11,101	4.8
1995-96	17,371	1,036	19,237	5.7
1997-98	19,972	1,904	22,976	6.3
1998-99	20,818	1,997	25,026	6.5
2001-02	24,108	7,990	36,819	7.6

For details, see Annexure R

### Rapid increases in indirect lendings in the 1990s

Even as banks exhibited somewhat of a lukewarm attitude towards direct agricultural lendings due to their organisational weaknesses and the farm sector's own slackness in growth, they intensified their indirect lendings on a sizeable scale in the 1990s. Increases have been vast in the case of cooperatives (Table 49).

## 2. Progress After the 1990s

### Agency-wise ground level credit flow: official series

As explained earlier, the long time series of data on direct institutional credit presented above (which we may characterise as *Handbook* series), while they provide a fairly consistent picture, nevertheless are not comparable with the data disseminated for the period after 2004-05 (described here *SACP* series). Table 50 presents the data series on

**Table 50: Agency-wise Ground Level Credit Flow: Official Series**

(Rs Crore)											
Year	Co-operative	Per Cent to Total	RRBs	Per Cent to Total	Commercial Banks	Per Cent to Total	Commercial Banks and RRBs	Per Cent to Total	Other Agencies	Per Cent to Total	TOTAL
<i>Part A: Absolute Amounts and Relative Shares</i>											
1991-92	5800	51.8	596	5.3	4806	42.9	5402	48.2			11202
1992-93	9378	61.8	831	5.5	4960	32.7	5791	38.2			15169
1993-94	10117	61.3	977	5.9	5400	32.7	6377	38.7			16494
1994-95	9406	50.2	1083	5.8	8255	44.0	9338	49.8			18744
1995-96	10479	47.6	1381	6.3	10172	46.2	11553	52.4			22032
1996-97	11944	45.2	1684	6.4	12783	48.4	14467	54.8			26411
1997-98	14085	44.1	2040	6.4	15831	49.5	17871	55.9			31956
1998-99	15957	43.3	2460	6.7	18443	50.0	20903	56.7			36860
1999-00	18260	39.5	3172	6.9	24733	53.5	27905	60.3	103	0.2	46268
2000-01	20718	39.2	4220	8.0	27807	52.6	32027	60.6	82	0.2	52827
2001-02	23524	37.9	4854	7.8	33587	54.1	38441	62.0	80	0.1	62045
2002-03	23636	34.0	6070	8.7	39774	57.2	45844	65.9	80	0.1	69560
2003-04	26875	30.9	7581	8.7	52441	60.3	60022	69.0	84	0.1	86981
2004-05	31231	24.9	12404	9.9	81481	65.0	93885	74.9	193	0.2	125309
2005-06	39404	21.8	15223	8.4	125477	69.5	140700	78.0	382	0.2	180486
2006-07	42480	20.9	20434	10.1	140382	69.1	160816	79.1	NA		203296

Part B: Annual Growth Rates					
Year	Co-operative Banks	RRBs	Commercial Banks	Commercial Banks and RRBs	TOTAL
1991-92					
1992-93	61.7	39.4	3.2	7.2	35.4
1993-94	7.9	17.6	8.9	10.1	8.7
1994-95	-7.0	10.8	52.9	46.4	13.6
1995-96	11.4	27.5	23.2	23.7	17.5
1996-97	14.0	21.9	25.7	25.2	19.9
1997-98	17.9	21.1	23.8	23.5	21.0
1998-99	13.3	20.6	16.5	17.0	15.3
1999-00	14.4	28.9	34.1	33.5	25.5
2000-01	13.5	33.0	12.4	14.8	14.2
2001-02	13.5	15.0	20.8	20.0	17.4
2002-03	0.5	25.1	18.4	19.3	12.1
2003-04	13.7	24.9	31.8	30.9	25.0
2004-05	16.2	63.6	55.4	56.4	44.1
2005-06	26.2	22.7	54.0	49.9	44.0
2006-07	7.8	34.2	11.9	14.3	12.6

Part C: Average Growth Rates					
Year	Co-operative Banks	RRBs	Commercial Banks	Commercial Banks and RRBs	TOTAL
1991-92 to 1994-95	20.8	22.6	21.6	21.3	19.3
1994-95 to 2003-04	12.5	24.2	23.0	23.1	18.7
2003-04 to 2006-07	16.7	40.2	40.4	40.2	33.6

Notes: (i) These data are regularly tabulated by NABARD based on commercial bank data supplied by RBI and co-operatives and RRB data obtained through control returns by its own regional offices.  
(ii) Commercial bank data include indirect advances issued

Source: (i) NABARD (2007): Annual Report 2006-07, p. 26 and earlier reports.  
(ii) Data for 2004-05 are from RBI's *Handbook of Statistics on Indian Economy 2006-07*.  
(iii) Some of the disaggregations in subsequent tables are supplied to us by NABARD which exactly match with these totals published in NABARD publications.

ground-level flow of agricultural credit as officially put out by NABARD in all of its publications. To repeat, these data are based on RBI data on commercial banks which include indirect advances and NABARD's own data obtained from RRBs and cooperatives. We have procured for this project special tabulations on agency-wise ground-level credit flow for 15 years from 1992-93 to 2006-07 from NABARD (Annexure S). These data show a much steeper decline in the share of cooperatives in the latter half of the 1990s. It is as a result of the changes in the reporting arrangement under the special agricultural credit plans for commercial banks since 1994-95 that the relative shares of cooperatives and commercial banks underwent significant changes in these

officially-released data. For the period 1991-92 to 1994-95, NABARD have constructed the comparable series.

More than the relative shares, it is the absolute differences as between the earlier *Handbook* series and the *SACP* series after 1994-95 that stand out, particularly for commercial banks, as shown in columns (8) and (11) in Table 51. Thus, for commercial banks, the special reporting under *SACP* series has placed agricultural credit disbursements on direct basis at Rs 33,587 crore for 2001-02 against the figure of direct disbursements at Rs 18,638 crore as reported earlier in the RBI's *Handbook*. This reveals that the official data overestimate the ground-level direct disbursements of commercial banks by over 80 per cent for that year.

**Table 51:** Differences in Data on Direct Finance for Agriculture: Loans Issued

Year April-March	Cooperatives		RRBs		Commercial Banks			Total		
	Handbook Series	SACP Series	Handbook Series	SACP Series	Handbook Series	SACP Series	Percentage Excess of SACP Series	Handbook Series	SACP Series	Excess of SACP Series
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1995-96	12,483	10,479	1,381	1,381	9,274	10,172	9.7	23,692	22,032	-7
1996-97	13,254	11,944	1,748	1,684	10,675	12,783	19.7	26,345	26,414	0.3
1997-98	14,159	13,975	2,103	2,040	11,537	15,831	37.2	28,656	31,956	11.5
1998-99	15,099	15,870	2,515	2,460	14,663	18,443	25.8	32,697	36,860	12.7
1999-2000	16,115	18,260	2,985	3,172	16,350	24,773	51.5	35,971	46,268	28.6
2000-01	17,235	20,718	3,966	4,220	16,440	27,807	69.1	38,127	52,827	38.6
2001-02	18,202	23,524	4,546	4,854	18,638	33,587	80.2	41,828	62,045	48.3
2002-03	-	23,636	5,879	6,070	25,256	39,774	57.5	-	-	-
2003-04	-	26,875	7,175	7,581	36,203	52,441	44.8	-	-	-
2004-05	-	31,231	11,927	12,404	48,367	81,481	68.5	-	-	-

SACP Series represent Special Agricultural Credit Plans of Scheduled Commercial Banks  
For sources, see Annexure M and Table 50

In the aggregate including the differences so reported for cooperatives and RRBs, the ground-level credit flows is placed at Rs 62,045 crore for 2001-02, that is, over 48 per cent higher than that reported earlier (Rs 41,828 crore) (see Chart 14).

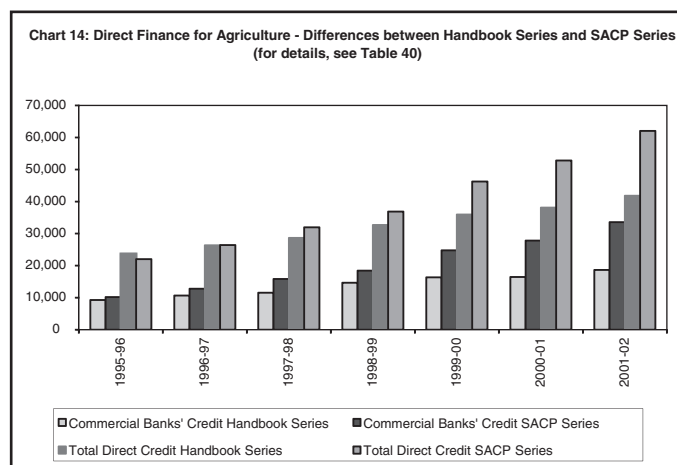
There is thus considerable mix-up in the official data on agricultural lendings as between direct lendings and indirect credit disbursements and outstandings, as also between crop loans and investment credit. The data vastly differ as between sources giving rise to considerable misgivings regarding their quality. Unless these data sets are cleaned up, it is extremely

difficult to provide any accurate assessment of the trends in growth and composition of agricultural credit-flows and outstandings.

### 3. Flaw in Official Series: Adjustments Attempted

A closer examination of these data has convinced us that there is some obvious flaw in the above official statistics. As stated above, the data for commercial banks in the above Table 50 include indirect lendings but the same does not appear to be true of cooperative banks.<sup>15</sup> As a result, the decline in the proportion of agricultural credit attributable to cooperative banks cannot be as sharp as the official data indicate. Our conviction of this proposition is based on the following factual position.

*The Advisory Committee on Flow of Credit To Agriculture and Related Activities From the Banking System* (Chairman: V.S. Vyas; June 2004) had obtained the relevant data from the Rural Planning and Credit Department of the RBI as reproduced in



Note: For data, see Table 51

<sup>15</sup> This observation is based on the fact that for many years the SACP series for cooperatives are lower than the Handbook series. RIDF deposits are covered in commercial banks' lendings and cannot be so in cooperatives data. Also, if the RBI's Handbook series are to be believed, indirect lendings by cooperative banks have constituted much larger sums than those by commercial banks (see, for details, Annexure R).

**Table 52:** Disbursement of Credit to Agriculture under SACP (by Public Sector Banks)

Year	Production Credit		Investment Credit		Total Direct Lending		Indirect Lending		Total Disbursement		Total Disbursements by Public Sector Banks*
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
1995-96	4,951		4,040		8,991		1,182		10,172		-
1996-97	6164	(24.5)	4,896	(21.2)	11,061	(23.0)	1,721	(45.7)	12,782	(25.6)	-
1997-98	7,299	(18.4)	5,373	(9.7)	12,672	(14.6)	2,136	(24.1)	14,808	(15.8)	14,808
1998-99	8,204	(12.4)	6,063	(12.9)	14,267	(12.6)	3,521	(64.8)	17,787	(20.1)	17,788
1999-2000	9,903	(20.7)	6,120	(1.0)	16,023	(12.1)	5,890	(67.3)	21,913	(23.2)	21,913
2000-01	11,615	(17.3)	6,818	(1.1)	18,433	(15.0)	6,221	(5.6)	24,654	(12.5)	24,654
2001-02	15,385	(32.5)	7,288	(6.9)	22,673	(23.0)	6,659	(7.0)	29,332	(18.0)	29,332
2002-03	18,319	(19.1)	7,831	(7.5)	26,150	(15.3)	7,771	(16.7)	33,921	(15.6)	33,921

\* Including RIDF  
 Figures in brackets indicate year-on-year growth rates.  
 Source: (i) RBCD, RBI as Reproduced from V.S. Vyas Advisory Committee Report, June 2004, p.13  
 (ii) Special tabulations supplied to EPWRF for the project by the RBI [column (7)]

Table 52. As shown in the caption of the table (page 13 of V. S. Vyas, 2004), these data are in respect of public sector banks. To prove that these represent the same RBI data on commercial banks' disbursements inclusive of indirect lendings which constitute a part of the total ground-level disbursements given in Table 50, we present in the same Table 52 the data provided to us by the RBI on total disbursements by public sector banks (Column 7). The Vyas Advisory Committee report has clearly spelt out that the data in

Table 52 represent credit to agriculture under SCAP disbursed by public sector banks, which conforms to the data given by the RBI also for public sector banks, as inclusive of indirect lendings. Interestingly, by no stretch of logic can the RIDF deposits of scheduled commercial banks attributable to their

shortfall in priority sector targets for agricultural credit, can be considered as part of 'ground-level' disbursements, but they are so included in the data now disseminated as official series on 'ground-level' flows. On the other hand, available data also suggest that the data on disbursements of farm credit by cooperatives and RRBs do not include indirect lendings. Besides, we have evidence that the quantum of indirect lendings of commercial banks have grown to very high levels in recent years after 2003-04 – all of which are apparently included in the officially-reported ground-level disbursements. Between 2003-04 and 2006-07, indirect lendings of public sector banks have galloped by 257 per cent, while direct lendings have expanded by 173 per cent under the influence of the policy of doubling of bank credit in three years (Table 53).

**Table 53:** Disbursements of Agricultural Credit under SACP (For Public Sector Banks only)

Year	Production Credit	Investment Credit	Total Direct Lending		Indirect Lending		Total Disbursement	Indirect Lending as Percentage of Direct Lending
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2003-04	22386	11214	33600	-	8611	-	42,211	25.6
2004-05	32333	17915	50248	(+49.5)	14970	(+73.8)	65,218	29.8
2005-06	43546	24372	67917	(+35.2)	26360	(+76.1)	94,278	38.8
2006-07	60270	31424	91694	(+35.0)	30749	(+16.7)	122,443	33.5

\* Including RIDF  
 Figures in brackets indicate year-on-year growth rates.  
 Source: Data have been obtained from the RBI for this research project.

**Table 54:** Divergent Sets of Data on Disbursements of Indirect Lendings by Banks

(Rupees Crore)							
Year	Loans Issued as per RBI's Handbook of Statistics Series				Net Variations in Outstandings Indirect Lendings by Commercial Banks (BSR Data)	Indirect Lendings by Public Sector Banks (Disbursements) (Vyas Committee Report)	Indirect Lendings of Commercial Banks (Outstandings: Another Series in Handbook) <sup>£</sup>
	Cooperatives	Scheduled Commercial Banks	RRBs	Total <sup>§</sup>			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1994-95	12337	583*	0.1	13887	324	-	2,865
1995-96	17371	1036*	0.8	19237	725	1,182	3,674
1996-97	18927	1271*	0.8	20986	164	1,721	4,986
1997-98	19972	1904*	6.4	22976	337	2,136	6,335
1998-99	20818	1997*	8.2	25026	2,195	3,521	8,117
1999-00	21857	3431*	6.9	28346	129	5,890	12,968
2000-01	22952	3967*	-	-	1,233	6,221	18,825
2001-02	24108	7990*	-	-	8,268	6,659	18,238
2002-03P	-	6261*	-	-	300	7,771	23,690
2003-04P	-	8936*	-	-	9,269	8,611	28,520
2004-05P	-	21728*	-	-	3,603	14,970	360,71
2005-06P	-	-	-	-	18,372	26,360	57,175
2006-07P	-	-	-	-	-	30,749	-

P : Provisional (except for SCBs); \* Disbursements to priority sectors as at end-June  
 (-) means not available § Include REC data £ See Annexure R(i)  
 Source: (i) RBI (2007): *Handbook of Statistics on the Indian Economy 2006-07* (see for Cols 2 to 5, p.114 and for Col.8, p.118)  
 (ii) While Col.6 is from BSR series, Col.7 is from V.S. Vyas (2004)

### ***The story of excluding indirect lendings***

With a view to ensuring conceptual clarity and evaluating the performance of institutions in agricultural lendings, we require to separate wheat from chaff – direct lendings which constitute the primary efforts of banks to support agriculture through crop loans and investment credit and indirect lendings which are a surrogate for such support; their inclusion in agricultural lending was a policy compromise. These indirect lendings are commercial credit opportunities for banks and they do not require the scaffolding of *directed credit* arrangement. Direct lendings for agriculture require such support because of considerable risks and uncertainties faced by the farm community.

Be that as it may, for an appropriate review of the farm credit growth, we have to produce a consistent set of data on direct lendings from all the three types of agencies, and for this purpose, we would require to exclude indirect lendings by scheduled commercial banks in the form of disbursements for all years (1995-96 to 2006-07) from the ground-level flows that have been disseminated by the RBI and NABARD. As depicted in Table 54, there are varied sets of data on indirect

lendings which do not make it possible to arrive at the data on commercial banks (covering public and private sectors banks together) which we require.

Also, as these data suggest, annual disbursements of indirect lendings are a widely fluctuating and unpredictable category in bank lendings. Indirect lendings constitute a part of the banks' 'priority sector' target of 18 per cent; within this target, indirect lendings should not exceed 4.5 per cent of net bank credit (NBC),<sup>16</sup> but indirect lendings even beyond this 4.5

<sup>16</sup> *The concept of net bank credit (NBC) as the base for 'priority sector advances' has been revised from April 30, 2007; "The targets and sub-targets under priority sector lending would be linked to Adjusted Net Bank Credit (ANBC) (Net Bank Credit plus investments made by banks in non-SLR bonds held in HTM category) or Credit Equivalent amount of Off-Balance Sheet Exposures (OBE), whichever is higher, as on March 31 of the previous year. The outstanding FCNR (B) and NRNR deposits balances will no longer be deducted for computation of ANBC for priority sector lending purposes (p. 4) (RBI, 2007a)" (RBI Guidelines on Priority Sectors, April 30, 2007).*

**Table 54 (A):** Scheduled Commercial Banks' Advances to Agriculture

Year (end- March)	Direct Finance			Indirect finance							Total Direct & Indirect Finance	
	Total Direct Finance	Per Cent to Total	Per Cent to GDP	Distribution of Fertilisers and Other Inputs	Loans to Electricity Boards	Loans to Farmers through PACS/FSS/ LAMPS	Other Type of Indirect Finance	Total Indirect Finance (5+6+7+8)	Per Cent to Total	Per Cent to GDP	Total Direct & Indirect Finance (2+9)	Per Cent to GDP
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1997-98	29443	(82.3)	[8.0]	1200	1417	363	3355	6335	(17.7)	[1.7]	35778	[9.8]
1998-99	33094	(80.3)	[7.9]	1491	1627	407	4592	8117	(19.7)	[1.9]	41211	[9.8]
1999-00	36466	(73.8)	[8.2]	1675	1723	449	9121	12968	(26.2)	[2.9]	49434	[11.1]
2000-01	40485	(68.3)	[9.0]	2304	1697	377	14447	18825	(31.7)	[4.2]	59310	[13.2]
2001-02	46581	(71.9)	[9.6]	3303	1841	928	12166	18238	(28.1)	[3.7]	64819	[13.3]
2002-03	56857	(70.6)	[12.0]	3241	2966	949	16534	23690	(29.4)	[5.0]	80547	[17.0]
2003-04	70781	(71.3)	[13.3]	4118	3533	723	20146	28520	(28.7)	[5.3]	99301	[18.6]
2004-05 P	95565	(72.6)	[17.8]	5134	4174	861	25902	36071	(27.4)	[6.7]	131636	[24.6]
2005-06 P	134798	(70.2)	[22.7]	6440	6464	769	43501	57175	(29.8)	[9.6]	191973	[32.3]
CAGR												
1970-71 to 1980-81	28.5							20.0			25.9	
1980-81 to 1990-91	18.8							3.0			16.5	
1990-91 to 1995-96	8.1							25.3			9.7	
1995-96 to 2003-04	14.6							29.2			17.4	
2003-04 to 2005-06	38.0							41.6			39.0	

P: Provisional. PACS: Primary Agricultural Credit Societies. FSS: Farmers' Service Societies.  
LAMPS: Large-sized Adivasi Multipurpose Societies.  
@ Data relate to end-December.  
Source: RBI (2007), *Handbook of Statistics on the Indian Economy 2006-07*, p.118, October

per cent of NBC limit have been encouraged because such lendings beyond the limit too are taken into account while reckoning banks' total priority sector lendings. After the start of RIDF in 1995-96, investments in the fund by banks are also allowed to be treated as indirect lendings.

In view of the above, the proposed adjustment for indirect lendings for scheduled commercial banks, and for indirect credit issued separately for crop loans and term credit, can be attempted with certain assumptions. In this respect, a disaggregated picture of indirect lendings of scheduled commercial banks available in an yet another set of systematic time series disseminated by the Reserve Bank of India (RBI)

suggests that such lendings are essentially of a medium-term or long-term nature except probably for loans rendered through PACs, FSSs, and LAMPs. As shown in Table 54 (A), the latter category of assistance through PACs, FSS and LAMPs constitute only about 1 to 1.4 per cent of the total indirect lendings outstandings; including others it is unlikely to exceed 10 per cent.

Interestingly, NABARD, in its own annual reports, has been providing sector and sub-sector distribution of term loans, as tabulated and presented in a subsequent Table 50. It shows that while crop loans have grown an annual rate of 32 per cent per annum during 2002-03 to 2005-06, term loans (medium-

**Table 55:** Adjustment for Indirect Credit of Commercial Banks

(Rs Crore)							
		A. Crop Loan (Short Term - Production Credit)			B. Terms Loans (Investment Credit)		
Year	Adjustment Factor	Loans Issued by Commercial Banks	10 Per Cent of Adjustment Factor	After Adjustment	Loans Issued by Commercial Banks	90 Per Cent of Adjustment Factor	After Adjustment
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1991-92	198	-	-	-	-	-	-
1992-93	158	2432	16	2416	2528	142	2386
1993-94	332	2700	33	2667	2700	299	2401
1994-95	583	3842	58	3784	3566	525	3041
1995-96	1036	5345	104	5241	4827	932	3895
1996-97	1271	6549	127	6422	6234	1144	5090
1997-98	1904	8349	190	8159	7482	1714	5768
1998-99	1997	9622	200	9422	8821	1797	7024
1999-00	3431	11697	343	11354	13036	3088	9948
2000-01	3967	13486	397	13089	14321	3570	10751
2001-02	7990	17904	799	17105	15683	7191	8492
2002-03	6261	21104	626	20478	18670	5635	13035
2003-04	8936	26192	894	25298	26249	8042	18207
2004-05	21728	36793	2173	34620	44688	19555	25133
2005-06	34440	57640	3444	54196	67837	30996	36841
2006-07	38917	-	3892	-	-	35025	-

Note: '-' Not Available (For source, see Table 50 and the text)

term and long-term investment credit) have grown at an annual rate of 46 per cent during the same period (NABARD 2007, p. 26).

More significantly, the source of the data clearly specifies that term loans covers storage and market yards, forestry and wasteland development, bio-gas and RIDF – almost all of which are indirect lendings (ibid., footnote to Table 1.12, p. 26).

Therefore, based on a close examination of the details on the items comprising indirect lendings, we have placed roughly 10 per cent of such lendings against crop loans of commercial banks and 90 per cent against term loans. The relevant figures are presented in Table 55.

#### 4. Comparable Series

With the help of the above adjustments on the official ground-level disbursement series on commercial banks, we have prepared a comparable time series across agencies for the period 1994-95 to 2006-07 (Table 56). As per these estimates,

the share of commercial banks in total ground level credit flow for agriculture gets reduced from Rs. 140,382 crore to Rs. 101,465 crore for the year 2006-07. As said earlier, the adjustment procedure is such that there are no changes in the shares of cooperatives and RRBs. Before we analyse the implications of the adjusted data, a brief word on the differences between the official and adjusted series is in order. Such a comparison is made in Table 57. As shown therein, the differences have grown over the years. As compared with the adjusted series, the commercial banks' ground-level flows in the official series stand overestimated by 38 per cent and aggregate flows by 24 per cent in 2006-07.

#### 5. Wider Implications of Differing Estimation of Credit Flows

##### *Differing Growth Rates*

The adjustments made above have significant implications for differing growth rates in ground-level loans issued. The differing growth rates have already been presented in Tables

**Table 56:** Agency-wise Adjusted Ground Level Credit Flow

(Rs Crore)									
Year	Co-operative Banks	Per Cent to Total	RRBs	Per Cent to Total	Commercial Banks	Per Cent to Total	Commercial Banks and RRBs	Per Cent to Total	TOTAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<i>Part A: Absolute Amounts and Relative Shares</i>									
1991-92	5800	52.7	596	5.4	4608	41.9	5204	47.3	11004
1992-93	9378	62.5	831	5.5	4802	32.0	5633	37.5	15011
1993-94	10117	62.6	977	6.0	5068	31.4	6045	37.4	16162
1994-95	9876	52.6	1083	5.8	6825	36.4	7908	44.5	17784
1995-96	10479	49.9	1381	6.6	9136	43.5	10517	50.1	20996
1996-97	11944	47.5	1684	6.7	11512	45.8	13196	52.5	25140
1997-98	14085	46.9	2040	6.8	13927	46.3	15967	53.1	30052
1998-99	15957	45.8	2460	7.1	16446	47.2	18906	54.2	34863
1999-00	18260	42.6	3172	7.4	21302	49.7	24474	57.1	42837
2000-01	20718	42.4	4220	8.6	23840	48.8	28060	57.4	48860
2001-02	23524	43.5	4854	9.0	25597	47.4	30451	56.3	54055
2002-03	23636	37.3	6070	9.6	33513	52.9	39583	62.5	63299
2003-04	26875	34.4	7581	9.7	43505	55.7	51086	65.5	78045
2004-05	31231	30.2	12404	12.0	59753	57.7	72157	69.7	103581
2005-06	39404	27.0	15223	10.4	91037	62.3	106260	72.8	146046
2006-07	42480	25.8	20434	12.4	101465	61.7	121899	74.2	164379

*Note:* The Figures in Column (10) include credit flow by 'other agencies'.

*Notes and Source* are as in Table 50 and 55.

<i>Part B: Average Growth Rates: Per Cent Per Annum</i>					
1991-92 to 1994-95	22.4	22.6	14.8	15.5	18.0
1994-95 to 2003-04	11.9	24.2	23.2	23.3	17.9
2003-04 to 2006-07	16.7	40.2	33.7	34.4	28.8

50 and 56 above. A brief summary of these growth rates is presented in Table 58.

As is evident, overestimation in growth has turned out to be the largest during the latest period 2003-04 to 2006-07 when the policy of doubling of credit has been in operation. Nevertheless, it must be recognised that the phenomenon of overestimation in credit flows will have implications for growth rates only marginally, for there have been some accelerated increases in genuine direct agricultural credit too. However, the overestimation referred to above will have some significant difference in regard to the relative shares of commercial banks and cooperatives in total direct ground-level credit flows, and more importantly, when we relate the credit flows to agricultural inputs, private capital formation and agricultural GDP as we do in a subsequent section.

*Relative shares of agencies in credit flows: differing estimations*

The relative share of cooperatives and commercial banks have undergone changes compared with the official series as under (in percentage shares):

	Official Series		Adjusted Series	
	Cooperatives	Commercial Banks	Cooperatives	Commercial Banks
1993-94	61.3	32.7	62.6	31.4
2006-07	20.9	69.1	25.8	61.7

For details, see Tables 50 and 56

Charts 15 and 16 bring out the differences in the shares of cooperatives and commercial banks as per the two sets of data



**Table 57:** Extent of Overestimation in Ground-level Loans Issued by Commercial Banks

Year	Official Series		Adjusted Series		Extent of Overestimation	
	Commercial Banks	Total <sup>^</sup>	Commercial Banks	Total <sup>^</sup>	(2)/(4)	(3)/(5)
	(Rs Crore)				(Per Cent)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1991-92	4806	11202	4608	11004	4.3	1.8
1992-93	4960	15169	4802	15011	3.3	1.1
1993-94	5400	16494	5068	16162	6.6	2.1
1994-95*	8255	18744**	6825	17784**	21.0	5.4
1995-96	10172	22032	9136	20996	11.3	4.9
1996-97	12783	26411	11512	25140	11.0	5.1
1997-98	15831	31956	13927	30052	13.7	6.3
1998-99	18443	36860	16446	34863	12.1	5.7
1999-00	24733	46268	21302	42837	16.1	8.0
2000-01	27807	52827	23840	48860	16.6	8.1
2001-02	33587	62045	25597	54055	31.2	14.8
2002-03	39774	69560	33513	63299	18.7	9.9
2003-04	52441	86981	43505	78045	20.5	11.4
2004-05	81481	125309	59753	103581	36.4	21.0
2005-06	125477	180486	91037	146046	37.8	23.6
2006-07	140382	203296	101465	164379	38.4	23.7

\*: Data are from RBI's Handbook of Statistics on Indian Economy 2006-07.  
 \*\*: The total includes Rs 407 crore of crop loans issued by state governments.  
 ^: Total includes ground-level credit flow from for co-operatives, RRBs and other agencies.

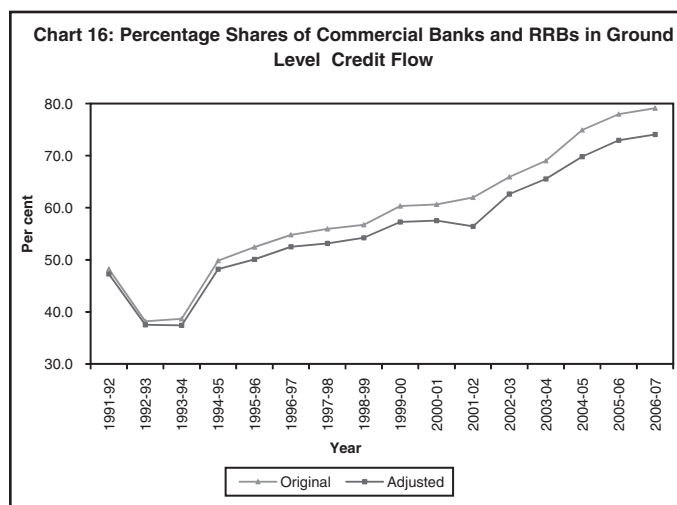
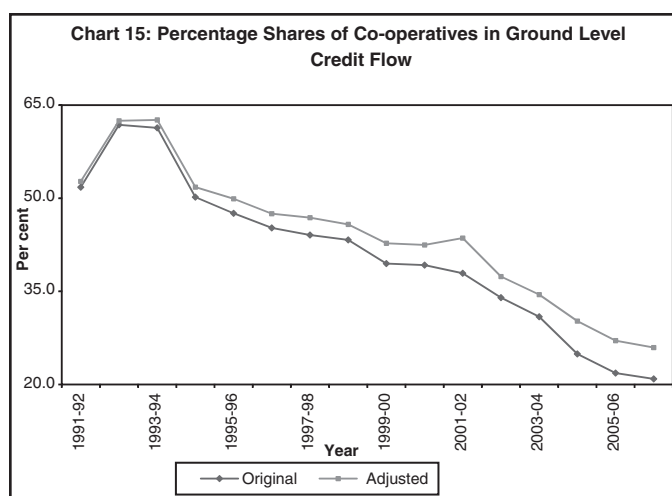
**Table 58:** Differing Growth Rates in Credit Flow Due to Overestimation in Official Series

Period	Average Annual Growth Rates in Loans Issued			
	Official Series (as per Table 50) above		Adjusted Series (Table 56 above)	
	Commercial Banks	Aggregate	Commercial Banks	Aggregate
1991-92 to 1994-95	21.6	19.3	14.8	18.0
1994-95 to 2003-04	23.0	18.7	23.2	17.9
2003-04 to 2006-07	40.4	33.6	33.7	28.8

presented above. We must confess that while the adjusted data may have introduced some conceptual clarity and brought out the sizeable extent of overestimation in official series, but in relative terms, even after the adjustment made for the inconsistencies in the series, the loss of momentum in cooperative credit for the farm sector remains no doubt sharp and distinct (Chart 15). Interestingly, this gap has been somewhat filled by RRBs, the shares of which have doubled from 6.0 per cent of the total in 1994-95 to 12.4 per

cent in 2006-07 (see Table 56). This is reflective of a series of initiatives taken by the government to consolidate the RRBs as local level banking institutions (more on it later), but at the same time the action programmes to resuscitate the cooperative sector based on the recommendations of the Vaidyanathan Committee Reports I and II are slow to take off as there are a number of legislative, procedural, accounting and IT application issues which are time consuming. Even so, it goes to the credit of the cooperative system that it

has sustained a growth rate of as much as 16.5 per cent per annum during the latest three years 2004-05 to 2006-07 or 15.4 per cent during the entire 13-year period from 1994-95 to 2006-07. Annual increases, of course, have been much higher in the case of RRBs and commercial banks (Table 56). As a result, as depicted in Chart 16, there has occurred a steady and sharp increase in the share of commercial banks and RRBs together; their share has crossed 74 per cent during 2006-07 as against 48 per cent it was in 1994-95 even as per the adjusted series.



### *Crop loans Vs term loans*

The RBI's *Expert Group on Investment Credit* (May 2005), reviewing the trends in agricultural credit, had said that both term credit and short-term credit were growing at the same pace. To quote the report:

“During the period 1995-96 to 2002-03, short-term credit increased at a compound growth rate of 18.1 per cent term credit and short-term credit both increased at more or less the

**Table 59: Agency-wise and Sub-sector-wise Ground Level Credit Flow for Agriculture and Allied Activities**

A: Official Series					
Year	Crop Loan (Rs crore)	Per Cent to Total	Term Loans (Rs crore)	Per Cent to Total	Total (Rs crore)
1991-92					11202
1992-93	10091	66.5	5078	33.5	15169
1993-94	11271	68.3	5223	31.7	16494
1994-95*	11932**	63.7	6841	36.5	18744**
1995-96	14525	65.9	7507	34.1	22032
1996-97	16998	64.4	9413	35.6	26411
1997-98	20640	64.6	11316	35.4	31956
1998-99	23903	64.8	12957	35.2	36860
1999-00	28965	62.6	17303	37.4	46268
2000-01	33314	63.1	19513	36.9	52827
2001-02	40509	65.3	21536	34.7	62045
2002-03	45586	65.5	23974	34.5	69560
2003-04	54977	63.2	32004	36.8	86981
2004-05	74064	59.1	51245	40.9	125309
2005-06	105350	58.4	75136	41.6	180486
2006-07	-	-	-	-	203296
B: Adjusted Series					
Year	Crop Loan (Rs crore)	Per Cent to Total	Term Loans (Rs crore)	Per Cent to Total	Total (Rs crore)
1991-92					11004
1992-93	10075	67.1	4936	32.9	15011
1993-94	11238	69.5	4924	30.5	16162
1994-95*	11875**	66.8	6315	35.5	17784**
1995-96	14421	68.7	6575	31.3	20996
1996-97	16871	67.1	8269	32.9	25140
1997-98	20450	68.0	9602	32.0	30052
1998-99	23703	68.0	11160	32.0	34863
1999-00	28622	66.8	14215	33.2	42837
2000-01	32917	67.4	15943	32.6	48860
2001-02	39710	73.5	14345	26.5	54055
2002-03	44960	71.0	18339	29.0	63299
2003-04	54083	69.3	23962	30.7	78045
2004-05	71891	69.4	31690	30.6	103581
2005-06	101906	69.8	44140	30.2	146046
2006-07	-	-	-	-	164379

\*: Data are from RBI's Handbook of Statistics on Indian Economy 2006-07.

\*\* : The total includes Rs 407 crore of crop loans issued by state governments.

(-): Not Available

same pace of 18 per cent. The share of short-term credit in total credit has been hovering around 65 per cent, the balance being accounted for by term credit. The term credit which facilitates investment in agriculture, seems to have been declining in its importance particularly after 2000-01, as indicated by the year-to-year growth rates” (Ibid., p.30).

As may be seen in Table 59, this was the situation obtaining until the year 2002-03 or thereabout. The share of term loans in total ground-level disbursements slightly receded from the peak of 37.4 per cent in 1999-00 to 34.5 per cent on 2002-03. By and large, the features described by the Investment Credit Expert Group had remained true, that the ratio of 65:35 remained for a number of years as between crop loans and investment credit and that the growth rates between the two had similarly remained more or less the same.

But, after 2003-04, the share of term loans have begun to look up in the official data. The share of term loans in total loans issued has risen from 36.8 per cent in 2003-04 to 41.6 per cent in 2005-06. The break-up for short-term and term loans are not available for 2006-07. However, as the story has unfolded earlier, these official data contain a flaw, which is that the figures include indirect lendings including those bank deposits kept with RIDF. Therefore, the entire set of data have to be again adjusted for the indirect lendings included in this term credit series.

Such an adjusted set of data is also presented as Part B of Table 59. It shows that the share of term credit in total agricultural credit has not been as high as 42 per cent in 2005-06; it was rather at 30 per cent. Correspondingly, the share of crop loans has been higher at 70 per cent as against 58 per cent shown in the official series.

#### ***Despite adjustments commercial banks become major purveyors of agricultural credit***

Despite these adjustments, however, the rising role of scheduled commercial banks and RRBs together in both the short and long-term loans cannot be disputed. Total term loan disbursements of commercial banks have dipped from Rs 67,837 crore as per the official series to Rs 36,841 crore for the same year 2005-06, a reduction of Rs 30,996 crore or 45 per cent if conceptually we have to be true to the notion of ground-level direct disbursements. Likewise, the total term credit flow gets adjusted from Rs 75,136 crore to Rs 44,140 crore – a reduction of near 41 per cent (Tables 60 and 61). Arithmetically, however, when both totals and components for individual years are adjusted, the resulting picture of the relative roles of commercial banks including RRBs and cooperatives undergo alterations but only fractionally.

#### ***Broad results are as follows:***

First, the share of cooperatives in crop loans as per the official series has steadily slipped from 70 per cent in the early 1990s to 33.2 per cent in 2005-06 and interestingly, almost the same trend is discernible in the adjusted series. There is thus a corresponding increase in the shares of commercial banks and RRBs in both the sets of data series. Also, despite large adjustments in figures of term loans of commercial banks, their share in such loans for the terminal year 2005-06 works out to 83.5 per cent – only a small fall from 90.3 per cent as per official series. Both of these imply a sharp increase from about 50 per cent prevalent in the early 1990s. Consequently, the share of cooperatives in term loans remain around 10 per cent.

As pointed out earlier, cooperatives have suffered in terms of organisational vitality and resources, with their share in production credit falling from about 70 per cent in the early 1990s to 33 per cent in 2005-06 and that in term loans falling more steeply from 43 – 44 per cent to about 6 – 10 per cent. Concurrently, the shares of RRBs and commercial banks in both crop loans and term loans have shown significant increases. After the reorganisation of the RRBs, their share in crop loans has steeply risen in the current phase of the doubling of bank credit.

### **6. A Brief Reference to Indirect Lendings**

At this stage, it is necessary to take cognizance of the fact that both commercial banks and cooperative institutions are extensively involved in indirect lendings to agriculture (see Annexures R and S). We have made repeated references to it earlier. The relevant data have been presented in various tables and annexures. As emphasized earlier, data on indirect lendings are varied and appear non-comparable; there is no way we can reconcile them. They give divergent trends. Broadly, it can be said that cooperatives have a much larger size of indirect lendings than commercial banks, but in recent years, commercial banks have rapidly increased their indirect lendings (Annexure S). Nevertheless, we have sought to segregate them because such lendings have to be reckoned as business opportunities for banks.

#### ***To sum up***

In a broader sense, cooperatives are increasingly getting specialised in crop loans. This has been their traditional function and because of their vast outreach, they have retained that role even in the adjusted series. Secondly, the role of rendering investment credit by the cooperatives has suffered a setback partly because of the paucity of resources

**Table 60:** Agency-wise and Sub-sector-wise Ground Level Credit Flow for Agriculture and Allied Activities: Official Series

(Rs crore)									
A. Crop Loan (Short Term – Production Credit)									
Year	Co-operative Banks	Per Cent to Total	RRBs	Per Cent to Total	Commercial Banks	Per Cent to Total	Other Agencies	Per Cent to Total	TOTAL
1991-92									
1992-93	7170	71.1	489	4.8	2432	24.1			10091
1993-94	7839	69.6	732	6.5	2700	24.0			11271
1994-95*	6996	58.6	688	5.8	3842	32.2			11932**
1995-96	8331	57.4	849	5.8	5345	36.8			14525
1996-97	9328	54.9	1121	6.6	6549	38.5			16998
1997-98	10877	52.7	1396	6.8	8349	40.5	18		20640
1998-99	12514	52.4	1710	7.2	9622	40.3	57		23903
1999-00	14771	51.0	2423	8.4	11697	40.4	74	0.3	28965
2000-01	16528	49.6	3245	9.7	13486	40.5	55	0.2	33314
2001-02	18787	46.4	3777	9.3	17904	44.2	41	0.1	40509
2002-03	19668	43.1	4775	10.5	21104	46.3	39	0.1	45586
2003-04	22640	41.2	6088	11.1	26192	47.6	57	0.1	54977
2004-05	27157	36.7	10010	13.5	36793	49.7	104	0.1	74064
2005-06	34930	33.2	12712	12.1	57640	54.7	68	0.1	105350

\*: Data are from RBI's Handbook of Statistics on Indian Economy 2006-07.  
 \*\*: The total includes Rs 407 crore of crop loans issued by state governments.

(Rs crore)									
B. Terms Loans (Medium Term & Long Term – Investment Credit)									
Year	Co-operative Banks	Per Cent to Total	RRBs	Per Cent to Total	Commercial Banks	Per Cent to Total	Other Agencies	Per Cent to Total	TOTAL
1991-92									
1992-93	2208	43.5	342	6.7	2528	49.8			5078
1993-94	2278	43.6	245	4.7	2700	51.7			5223
1994-95*	2879	42.1	395	5.8	3566	52.1			6841
1995-96	2148	28.6	532	7.1	4827	64.3			7507
1996-97	2616	27.8	563	6.0	6234	66.2			9413
1997-98	3098	27.4	644	5.7	7482	66.1	92		11316
1998-99	3356	25.9	750	5.8	8821	68.1	30		12957
1999-00	3489	20.2	749	4.3	13036	75.3	29	0.2	17303
2000-01	4190	21.5	974	5.0	14321	73.4	28	0.1	19513
2001-02	4737	22.0	1077	5.0	15683	72.8	39	0.2	21536
2002-03	3968	16.6	1295	5.4	18670	77.9	41	0.2	23974
2003-04	4235	13.2	1493	4.7	26249	82.0	27	0.1	32004
2004-05	4074	8.0	2394	4.7	44688	87.2	89	0.2	51245
2005-06	4474	6.0	2511	3.3	67837	90.3	314	0.4	75136

\*: Data are from RBI's Handbook of Statistics on Indian Economy 2006-07.

**Table 61:** Agency-wise and Sub-sector-wise Ground Level Credit Flow for Agriculture and Allied Activities: Adjusted Series

A. Crop Loan (Short Term – Production Credit)									
(Rs crore)									
Year	Co-operative Banks	Per Cent to Total	RRBs	Per Cent to Total	Commercial Banks	Per Cent to Total	Other Agencies	Per Cent to Total	TOTAL
1991-92									
1992-93	7170	71.2	489	4.9	2416	24.0			10075
1993-94	7839	69.8	732	6.5	2667	23.7			11238
1994-95*	6996	58.9	688	5.8	3784	31.9			11875**
1995-96	8331	57.8	849	5.9	5241	36.3			14421
1996-97	9328	55.3	1121	6.6	6422	38.1			16871
1997-98	10877	53.2	1396	6.8	8159	39.9	18		20450
1998-99	12514	52.8	1710	7.2	9422	39.8	57		23703
1999-00	14771	51.6	2423	8.5	11354	39.7	74	0.3	28622
2000-01	16528	50.2	3245	9.9	13089	39.8	55	0.2	32917
2001-02	18787	47.3	3777	9.5	17105	43.1	41	0.1	39710
2002-03	19668	43.7	4775	10.6	20478	45.5	39	0.1	44960
2003-04	22640	41.9	6088	11.3	25298	46.8	57	0.1	54083
2004-05	27157	37.8	10010	13.9	34620	48.2	104	0.1	71891
2005-06	34930	34.3	12712	12.5	54196	53.2	68	0.1	101906

\*: Data are from RBI's Handbook of Statistics on Indian Economy 2006-07.  
 \*\*: The total includes Rs 407 crore of crop loans issued by state governments.

B. Terms Loans (Medium Term & Long Term – Investment Credit)									
(Rs crore)									
Year	Co-operative Banks	Per cent to Total	RRBs	Per cent to Total	Commercial Banks	Per cent to Total	Other Agencies	Per cent to Total	TOTAL
1991-92									
1992-93	2208	44.7	342	6.9	2386	48.3			4936
1993-94	2278	46.3	245	5.0	2401	48.8			4924
1994-95*	2879	45.6	395	6.3	3041	48.2			6315
1995-96	2148	32.7	532	8.1	3895	59.2			6575
1996-97	2616	31.6	563	6.8	5090	61.6			8269
1997-98	3098	32.3	644	6.7	5768	60.1	92		9602
1998-99	3356	30.1	750	6.7	7024	62.9	30		11160
1999-00	3489	24.5	749	5.3	9948	70.0	29	0.2	14215
2000-01	4190	26.3	974	6.1	10751	67.4	28	0.2	15943
2001-02	4737	33.0	1077	7.5	8492	59.2	39	0.3	14345
2002-03	3968	21.6	1295	7.1	13035	71.1	41	0.2	18339
2003-04	4235	17.7	1493	6.2	18207	76.0	27	0.1	23962
2004-05	4074	12.9	2394	7.6	25133	79.3	89	0.3	31690
2005-06	4474	10.1	2511	5.7	36841	83.5	314	0.7	44140

\*: Data are from RBI's Handbook of Statistics on Indian Economy 2006-07.

and partly because of their institutional weaknesses. Thirdly, an overwhelming proportion of RRBs' lendings have been for crop loans and they have increased in recent years. Finally, commercial banks, both because of their resource base and the changes in the character of agriculture sector borrowings, have come to occupy a pivotal role in farm credit, shouldering an almost equal role in crop loans as well as in term credit.

### 7. Increased Support for Allied Activities Within Term loans for Agriculture

Table 62 presents a brief picture of the ground-level credit flow for the allied components of 'agriculture and allied activities'. These data are available only for term loans in the NABARD publications. These allied components comprise plantation and horticulture, animal husbandry, fisheries, high tech agriculture and others. The unspecified 'others' component has been rapidly growing because it includes RIDF deposits. Such deposits have grown from Rs 2,158 crore during 2003-04 to Rs 6,092 crore in 2005-06 and to Rs 6,966 crore during 2006-07 (NABARD 2007, p.70; see earlier Table 30).

Including these RIDF deposits, bank assistance to allied activities have expanded from about one-half of the total assistance in the form of term loans in 1997-98 to 73 per cent in 2005-06. In the latest three-year period 2003-04 to 2005-06, assistance to allied activities has expanded 205 per cent, whereas in the previous three-year period, it had risen by 68 per cent (Table 62-attached). There is thus a decisive shift in bank lendings, particularly commercial bank lendings, in favour of indirect advances. The official data treat these mainly as term loans for agriculture.

### 8. Inter-Regional Disparities in Total Institutional

#### *Credit Flow (Including Cooperatives)*

We have succeeded in procuring special tabulations on state-wise and region-wise credit flows from NABARD and RBI. These constitute massive sets of data in respect of all states and regions some of them for over a decade from 1994-05 through 2005-06. These cover data on cooperatives, RRBs and commercial banks, separately and aggregated. We have collated them systematically and placed them as part of this project report for record. The data sets are appended as Annexures to this study:

Annexure T: State-Level Flow of Ground-Level Credit for Agriculture and Allied Activities by All Agencies for 1995-96 to 2005-06

Annexure U: State-wise and Agency-wise Ground-Level Credit Flow for Agriculture and Allied Activities from 2002-03 to 2005-06 (With Disaggregated Data on SCBs/CCBs and LDBs)

Annexure V: State-wise and Agency-wise Ground-Level Credit Flow for Agriculture and Allied Activities Separately for Production and Investment Credit

Annexure W: Special Agricultural Credit Plans – Targets and Achievements of Public Sector Banks – Statewise

Annexure W(i): Special Agricultural Credit Plans – Targets and Achievements of Private Sector Banks

In addition, in these data sets, there are also much more disaggregated statistics on the cooperative sector and RRBs state-wise thus:

- Crop loans (or production credit) and investment credit: from 1998-99 and 2005-06;
- Credit flow from state cooperative banks/central cooperative banks and land development banks;
- Credit flow through SCBs/CCBs from 1998-99 to 2005-06;
- Credit flow from SCARDB from 1998-99 to 2005-06;
- Credit flow from RRBs from 1998-99 to 2005-06;
- State-wise and sector-wise flow of ground-level credit disbursements from 1998-99 to 2005-06; and
- State-wise ground-level credit disbursements under non-farm sector from 2001-02 to 2005-06.

#### *Caution on Data*

These massive sets of data have been tabulated, analysed and their results summarised in the following paragraphs. Before we site the results, we require to insert a note of caution on the data used to depict inter-state disparities in ground-level credit flows in favour of agricultural and allied activities.

First, in many of these statistics, ground-level credit data include indirect lendings of commercial banks both in the aggregate data series (Annexure T) as well as in the data set on individual agencies (Annexures U and V). Data on commercial banks which been specially provided by the RBI for this research project are based on control returns prescribed by the central bank for public sector banks (Annexure W) and private sector banks [Annexure W(i)] under the *special agricultural credit plans* which began in 1995-96 (as cited earlier; these data on disbursements of agricultural credit do cover indirect advances including RIDF deposits of banks). RIDF deposits are obviously lump sum transfers to the fund by individual banks and cannot be distributed across states;

**Table 62: Sub-Sector-Wise Ground Level Credit Flow for Agriculture and Allied Activities: With Details of Term Loans for Allied Activities**

Sr. No.	Sector/Sub-Sector	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	Growth Rates	
											2002-03	2005-06
I.	Short-Term (ST - Production Credit)	20,640	23,903	28,965	33,314	40,509	45,586	54,977	76,062	105,350	17.2	32.5
II.	Term Loans (MT & LT Investment Credit)	11,316	12,957	17,303	19,513	21,536	23,974	32,004	49,247	75,136	16.5	46.6
i.	Minor Irrigation (MI)	1,584	1,790	2,346	1,821	1,845	1,976	2,730	4,186	8,663		
ii.	Land Development (LD)	173	217	319	290	307	393	579	840	1,749		
iii.	Farm Mechanisation (FM)	3,566	3,936	3,889	4,125	3,847	3,600	3,986	4,555	9,695		
	Allied Activities (iv to viii)	5,993 (53.0)	7,014 (54.1)	10,749 (62.1)	13,277 (68.0)	15,537 (72.1)	18,005 (75.1)	24,709 (77.2)	39,666 (80.5)	55,029 (73.2)	25.3	45.5
iv	Plantation & Horticulture	755	767	777	755	765	1,195	1,436	1,720	4,481		
v	Animal Husbandry	1763	1996	2119	2188	2221	2637	2928	3097	7341		
vi	Fisheries	338	448	405	318	508	539	1142	1301	1019		
vii	Hi-tech agriculture	1101	1339	1360	2088	2257	2268	4017	6648	9737		
viii	Others	2036	2464	6088	7929	9786	11366	15186	26900	32451		
	Total (I + II)	31,956	36,860	46,268	52,827	62,045	69,560	86,981	125,309	180,486	16.9	37.7
	Note: Figures within brackets are ratios of allied activities to total term loans.											

only NABARD disbursements for infrastructure projects done under RIDF can be covered state-wise, but the statements do not appear to cover them. As they primarily concern scheduled commercial banks, a commentary on inter-state and inter-regional disparities in the distribution of projects under RIDF has been presented in Section IV above. Also, in preparing the state-wise and region-wise distribution of ground-level credit data, RIDF funds and other bonds are thus excluded from the aggregate credit flow.

Second, in the time series in Annexure T, the data cover public sector banks along with RRBs and cooperatives and do not include data for private sector banks until 2005-06; therefore, the state-wise and region-wise distribution is exclusive of private commercial banks. In Annexure W(i), however, a separate state-wise and region-wise distribution of credit by the private sector banks is presented. Incidentally, private sector banks' disbursements for agriculture constitute about 10 to 13 per cent of the total ground-level disbursements, as shown in Annexure T.

Finally, a major problem with the co-operative sector data is that the ground-level disbursements are apparently worked out taking into account the available data for state-level and district-level cooperative banks (SCBs and DCBs) along with the data for land development banks (SCARDBs and PCRDBs). In reality, the ground-level disbursements for agriculture by the cooperative system are pre-dominantly done at the level of primary agricultural credit societies (PACs), though the bulk of their funds are provided through refinance by SCBs/DCBs. However, we have no way of knowing how these data for the ground-level disbursements for cooperative sector are arrived at. In Exhibit A, we present some concrete data on all tiers of the cooperative only as examples of stand-alone data that are available for different tiers.

#### **Total ground-level credit flow: state-wise and region-wise trends**

Detailed data contained in Annexure T are summed up in Table 63 (Table 63 is attached).

The first revelation in these data is the confirmation of the widely-known feature of an acute interregional and inter-state disparities in the distribution of agricultural credit disbursements. We have used two real sector indicators to juxtapose the credit distribution data: state-wise distribution of the number of farm households and similar distribution of agricultural incomes which have been presented and reviewed at length in the next Section VI. It is found that the highest proportions of farm households in the country reside in central and eastern regions (30.6 per cent and 23.6 per

cent, respectively in 2003), while these regions are provided with the lowest shares of ground-level farm credit (12.8 per cent and 6.8 per cent) amongst the large-size regions; the latter proportions are even lower than the regions' shares in agricultural gross state domestic product (GSDP) (at 22-23 per cent and 17-19 per cent). At the other extreme, the southern and northern regions enjoy the highest shares (36 per cent and 29 per cent) in farm credit but possess less than half of them as their proportions in the number of farmers (18.1 per cent and 6.3 per cent); of course, these two regions enjoy relatively better shares in farm incomes (22-24 per cent and 17 per cent) but even these income shares are much lower than their proportions in farm credit (For details of income share, see Section VII). Some of the states which fare badly in this comparison are Bihar and Jharkhand, Orissa, and West Bengal in the eastern region, Madhya Pradesh *plus* Chhattisgarh in the central region and the north-eastern region generally.

The second result that strikes in these data is that there has not been any noticeable improvement in the shares of poorer regions identified above. The share of eastern region in fact fell rather steadily though slowly, from 6.3 per cent in 1995-96 to 4.7 per cent in 1999-2000 but thereafter there has been some pick-up with the share reaching 5.6 per cent in 2002-03 and 6.8 per cent in 2005-06. The performance of the central region has been still worse; overall, its share fell from 16.1 per cent in 1995-96 to 12.8 per cent in 2005-06. Interestingly, the policy of doubling of credit has not benefited the central region, as much as it has benefited the eastern region, if annual growth rates are considered for 2004-05 and 2005-06. Within the eastern region, Bihar has lagged behind rather considerably, and in the central region, Uttar Pradesh.

#### **Role of cooperatives and RRBs**

Data presented in Annexure U seek to depict the relative roles of cooperatives<sup>17</sup> and RRBs compared with those of commercial banks.

RRBs were created as an institution to fill the gaps in banking infrastructure in under developed regions and states. Significantly, the highest presence of RRBs, judged by their farm credit disbursements, are to be found in the southern region. There may be pockets within the region which required RRB presence. But, overall their relative presence in the eastern and central regions has been weak and it has remained so. In 2005-06, for instance, RRBs' disbursements for agriculture in the southern region accounted for 41.7 per

<sup>17</sup> There may be some gaps in these data. For instance, it is found that Maharashtra has no Land Development Bank lendings in some years which is unlikely.



**Table 63:** Total Ground-Level Disbursements for Agriculture and Allied Activities:  
Distribution Across States and Regions for 1995-96 to 2005-06

(Rupees in Crore)														
Regions Year	A: Agency-wise Share in Credit Flow : Region-wise							B: Regional Share in All-India Credit Flow						
	North						All India	North						All India
	Northern	Eastern	Eastern	Central	Western	Southern	Total	Northern	Eastern	Eastern	Central	Western	Southern	Total
	<i>Commercial Banks</i>							<i>Commercial Banks</i>						
1995-96	33.3	67.5	55.5	36.0	39.6	59.4	46.2	15.0	0.3	7.5	12.5	16.5	48.1	100
1996-97	33.2	76.3	58.1	40.8	43.7	58.9	47.7	14.8	0.4	7.7	13.9	16.6	46.6	100
1997-98	37.8	40.9	56.0	41.6	42.7	56.7	47.5	17.8	0.5	6.1	13.8	16.0	45.8	100
1998-99	37.7	29.5	55.8	43.1	43.0	56.8	47.4	19.6	0.4	6.4	13.1	16.3	44.2	100
1999-00	44.0	53.9	53.1	42.3	41.5	55.9	48.2	24.0	0.3	5.8	12.3	15.0	42.7	100
2000-01	45.4	66.5	54.0	43.3	36.8	54.1	47.3	24.9	0.3	6.5	12.7	13.5	42.0	100
2001-02	47.2	80.4	57.8	45.7	39.7	55.4	49.3	25.3	0.3	6.9	14.0	13.9	39.6	100
2002-03	50.8	73.9	58.3	42.2	44.4	59.8	52.1	27.3	0.4	7.0	13.1	12.5	39.8	100
2003-04	54.4	82.2	55.4	43.8	51.2	60.5	54.5	28.7	0.6	6.8	13.2	12.5	38.2	100
2004-05	59.2	74.3	60.8	52.0	54.8	64.7	59.5	29.6	0.5	6.9	13.9	12.1	37.1	100
2005-06	64.0	77.7	62.5	56.4	55.5	65.6	62.3	31.5	0.5	6.5	13.3	11.7	36.5	100
	<i>Co-operative Banks</i>							<i>Co-operative Banks</i>						
1995-96	63.2	12.8	37.0	55.4	58.1	32.1	47.6	27.6	0.1	4.9	18.7	23.6	25.2	100
1996-97	62.9	12.7	35.9	50.7	53.6	32.2	45.8	29.2	0.1	4.9	17.9	21.2	26.6	100
1997-98	57.7	54.2	34.4	51.0	54.3	33.4	45.5	28.3	0.7	3.9	17.7	21.2	28.2	100
1998-99	58.2	65.4	34.3	46.5	53.2	33.7	45.3	31.6	0.8	4.1	14.8	21.1	27.5	100
1999-00	52.2	22.9	37.9	45.4	53.9	33.7	43.9	31.2	0.1	4.5	14.5	21.4	28.2	100
2000-01	50.1	20.2	35.9	42.1	59.2	33.6	43.6	29.9	0.1	4.7	13.5	23.5	28.3	100
2001-02	48.1	8.7	33.0	39.5	56.5	32.9	41.9	30.3	0.0	4.6	14.2	23.2	27.7	100
2002-03	44.3	9.5	31.2	40.4	49.7	28.2	38.0	32.7	0.1	5.1	17.1	19.2	25.8	100
2003-04	40.2	4.6	34.8	38.2	44.9	26.9	35.4	32.6	0.1	6.5	17.7	16.9	26.1	100
2004-05	35.2	3.6	25.4	27.6	41.3	20.4	29.0	36.2	0.0	5.9	15.2	18.6	24.0	100
2005-06	30.4	5.0	25.0	23.1	39.2	21.7	27.0	34.5	0.1	6.0	12.6	19.1	27.8	100
	<i>All Agencies (Including RRBs)</i>							<i>All Agencies (Including RRBs)</i>						
1995-96	100	100	100	100	100	100	100	20.7	0.2	6.3	16.1	19.3	37.4	100
1996-97	100	100	100	100	100	100	100	21.3	0.3	6.3	16.2	18.2	37.8	100
1997-98	100	100	100	100	100	100	100	22.3	0.6	5.1	15.8	17.8	38.4	100
1998-99	100	100	100	100	100	100	100	24.6	0.6	5.4	14.4	18.0	36.9	100
1999-00	100	100	100	100	100	100	100	26.3	0.3	5.2	14.0	17.5	36.8	100
2000-01	100	100	100	100	100	100	100	26.0	0.2	5.7	13.9	17.3	36.8	100
2001-02	100	100	100	100	100	100	100	26.4	0.2	5.9	15.1	17.2	35.2	100
2002-03	100	100	100	100	100	100	100	28.1	0.2	6.2	16.1	14.7	34.7	100
2003-04	100	100	100	100	100	100	100	28.7	0.4	6.6	16.4	13.3	34.4	100
2004-05	100	100	100	100	100	100	100	29.8	0.4	6.7	15.9	13.1	34.1	100
2005-06	100	100	100	100	100	100	100	30.7	0.4	6.4	14.7	13.1	34.6	100

Source: Annexures T and U

**Table 64:** Regional Pattern of RRBs Disbursements: Percentage Share in Total

Regions/Year	1995-96	Per Cent to Total	2005-06	Per Cent to Total
Northern Region	156	11.0	2498	16.4
	(3.4)		(5.0)	
North-Eastern Region	10	0.7	110	0.7
	(19.7)		(11.8)	
Eastern Region	105	7.4	1155	7.6
	(7.6)		(9.5)	
Central Region	305	21.4	4399	28.8
	(8.6)		(19.0)	
Western Region	100	7.0	706	4.6
	(2.3)		(2.7)	
Southern Region	706	49.6	6354	41.6
	(8.6)		(10.0)	
All-India Total	1423	100	15271	100

cent of the total RRBs' disbursements, whereas they have constituted only 7.6 per cent in the eastern region and 28.9 per cent in the central region (Table 64).

In the eastern region, institutional credit supply for agriculture is proven to be the lowest, but within that RRBs seem to play a larger role. Bihar and Orissa have high proportions of institutional credit from RRBs (Table 65).

Essentially, there were 14 major states in which farm credit from cooperatives historically played a significant role. As shown in Table 66, these were the states in which cooperatives had more than one-fourth of institutional credit for the agricultural sector, which is the current national average for recent years. The number of such states has declined from 14 in 1995-96 to 10 in 2005-06. The western region states of Maharashtra and Gujarat, as is widely, have continued to enjoy significant roles for cooperatives, with the share in farm credit being the highest at 42 per cent and 40 per cent in them. Haryana and Punjab are the other two states in which these relative shares are high. Even West Bengal and Orissa have reasonably high levels of cooperatives credit. Amongst the southern states, Kerala tops the list followed by Karnataka.

These fluctuating changes are reflected in the relative position of states and regions in the share of farm credit issued by PACS [Table 66(A)]. In respect of the 14 states mentioned above, the share of their PACS in agricultural credit issued have constituted 96 per cent each in 2001-02 and 2005-06. However, there is evidence in PACS' data on agriculture credit issued of the loss of share in respect of the four states

**Table 65:** Regional Pattern of RRBs Disbursements: Percentage Share in Total

(Rs crore)				
Regions/Year	1995-96	Per Cent to Total	2005-06	Per Cent to Total
Haryana	49	3.5	800	5.2
Punjab	39	2.7	568	3.7
Rajasthan	62	4.3	1029	6.7
Bihar	29	2.1	450	2.9
Orissa	47	3.3	415	2.7
West Bengal	28	2.0	210	1.4
Madhya Pradesh	78	5.5	925	6.1
Uttar Pradesh	227	15.9	3206	21.0
Gujarat	62	4.3	459	3.0
Maharashtra	38	2.7	211	1.4
Andhra Pradesh	261	18.3	2817	18.4
Karnataka	272	19.1	1536	10.1
Kerala	127	8.9	1290	8.5
Tamil Nadu	46	3.2	711	4.7
All India Total	1423	100	15271	100

which have lost their momentum in total cooperative sector credit; the states are: Uttar Pradesh, Andhra Pradesh, Tamil Nadu and West Bengal [Table 66 (A)]. (Table 66 is attached)

#### **Crop loans Vs. investment credit**

Data presented in Annexure U (and summarised in Tables 67, 68 and 69) provide statistics on the flow of credit from the cooperative sector separately for SCBs / CCBs and LDBs, but there is no functional classification of assistance, particularly of SCBs/CCBs, into crop loans and investment credit. Amongst the 13 major states with considerable presence of cooperative credit, only five, namely, Punjab, Madhya Pradesh, Uttar Pradesh and Kerala, have relatively high proportions of term credit. And these proportions have sharply declined over years.

#### **Concurrent role of RRBs**

Annexure V presents a break-up state-wise, separately for cooperatives and RRBs.

It is interesting that important roles have been played by RRBs in rendering crop loans and investment credit generally in the very states which have a significant presence of cooperatives. As shown in Table 68 (Table 68 is attached) below, the ten cooperatively advanced states identified above also generally

**Table 66:** Relative Presence of Co-operatives in Different Regions and States

Regions/Year	(Rs Crore)					
	1995-96			2005-06		
	Co. - Op. Credit	Per Cent to Total	Total Credit*	Co. - Op. Credit	Per Cent to Total	Total Credit*
Northern Region	2888	63.2	4566	13605	30.4	44728
North-Eastern Region	7	12.8	51	32	5.0	640
Eastern Region	511	37.0	1382	2365	25.2	9385
Central Region	1962	55.4	3540	4969	23.1	21473
Western Region	2471	58.1	4254	7818	40.8	19164
Southern Region	2641	32.1	8240	10996	21.8	50475
All-India Total	10479	47.6	22032	39786	27.3	145914
Major States						
Haryana	1131	74.8	1511	5090	49.6	10262
Punjab	1156	59.0	1959	5846	40.7	14373
Rajasthan	570	65.1	877	2413	35.3	6837
Bihar	94	25.8	367	685	32.4	2115
Orissa	176	42.3	416	1443	51.0	2828
West Bengal	239	40.0	598	686	17.4	3930
Madhya Pradesh	777	59.4	1309	2183	34.0	6413
Uttar Pradesh	1184	53.1	2231	2058	15.6	13160
Gujarat	829	55.6	1491	3769	42.3	8910
Maharashtra	1636	59.9	2730	4042	39.9	10138
Andhra Pradesh	1034	33.6	3083	3126	18.5	16881
Karnataka	556	33.0	1686	2695	23.5	11483
Kerala	353	37.5	942	2874	34.6	8305
Tamil Nadu	692	27.8	2488	2281	16.8	13584
All India Total	10479	47.6	22032	39786	27.3	145914
* Credit by all agencies						

enjoy high proportions of RRB lendings in the total farm credit from all agencies. The states where cooperatives have become weak but RRBs have filled the gap are Assam, Bihar, Andhra Pradesh, Karnataka and Tamil Nadu.

While on the subject of RRBs' role in farm credit, we are attracted by a special feature which is that their performance in agriculture credit has been distinctly more impressive than that of other scheduled commercial banks (SCBs). It is found that while the proportions of other SCBs in the number of agriculture loan accounts and agriculture credit outstanding have consistently declined in the 1990s, RRBs have played a unique role, in that they have not only sustained their shares but have even improved upon them. This is based

on an independent source of data available in the RBI's *Basic Statistical Returns of Scheduled Commercial Banks in India*. As shown in Table 69, RRBs' share in total number of agriculture loan accounts has gone up from 24.2 per cent in March 1990 to 28.1 per cent in March 2000 and further to 30.6 per cent in March 2004; it is only thereafter when the public sector banks and other SCBs were made to double their loan portfolio that the share of RRBs has slightly come down. Even so, RRBs, which account for only 3.0 per cent of aggregate deposits and 2.0 per cent of aggregate loans of all scheduled commercial banks together, account for as much as 30 per cent in agriculture loan accounts or 12 to 14 per cent of loan amounts outstanding.

**Table 66(A):** State-wise Loans Issued by PACS for Agriculture

(Amount in Rupees Lakh)										
	2001-02		2002-03		2003-04		2004-05		2005-06	
Region/State/ Union Territory	Agriculture	Per Cent to Total	Agriculture	Per Cent to Total	Agriculture	Per Cent to Total	Agriculture	Per Cent to Total	Agriculture	Per Cent to Total
<b>Northern Region</b>	<b>509258</b>	<b>30.7</b>	<b>662975</b>	<b>32.4</b>	<b>747572</b>	<b>33.9</b>	<b>897973</b>	<b>33.8</b>	<b>1042428</b>	<b>36.0</b>
Haryana	227362	13.7	264297	12.9	318299	14.5	367855	13.9	452666	15.6
Himachal Pradesh	7410	0.4	10135	0.5	12148	0.6	15458	0.6	16474	0.6
Jammu & Kashmir	730	0.0	610	0.0	589	0.0	1303	0.0	1105	0.0
Punjab	190116	11.5	258048	12.6	317415	14.4	359505	13.5	431513	14.9
Rajasthan	83641	5.0	129885	6.3	99121	4.5	153851	5.8	140668	4.9
Chandigarh									3	0.0
Delhi										
<b>North-Eastern Region</b>	<b>36680</b>	<b>2.2</b>	<b>36981</b>	<b>1.8</b>	<b>36978</b>	<b>1.7</b>	<b>36633</b>	<b>1.4</b>	<b>36614</b>	<b>1.3</b>
Arunachal Pradesh	77	0.0	77	0.0	77	0.0	77	0.0	77	0.0
Assam			369	0.0	369	0.0	369	0.0	369	0.0
Manipur	35937	2.2	35937	1.8	35937	1.6	35937	1.4	35937	1.2
Meghalaya	83	0.0	70	0.0	73	0.0	198	0.0	148	0.0
Mizoram	113	0.0								
Nagaland	7	0.0	7	0.0	7	0.0	7	0.0	7	0.0
Tripura	464	0.0	522	0.0	515	0.0	45	0.0	77	0.0
<b>Eastern Region</b>	<b>136375</b>	<b>8.2</b>	<b>202398</b>	<b>9.9</b>	<b>226449</b>	<b>10.3</b>	<b>257218</b>	<b>9.7</b>	<b>274373</b>	<b>9.5</b>
Bihar	1060	0.1	77	0.0	14159	0.6	27375	1.0	23448	0.8
Jharkhand				0.0		0.0	0	0.0	100	0.0
Orissa	106011	6.4	115475	5.6	127368	5.8	143545	5.4	153556	5.3
Sikkim				0.0		0.0	0	0.0	54	0.0
West Bengal	29264	1.8	86801	4.2	84877	3.9	86253	3.2	97091	3.4
Andaman&Nicobar Isl.	40	0.0	45	0.0	45	0.0	46	0.0	123	0.0
<b>Central Region</b>	<b>156546</b>	<b>9.4</b>	<b>213818</b>	<b>10.4</b>	<b>211906</b>	<b>9.6</b>	<b>242923</b>	<b>9.1</b>	<b>252954</b>	<b>8.7</b>
Chhattisgarh	7940	0.5	47841	2.3	27891	1.3	26156	1.0	30833	1.1
Madhya Pradesh	83608	5.0	97106	4.7	115144	5.2	147896	5.6	153250	5.3
Uttar Pradesh	64268	3.9	64268	3.1	64268	2.9	64268	2.4	64268	2.2
Uttaranchal	730	0.0	4603	0.2	4603	0.2	4603	0.2	4603	0.2
<b>Western Region</b>	<b>369582</b>	<b>22.3</b>	<b>448001</b>	<b>21.9</b>	<b>528971</b>	<b>24.0</b>	<b>618872</b>	<b>23.3</b>	<b>654649</b>	<b>22.6</b>
Goa	624	0.0	380	0.0	217	0.0	7290	0.3	400	0.0
Gujarat	120408	7.3	210761	10.3	210545	9.6	272693	10.3	341611	11.8
Maharashtra	248550	15.0	236860	11.6	318209	14.4	338889	12.8	312638	10.8
Dadra & Nagar Haveli										
Daman & Diu										
<b>Southern Region</b>	<b>451825</b>	<b>27.2</b>	<b>483512</b>	<b>23.6</b>	<b>450651</b>	<b>20.5</b>	<b>602138</b>	<b>22.7</b>	<b>634452</b>	<b>21.9</b>
Andhra Pradesh	141673	8.5	160530	7.8	162489	7.4	185392	7.0	200595	6.9
Karnataka	76130	4.6	121802	5.9	95332	4.3	112301	4.2	154137	5.3
Kerala	113466	6.8	96616	4.7	118367	5.4	124688	4.7	154537	5.3
Tamil Nadu	120146	7.2	103845	5.1	73635	3.3	178301	6.7	122431	4.2
Lakshadweep										0.0
Pondicherry	410	0.0	718	0.0	829	0.0	1456	0.1	2753	0.1
<b>All-India</b>	<b>1660266</b>	<b>100</b>	<b>2047686</b>	<b>100</b>	<b>2202527</b>	<b>100</b>	<b>2655756</b>	<b>100</b>	<b>2895470</b>	<b>100</b>

Source: NAFSCOB

**Table 67:** States with Relatively High Levels of Co-operative Credit – Crop Loans Vs Investment Credit

(Rs crore)								
States	1999-2000				2004-05			
	Production Credit		Investment Credit		Production Credit		Investment Credit	
Haryana	2050	(89.4)	244	(10.6)	3851	(89.1)	470	(10.9)
Punjab	1891	(85.2)	329	(14.8)	4041	(86.3)	641	(13.7)
Rajasthan	837	(76.0)	264	(24.0)	1863	(87.5)	266	(12.5)
Assam	0.2	(1.2)	12	(98.8)	10	(82.7)	2	(17.3)
Bihar	37	(75.6)	12	(24.4)	274	(93.2)	20	(6.8)
Orissa	426	(91.2)	41	(8.8)	947	(97.5)	24	(2.5)
Madhya Pradesh	964	(87.8)	134	(12.2)	1676	(84.5)	308	(15.5)
Uttar Pradesh	999	(64.8)	543	(35.2)	1514	(70.9)	621	(29.1)
Gujarat	1216	(86.5)	190	(13.5)	2432	(92.7)	191	(7.3)
Maharashtra	1982	(76.8)	599	(23.2)	2798	(87.8)	390	(12.2)
Andhra Pradesh	1434	(77.2)	423	(22.8)	1932	(93.0)	145	(7.0)
Karnataka	972	(83.9)	187	(16.1)	1120	(89.9)	126	(10.1)
Kerala	666	(82.0)	146	(18.0)	1683	(87.1)	249	(12.9)
Tamil Nadu	1092	(80.9)	257	(19.1)	1972	(88.0)	268	(12.0)
All-India	14845	(80.8)	3518	(19.2)	27157	(87.0)	4074	(13.0)

*Note:* Figures within brackets are percentage shares of total co-operative credit.  
*Source:* See Annexure V.

### Inter-state disparities in credit disbursements of public sector banks

Within the banking sector as a whole, public sector banks have the largest resources. They were brought under social control and nationalised with the explicit objective of reorienting the distribution of their credit sectorally in favour of informal sectors and regionally in favour of underdeveloped and underbanked regions and states. As alluded to earlier, a number of socially-oriented policies like priority sector targets and higher credit-deposit ratios for rural and semi-urban areas, have been prescribed for achieving, amongst other things, better regional distribution of bank credit.

The above policies have primarily focused on the public sector banks. With a view to evaluating their performance in regional distribution of agricultural credit, special tabulations of data by the RBI based on statistics obtained under *special agricultural credit plans* (SACP) have been studied and analysed and the relevant results presented in Annexure W. These data as summarised in Table 70 represent aggregate lendings of public sector banks for agriculture and allied activities as direct as well as indirect lendings. With a view to making a comparison of the PSB's shares with the regional

shares of all institutions, comparable proportions are presented alongside in the same table.

It is truly disquieting that the public sector banks (PSBs) with such large resource and organisational clouts have hardly made any difference insofar as the shares of underdeveloped regions in total farm credit flows are concerned. Eastern region has a share of 7.0 per cent in PSB's credit disbursements in 2004-05, while the total credit including those of RRBs and cooperatives has a share of 6.7 per cent in the same year (Table 63 earlier). In the central region, the relative share of PSBs is slightly better at 17.3 per cent as against 15.9 per cent for the credit flow in the aggregate.

Also, in respect of these underbanked regions, corrections to the credit distribution have hardly taken place over time, not even in the current period of implementing the credit doubling policy. The relative share of the eastern region was 6.9 per cent in 2002-03, 6.7 per cent in 2003-04 and it edged up to 7.0 per cent in 2004-05, while in the case of the central region, the comparable ratios were 15.5 per cent, 15.8 per cent and 17.3 per cent. No doubt, the shares of southern states in farm credit, which have been the highest amongst all regions, have been on the decline in the process of correcting

**Table 68: Comparison of Role of Co-operatives in Farm Credit vis-à-vis the Role of RRBs**

States	1999-2000										2004-05									
	Co-operatives					RRBs					Co-operatives					RRBs				
	Crop Loan	Investment Credit	Total	Crop Loan	Investment Credit	Total	Crop Loan	Investment Credit	Total	Crop Loan	Investment Credit	Total	Crop Loan	Investment Credit	Total	Crop Loan	Investment Credit	Total		
Haryana	2050	{89.4}	{65.8}	244	{10.6}	{7.8}	2293	{73.7}	104	{71.2}	{3.3}	42	{28.8}	{1.4}	146	{4.7}	3113			
Punjab	1891	{85.2}	{42.4}	329	{14.8}	{7.4}	2220	{49.7}	78	{77.2}	{1.8}	23	{22.8}	{0.5}	101	{2.3}	4465			
Rajasthan	837	{76.0}	{42.5}	264	{24.0}	{13.4}	1101	{56.0}	83	{50.3}	{4.2}	82	{49.7}	{4.1}	164	{8.4}	1967			
Assam	0.2	{1.2}	{0.2}	12	{98.8}	{16.1}	12	{16.3}	1	{4.2}	{1.2}	20	{95.8}	{27.0}	21	{28.2}	76			
Bihar	37	{75.6}	{8.8}	12	{24.4}	{2.8}	49	{11.7}	19	{29.5}	{4.4}	45	{70.5}	{10.6}	63	{15.0}	422			
Orissa	426	{91.2}	{52.8}	41	{8.8}	{5.1}	467	{57.9}	75	{78.7}	{9.3}	20	{21.9}	{2.5}	95	{11.8}	807			
Madhya Pradesh	964	{87.8}	{47.9}	134	{12.2}	{6.6}	1098	{54.5}	64	{42.6}	{3.2}	86	{57.4}	{4.3}	149	{7.4}	2014			
Chhattisgarh																				
Uttar Pradesh	999	{64.8}	{26.3}	543	{35.2}	{14.3}	1542	{40.6}	363	{64.8}	{9.6}	197	{35.2}	{5.2}	561	{14.8}	3796			
Uttaranchal																				
Gujarat	1216	{86.5}	{43.9}	190	{13.5}	{6.8}	1406	{50.7}	118	{81.9}	{4.2}	26	{18.1}	{0.9}	144	{5.2}	2772			
Maharashtra	1982	{76.8}	{44.5}	599	{23.2}	{13.4}	2581	{57.9}	85	{74.7}	{1.9}	29	{25.3}	{0.6}	114	{2.6}	4456			
Andhra Pradesh	1434	{77.2}	{27.1}	423	{22.8}	{8.0}	1857	{35.1}	514	{89.5}	{9.7}	60	{10.5}	{1.1}	574	{10.9}	5289			
Karnataka	972	{83.9}	{27.7}	187	{16.1}	{5.3}	1159	{33.0}	443	{86.7}	{12.6}	68	{13.3}	{1.9}	511	{14.6}	3511			
Kerala	666	{82.0}	{29.5}	146	{18.0}	{6.5}	811	{35.9}	317	{95.6}	{14.0}	14	{4.4}	{0.6}	331	{14.7}	2257			
Tamil Nadu	1092	{80.9}	{26.1}	257	{19.1}	{6.1}	1349	{32.2}	131	{92.0}	{3.1}	11	{8.0}	{0.3}	142	{3.4}	4191			
All-India	14845	{80.8}	{32.1}	3518	{19.2}	{7.6}	18363	{39.7}	2423	{76.4}	{5.2}	749	{23.6}	{1.6}	3172	{6.9}	46268			
Haryana	3851	{89.1}	{44.6}	470	{10.9}	{5.4}	4321	{50.0}	577	{95.6}	{6.7}	27	{4.4}	{0.3}	604	{7.0}	8640			
Punjab	4041	{86.3}	{31.6}	641	{13.7}	{5.0}	4681	{36.6}	372	{89.2}	{2.9}	45	{10.8}	{0.4}	417	{3.3}	12794			
Rajasthan	1863	{87.5}	{36.0}	266	{12.5}	{5.1}	2129	{41.2}	582	{81.5}	{11.3}	133	{18.5}	{2.6}	715	{13.8}	5172			
Assam	10	{82.7}	{3.9}	2	{17.3}	{0.8}	13	{4.7}	30	{47.5}	{11.2}	33	{52.5}	{12.4}	63	{23.6}	267			
Bihar	274	{93.2}	{15.1}	20	{6.8}	{1.1}	294	{16.2}	151	{35.1}	{8.3}	280	{64.9}	{15.4}	431	{23.7}	1817			
Orissa	947	{97.5}	{47.7}	24	{2.5}	{1.2}	971	{48.9}	214	{70.3}	{10.8}	91	{29.7}	{4.6}	305	{15.3}	1985			
Madhya Pradesh	1676	{84.5}	{31.7}	308	{15.5}	{5.8}	1985	{37.5}	575	{84.6}	{10.9}	105	{15.4}	{2.0}	680	{12.8}	5293			
Chhattisgarh	339	{87.3}	{43.0}	49	{12.7}	{6.3}	388	{49.3}	96	{72.5}	{12.2}	36	{27.5}	{4.6}	133	{16.9}	787.4			
Uttar Pradesh	1514	{70.9}	{14.5}	621	{29.1}	{6.0}	2135	{20.5}	2198	{83.9}	{21.1}	421	{16.1}	{4.0}	2619	{25.1}	10429			
Uttaranchal	213	{92.5}	{33.7}	17	{7.5}	{2.7}	230	{36.4}	34	{59.9}	{5.4}	23	{40.1}	{3.6}	57	{9.0}	632.31			
Gujarat	2432	{92.7}	{36.8}	191	{7.3}	{2.9}	2624	{39.7}	307	{85.1}	{4.6}	54	{14.9}	{0.8}	360	{5.5}	6609			
Maharashtra	2798	{87.8}	{37.7}	390	{12.2}	{5.3}	3189	{43.0}	149	{77.7}	{2.0}	43	{22.3}	{0.6}	191	{2.6}	7421			
Andhra Pradesh	1932	{93.0}	{14.3}	145	{7.0}	{1.1}	2077	{15.4}	1951	{72.6}	{14.5}	736	{27.4}	{5.5}	2687	{19.9}	13490			
Karnataka	1120	{89.9}	{15.4}	126	{10.1}	{1.7}	1246	{17.1}	1011	{83.9}	{13.9}	195	{16.1}	{2.7}	1205	{16.6}	7281			
Kerala	1683	{87.1}	{29.5}	249	{12.9}	{4.4}	1932	{33.8}	1046	{97.1}	{18.3}	31	{2.9}	{0.5}	1077	{18.8}	5712			
Tamil Nadu	1972	{88.0}	{19.3}	268	{12.0}	{2.6}	2240	{21.9}	456	{89.8}	{4.5}	52	{10.2}	{0.5}	508	{5.0}	10207			
All-India	27157	{87.0}	{25.2}	4074	{13.0}	{3.8}	31231	{29.0}	2394	{16.2}	{2.2}	12404	{83.8}	{11.5}	14798	{13.7}	107841			

Notes: (i) Figures in round brackets are shares within the agencies, (ii) Figures in brace brackets are percentages to Total Farm Credit given by All Agencies

Source: See Annexure V

**Table 69: Credit to Agriculture: Direct and Indirect by RRBs**

Year	(Amount in Rupees Lakh)														
	I) AGRICULTURE TOTAL					A) DIRECT FINANCE					B) INDIRECT FINANCE				
	No. of Accounts	Per Cent to All India	Amount Outstanding	Per Cent to All India	No. of Accounts	Per Cent to Agri Total	Amount Outstanding	Per Cent to Agri Total	Per Cent to All-India	No. of Accounts	Per Cent to Agri Total	Amount Outstanding	Per Cent to Agri Total	Per Cent to All-India	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Jun-80	1118490	12.4	12291	3.9	1036920	92.7	10551	85.8	(3.3)	81570	7.3	1740	14.2	(0.6)	
Dec-80	1371443	13.3	16465	4.4	1304335	95.1	14306	86.9	(3.8)	67108	4.9	2159	13.1	(0.6)	
Jun-81	1141259	10.8	16052	3.9	1087353	95.3	13942	86.9	(3.4)	53906	4.7	2110	13.1	(0.5)	
Dec-81	1554578	13.8	23877	4.9	1490158	95.9	21605	90.5	(4.4)	64420	4.1	2272	9.5	(0.5)	
Jun-82	1612956	13.6	26445	5.2	1553681	96.3	24144	91.3	(4.8)	59275	3.7	2301	8.7	(0.5)	
Dec-82	1745380	14.4	30612	5.4	1682479	96.4	27712	90.5	(4.9)	62901	3.6	2900	9.5	(0.5)	
Jun-83	2221624	17.3	36386	6.3	2155327	97.0	33538	92.2	(5.8)	66297	3.0	2848	7.8	(0.5)	
Dec-83	2570336	18.4	45945	7.5	2507946	97.6	43204	94.0	(7.0)	62390	2.4	2741	6.0	(0.4)	
Jun-84	2712599	18.6	54384	7.1	2659565	98.0	51811	95.3	(6.8)	53034	2.0	2573	4.7	(0.3)	
Dec-84	3097664	19.6	59255	7.3	3035046	98.0	56185	94.8	(7.0)	62618	2.0	3070	5.2	(0.4)	
Jun-85	3359054	20.2	66293	7.5	3300368	98.3	63312	95.5	(7.2)	58686	1.7	2981	4.5	(0.3)	
Dec-85	3878115	21.2	79077	8.9	3801787	98.0	75902	96.0	(8.6)	76328	2.0	3175	4.0	(0.4)	
Jun-86	4081584	21.5	86836	8.9	4011324	98.3	83257	95.9	(8.5)	70260	1.7	3579	4.1	(0.4)	
Dec-86	4471292	22.0	101158	10.0	4408771	98.6	97711	96.6	(9.7)	62521	1.4	3447	3.4	(0.3)	
Jun-87	4672731	22.5	109921	10.0	4612197	98.7	106095	96.5	(9.6)	60534	1.3	3826	3.5	(0.3)	
Dec-87	5015593	22.9	124038	10.2	4954917	98.8	119943	96.7	(9.9)	60676	1.2	4095	3.3	(0.3)	
Jun-88	5194965	23.2	130945	10.5	5134924	98.8	126686	96.7	(10.1)	60041	1.2	4259	3.3	(0.3)	
Dec-88	5543048	23.5	150134	10.8	5467125	98.6	145168	96.7	(10.5)	75923	1.4	4966	3.3	(0.4)	
Jun-89	5629906	23.9	159880	10.5	5558410	98.7	154933	96.9	(10.1)	71496	1.3	4947	3.1	(0.3)	
Mar-90	5946003	24.2	183687	11.0	5823332	97.9	176594	96.1	(10.6)	122671	2.1	7093	3.9	(0.4)	
Mar-91	6672115	24.5	188716	10.2	6536802	98.0	178781	94.7	(9.6)	135313	2.0	9935	5.3	(0.5)	
Mar-92	6659031	24.0	211030	10.4	6538854	98.2	201462	95.5	(10.0)	120177	1.8	9568	4.5	(0.5)	
Mar-93	6567188	25.0	232176	10.5	6435893	98.0	224465	96.7	(10.2)	131295	2.0	7711	3.3	(0.3)	
Mar-94	6531432	25.6	260849	11.4	6409284	98.1	252533	96.8	(11.0)	122148	1.9	8316	3.2	(0.4)	
Mar-95	6527029	26.3	305712	12.3	6403732	98.1	296120	96.9	(11.9)	123297	1.9	9592	3.1	(0.4)	
Mar-96	6437169	26.6	356848	12.4	6321011	98.2	347036	97.3	(12.0)	116158	1.8	9812	2.7	(0.3)	
Mar-97	5795732	25.7	411061	13.0	5679520	98.0	399728	97.2	(12.6)	116212	2.0	11333	2.8	(0.4)	
Mar-98	5975729	27.5	492378	14.0	5868342	98.2	479439	97.4	(13.6)	107387	1.8	12939	2.6	(0.4)	
Mar-99	5464296	27.6	553379	13.5	5365642	98.2	541182	97.8	(13.2)	98654	1.8	12197	2.2	(0.3)	
Mar-00	5767184	28.1	631656	13.8	5649434	98.0	617044	97.7	(13.5)	117750	2.0	14612	2.3	(0.3)	
Mar-01	5710234	28.8	766504	14.8	5601711	98.1	749182	97.7	(14.5)	108523	1.9	17322	2.3	(0.3)	
Mar-02	6078404	29.9	874108	13.7	5873573	96.6	840260	96.1	(13.1)	204831	3.4	33848	3.9	(0.5)	
Mar-03	6319335	30.3	1064260	14.0	6066099	96.0	1023942	96.2	(13.5)	253236	4.0	40318	3.8	(0.5)	
Mar-04	6522961	30.6	1223752	12.7	6279327	96.3	1178513	96.3	(12.2)	243634	3.7	45239	3.7	(0.5)	
Mar-05	7859950	29.5	1646332	13.2	7567892	96.3	1582391	96.1	(12.7)	292058	3.7	63941	3.9	(0.5)	
Mar-06	7603750	26.2	1882042	10.9	7319590	96.3	1783970	94.8	(10.3)	284160	3.7	98072	5.2	(0.6)	

Source: RBI, Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006 (Vol.35) and earlier issues.

**Table 70:** Relative Regional Shares of Public Sector Bank Lendings for Agriculture and Allied Activities

<i>A: Regional Distribution in Percentages Year-wise for Public Sector Banks</i>							
<i>Regions Year</i>	<i>Northern</i>	<i>North Eastern</i>	<i>Eastern</i>	<i>Central</i>	<i>Western</i>	<i>Southern</i>	<i>All India Total</i>
1999-00	22.5	0.4	5.8	13.7	14.1	43.5	100.0
2000-01	23.1	0.3	6.5	14.3	12.5	43.3	100.0
2001-02	23.7	0.3	6.8	15.8	12.9	40.6	100.0
2002-03	25.3	0.4	6.9	15.5	11.9	40.1	100.0
2003-04	26.7	0.6	6.7	15.8	11.3	38.9	100.0
2004-05	26.8	0.5	7.0	17.3	10.7	37.8	100.0
<i>B: Share of Public Sector Banks in the Aggregates of all Agency Lendings</i>							
1999-00	47.8	77.0	62.0	54.6	45.0	66.1	55.8
2000-01	49.9	79.6	64.1	57.9	40.4	66.2	56.2
2001-02	51.9	91.2	66.9	60.5	43.2	66.8	57.9
2002-03	55.7	90.5	68.7	59.6	49.9	71.6	61.9
2003-04	59.8	95.3	65.2	61.8	54.8	72.9	64.5
2004-05	64.8	96.4	74.6	78.2	58.7	79.6	72.0

*Source: See Annexure W.*

regional imbalances (from 43.5 per cent in 1999-2000 to 37.8 per cent in 2004-05). But, interestingly these losses in the share of the southern region have hardly moved in favour of the underdeveloped regions like the eastern and central regions. Instead, the southern region's losses in credit share have been accompanied by steady increases in the shares of the northern region, which is generally well-developed and which is already enjoying relatively high proportion of bank credit. The northern region's share has gone up from 22.5 per cent in 1999-2000 to 26.8 per cent in 2004-05. Amongst the relatively advanced regions, the public sector bank credit share of the western region consisting of Maharashtra and Gujarat as major states, has suffered a steady fall from 14.1 per cent in 1999-2000 to 10.7 per cent in 2004-05. Impliedly, the benefits of this correction have also accrued to the northern region. As Delhi seems to have acquired these benefits, the chances are that the bulk of the credit disbursements may have been in the form of indirect lendings.

#### **Private sector banks**

It is also significant that the performance of public sector banks in regional distribution of farm credit disbursements is hardly better than that of private sector banks (Table 71).

Amongst the states having some dominant presence of private sector banks in farm lendings are four in number: Tamil Nadu (21 per cent), Maharashtra (17 per cent), Delhi (13 per cent) and Andhra Pradesh (10 per cent). In 2006-07, these four states

accounted for 61 per cent of agricultural credit disbursements by private sector banks in India.

### **9. Increased Ground-Level Assistance for Diversified Activities**

#### **Allied to Agriculture and Non-Farm Sector**

Earlier, we made a brief reference to the increase in share of term loans under ground-level credit flows being assigned to diversified activities allied to agriculture in recent years. As shown in Table 62 earlier, while term loans granted to these allied activities grew by 25.3 per cent per annum during the period 1997-98 to 2002-03, the same galloped by 45.5 per cent per annum during the subsequent three-year period 2003-04 to 2005-06. Out of these ground-level credit support for allied activities, agriculture-related activities – plantations and horticulture, animal husbandry, fisheries, and hi-tech agriculture – accounted for over two-thirds, the balance being 'others' which covered items which essentially belonged to the non-farm sector activities. In recent years, these 'others' have constituted over two-thirds of the term loan disbursements and they have also covered a number of non-farm activities (See for details for 7 years from 1998-99 to 2004-05 in Annexure X). In addition, they embrace funds deposited with RIDF. Interestingly, it is found that more than two-thirds of amounts sanctioned and disbursed under RIDF until the end of March 2007 are for rural infrastructure activities undertaken outside farming activities (Table 72).



**Table 71:** Region-wise Distribution of Agriculture Credit by Private Sector Banks

Regions	Private Sector Banks				Public Sector Banks			
	2005-06	Per Cent	2006-07	Per Cent	2005-06	Per Cent	2006-07	Per Cent
	to Total		to Total		to Total		to Total	
Northern	4830	20.1	10801	24.9	28625	31.5	34042	28.7
North-Eastern	322	1.3	184	0.4	488	0.5	460.31	0.4
Eastern	1167	4.8	2697	6.2	5875	6.5	7857.3	6.6
Central	1184	4.9	2816	6.5	12105	13.3	17244	14.6
Western	6279	26.1	9634	22.2	10640	11.7	13496	11.4
Southern	10178	42.3	17121	39.5	33124	36.4	45261	38.2
Unclassified	100		125		49		59	
All-India	24060	100.0	43378	100.0	90905	100.0	118420	100.0

Source: Special Tabulations by the RBI for the Project.

**Table 72:** Sanctions and Disbursements Under RIDF for Various Sectors (As on 31 March 2007)

	(Amount in rupees, crore)					
	Amount	Per Cent	Amount	Per Cent	Amount	Per Cent
	Sanctioned	to Total	Phased	to Total	Disbursed	to Total
Irrigation	20,432	33.2	17,552	33.4	12,752	34.0
Rural Roads & Bridges	27,140	44.1	23,783	45.2	18,011	48.0
Social Sector	6,988	11.4	5,432	10.3	3,039	8.1
Power	1,434	2.3	1,381	2.6	932	2.5
Others	5,547	9.0	4,431	8.4	2,825	7.5
Total	61,540	100.0	52,579	100.0	37,560	100.0

Source: NABARD, Annual Report, 2006-07, p 69

As depicted in Table 68 earlier, all agencies are involved in rendering term loan assistance to allied activities including those 'others'. In the year 2004-05, commercial banks have accounted for 50 per cent of the ground-level assistance for all allied activities, RRBs 20 per cent and cooperative banks 30 per cent. In the 'others' category, commercial banks have accounted for 80 per cent because of the involvement of RIDF funds.

Overall, there is thus a growing share of ground-level credit being earmarked by commercial banks for allied activities in which the potential for growth is indeed high. Simultaneously, a growing proportion is being earmarked for rural infrastructure activities which may indirectly support agricultural growth. While there is thus a felt-need for rural infrastructure, commercial banks in particular are also

probably finding such lending activities easier to undertake.

#### **Ground-level disbursements for non-farm sector**

The importance of non-farm activities in rural areas arises from the structural characteristics of the Indian economy. Briefly, the growing marginalisation of agriculture, the need to shift a large part of over 56 per cent of the labour force dependent on agriculture away from the sector, rapid technological and organisational changes occurring in the corporate world unable to absorb any high proportion of labour force – all of these make it imperative that the rural economy gets diversified into a wide range of non-farm activities so as to provide productive employment to the growing rural labour force, reduce the wide economic differences between rural and urban areas, and generally expand the domestic market

for facilitating higher and more egalitarian growth.

While there is no foolproof definition of the rural non-farm sector, it obviously consists of a vast number of sub-sectors with varying degrees of importance: rural tiny, small and medium manufacturing enterprises, handicrafts and village industries, transport and local communications, storage and warehousing, repairing services, health and educational services and vast sets of other service sectors.

Recognising the importance of the rural non-farm sector, NABARD has been consciously promoting the sector by providing training facilities for rural entrepreneurs, by facilitating entrepreneurial development as well as supporting establishment of new enterprises, and above all, by providing refinancing facilities in respect of bank loans for industrial activities (manufacturing and processing) in small, tiny, cottage and village industries. The refinance facilities for the non-farm sector have been sizeable as shown below:

Year	NABARD Refinance for Non-Farm Sector (Rs. Crore)
1991-92	970.01
1992-93	1074.61
1993-94	1279.80
2004-05	2542.58
2005-06	2285.98
2006-07	2265.16
<i>Source: NABARD Annual Reports</i>	

Based on these refinance support and, more importantly on their own, the various credit agencies have been rendering ground-level assistance to the non-farm sector enterprises. The institutional credit expansion for the non-farm sector, as reported by NABARD, has thus been taking place at a decent rate of 15 to 20 per cent in each of the past few years. But, the GLC for the agricultural sector has been growing at a still faster rate. As a result, the non-farm sector GLC as a proportion of agriculture GLC has been receding in these years (Table 73).

### **Regional disparities in non-farm GLC**

It is found that regional disparities in the distribution of GLC for the non-farm sector are truly acute. About 48 per cent of non-farm loans are disbursed in the southern region alone. With another 24 per cent disbursed in the northern region, about 72 per cent of non-farm sector loans are purveyed by

**Table 73:** Ground-Level Credit (GLC) Disbursements for Non-Farm Sector

Year	GLC for Non-Farm Sector	Aggregate GLC for Agriculture	Non-Farm Sector as Percentage of Aggregate Agriculture GLC
(1)	(2)	(3)	(4)
2001-02	16,282	62,045	26.2
2002-03	17,788 (+10.7)	69,560 (+12.1)	25.6
2003-04	20,887 (+17.4)	86,981 (+25.0)	24.0
2004-05	25,042 (+19.9)	125,309 (+44.1)	20.0
2005-06	28,803 (+15.0)	149,286 (+19.1)	19.3
<i>Source: Special tabulations made available by NABARD for the project.</i>			

banks in the two regions of south and north [(Table 73 (A)); [(Table 73 (A) is attached)] these two regions together account for just 32 per cent of the country's population or 35 per cent of the rural population or 42 per cent of the urban population.

Interestingly, the regional disparities in the distribution of non-farm GLC are much more acute as compared with the distribution of agriculture GLC (Table 74). As per the recent trends, only a fractional decline in the share of the southern region has occurred but interestingly, again it has moved in favour of the northern region.

### **Scarcity of resources with NABARD**

It must be added in parenthesis that NABARD's refinances are growing in a niggardly fashion because the institution is faced with a serious constraint. Apart from the stoppage of contribution to the National Rural Credit (Long-Term Operations) Fund, there are three other developments which have constricted NABARD's ability to expand its promotional activities through refinance and other methods. First, NABARD has been made to approach the market at market rates of interest. Today about 40 per cent of its working funds are at market rates of interest as against 19 per cent at the end of March 2003. Second, NABARD's profits are being charged to income-tax. Finally, RBI has dispensed with the practice of giving general line of credit (GLC). The annual line was Rs. 6,600 crore a few years ago and the entire amount has been recalled by the RBI as on January 31, 2007.

Table 73(A): State-wise Ground Level Credit (GLC) disbursements under Non-Farm Sector from 2001-2002 to 2005-2006

(Rs. lakh)												
Sr. No.	Name of the State/UTs	2001-2002	Per Cent to Total	2002-2003	Per Cent to Total	2003-2004	Per Cent to Total	2004-2005	Per Cent to Total	2005-2006	Per Cent to Total	Annual Increase in 2005-06 over 2001-02 (In Per Cent)
1	Chandigarh	11	0.00	30	0.00	87	0.00	43	0.00	49	0.00	86.36
2	New Delhi	258	0.02	352	0.02	572	0.03	902	0.04	1695	0.06	139.24
3	Haryana	121524	7.46	120245	6.76	157959	7.56	177606	7.09	222050	7.71	20.68
4	Himachal Pradesh	8934	0.55	8171	0.46	14423	0.69	16426	0.66	24353	0.85	43.15
5	Jammu & Kashmir	11905	0.73	10978	0.62	13829	0.66	30476	1.22	35022	1.22	48.54
6	Punjab	177486	10.90	207651	11.67	248975	11.92	280142	11.19	318567	11.06	19.87
7	Rajasthan	59112	3.63	51355	2.89	74638	3.57	101131	4.04	93721	3.25	14.64
	<b>Northern Region</b>	<b>379230</b>	<b>23.29</b>	<b>398782</b>	<b>22.42</b>	<b>510483</b>	<b>24.44</b>	<b>606726</b>	<b>24.23</b>	<b>695457</b>	<b>24.15</b>	<b>20.85</b>
8	Arunachal Pradesh	258	0.02	248	0.01	310	0.01	638	0.03	0	0.00	-25.00
9	Assam	6175	0.38	6122	0.34	10188	0.49	11643	0.46	21621	0.75	62.53
10	Manipur	386	0.02	938	0.05	1046	0.05	1025	0.04	2307	0.08	124.42
11	Meghalaya	978	0.06	917	0.05	2311	0.11	2889	0.12	1509	0.05	13.57
12	Mizoram	941	0.06	885	0.05	1068	0.05	1161	0.05	1573	0.05	16.79
13	Nagaland	241	0.01	1858	0.10	921	0.04	948	0.04	1830	0.06	164.83
14	Tripura	1174	0.07	2162	0.12	3001	0.14	2669	0.11	3345	0.12	46.23
15	Sikkim	92	0.01	331	0.02	225	0.01	441	0.02	1237	0.04	311.14
	<b>North Eastern Region</b>	<b>10245</b>	<b>0.63</b>	<b>13461</b>	<b>0.76</b>	<b>19070</b>	<b>0.91</b>	<b>21414</b>	<b>0.86</b>	<b>33422</b>	<b>1.16</b>	<b>56.56</b>
16	Bihar	11897	0.73	12534	0.70	15289	0.73	21703	0.87	27215	0.94	32.19
17	Jharkhand	8496	0.52	20603	1.16	32195	1.54	30633	1.22	35519	1.23	79.52
18	Orissa	25479	1.56	14562	0.82	27184	1.30	56923	2.27	38676	1.34	12.95
19	West Bengal	19757	1.21	22409	1.26	29239	1.40	39048	1.56	38231	1.33	23.38
20	Andaman & Nicobar	221	0.01	367	0.02	377	0.02	643	0.03	298	0.01	8.71
	<b>Eastern Region</b>	<b>65850</b>	<b>4.04</b>	<b>70475</b>	<b>3.96</b>	<b>104284</b>	<b>4.99</b>	<b>148950</b>	<b>5.95</b>	<b>139939</b>	<b>4.86</b>	<b>28.13</b>
21	Madhya Pradesh	28512	1.75	31132	1.75	39686	1.90	41026	1.64	51371	1.78	20.04
22	Chhattisgarh	5782	0.36	8442	0.47	10791	0.52	23485	0.94	39488	1.37	145.74
23	Uttar Pradesh	165065	10.14	182014	10.23	197791	9.47	227841	9.10	318582	11.06	23.25
24	Uttaranchal	21624	1.33	23052	1.30	27164	1.30	32624	1.30	38946	1.35	20.03
	<b>Central Region</b>	<b>220983</b>	<b>13.57</b>	<b>244640</b>	<b>13.75</b>	<b>275432</b>	<b>13.19</b>	<b>324976</b>	<b>12.98</b>	<b>448387</b>	<b>15.57</b>	<b>25.73</b>
25	Dadra & Nagar Haveli	583	0.04	424	0.02	0	0.00	0	0.00	1011	0.04	18.35
26	Daman & Diu	641	0.04	856	0.05	0	0.00	0	0.00	0	0.00	-25.00
27	Gujarat	73087	4.49	62146	3.49	88671	4.25	102140	4.08	126049	4.38	18.12
28	Goa	7728	0.47	7088	0.40	13042	0.62	10640	0.42	14135	0.49	20.73
29	Maharashtra	45674	2.81	37793	2.12	35731	1.71	90063	3.60	103117	3.58	31.44
	<b>Western Region</b>	<b>127713</b>	<b>7.84</b>	<b>108307</b>	<b>6.09</b>	<b>137444</b>	<b>6.58</b>	<b>202843</b>	<b>8.10</b>	<b>244312</b>	<b>8.48</b>	<b>22.82</b>
30	Andhra Pradesh	213200	13.09	271039	15.24	338481	16.21	381100	15.22	417200	14.48	23.92
31	Karnataka	53407	3.28	74009	4.16	98854	4.73	110096	4.40	112987	3.92	27.89
32	Kerala	162640	9.99	183271	10.30	193371	9.26	251914	10.06	273453	9.49	17.03
33	Lakshadweep	2	0.00	10	0.00	12	0.00	5	0.00	16	0.00	175.00
34	Pondicherry	4436	0.27	4809	0.27	4775	0.23	6251	0.25	5435	0.19	5.63
35	Tamil Nadu	390498	23.98	409969	23.05	406517	19.46	449882	17.97	509658	17.69	7.63
	<b>Southern Region</b>	<b>824183</b>	<b>50.62</b>	<b>943107</b>	<b>53.02</b>	<b>1042010</b>	<b>49.89</b>	<b>1199248</b>	<b>47.89</b>	<b>1318749</b>	<b>45.79</b>	<b>15.00</b>
	<b>Total</b>	<b>1628204</b>	<b>100.00</b>	<b>1778772</b>	<b>100.00</b>	<b>2088723</b>	<b>100.00</b>	<b>2504157</b>	<b>100.00</b>	<b>2880266</b>	<b>100.00</b>	<b>19.22</b>

Source : NABARD ROs/SO

**Table 74:** State-wise/Broad Sector-wise Ground Level Credit (GLC) Disbursements under Priority Sector

(Amount in rupees, lakh)								
2001-02								
Name of the States/UTs	Primary Sector (Agriculture and Allied Activities) #	Percentage to Total	Secondary Sector (NFS) \$	Percentage to Total	Service Sector(OPS) \$	Percentage to Total	Total Priority Sector	Percentage to Total
Northern Region	1481532	26.4	379230	23.3	419509	18.3	2280271	23.9
NE Region	11645	0.2	10245	0.6	33317	1.4	55207	0.6
Eastern Region	329231	5.9	65850	4.0	276521	12.0	671602	7.0
Central Region	846144	15.1	220983	13.6	340441	14.8	1407568	14.8
Western Region	966829	17.2	127713	7.8	210968	9.2	1305510	13.7
Southern Region	1974869	35.2	824183	50.6	1017296	44.3	3816348	40.0
Total	5610250	100.0	1628204	100.0	2298052	100.0	9536506	100.0
2003-04								
Northern Region	2181869	28.7	510483	24.4	755258	18.0	3447610	24.8
NE Region	29994	0.4	19070	0.9	65506	1.6	114570	0.8
Eastern Region	504740	6.6	104284	5.0	590699	14.1	1199723	8.6
Central Region	1248734	16.4	275432	13.2	510474	12.2	2034640	14.7
Western Region	1012247	13.3	137444	6.6	298303	7.1	1447994	10.4
Southern Region	2613740	34.4	1042010	49.9	1978785	47.1	5634535	40.6
Total	7591324	100.0	2088723	100.0	4199025	100.0	13879072	100.0
# Under Agriculture and Allied Activities CBs figures are taken from RPCD,RBI \$ NABARD Regional Offices/Sub-Offices * State wise data not available Note: Figures in <i>Italics</i> indicates percentage to total Source: NABARD Regional Offices/Sub-Offices								

## MICRO-CREDIT MOVEMENT IN INDIA

The rationale for micro-credit movement in India is manifold. Despite their phenomenal growth and spread, there is still a vast gap in the availability of banking services in rural areas. Apart from the organisational reluctance on the part of banking institutions to expand their branch network and to cater to the needs of informal sector households, the formal credit institutions have a major disability in that they cannot meet the composite borrowing needs of poor households in the form of production as well as consumption credit and in the form of thrift facilities and other financial services such as insurance cover. Apart from large transaction costs involved when they meet such services, the formal institutions face relatively large non-performing loans.

In response to the above problems associated with formal banking institutions, non-governmental organisations (NGOs) and other voluntary agencies have devised the institution of self-help groups (SHGs) and for them, the operation of micro-finance arrangements involving both the delivery of credit and thrift-type of saving schemes. Such an arrangement has been co-opted by the official agencies in India as part of the structure of credit institutions in the country. The largest micro-credit programme in the world was institutionalised by the Government of India through its various poverty-alleviation programmes, most notably the Integrated Rural Development Programme (IRDP); it was launched in 1979 and extended to all the blocks in the country in October 1980. IRDP aimed at promoting self-employment through the provision of productive assets to poor households by extending them soft bank loans with a capital subsidy of up to 50 per cent. Despite massive outreach (covering out aggregate of 53.8 million beneficiaries with a credit flow of Rs. 19,500 crore until November 1998), the impact of the programme in terms of the upliftment of households above the poverty line was dismal at 16-18 per cent, as revealed by many concurrent

evaluations of the programme. The government then came up with a new self-employment programme. With strong official blessings, a notable arrangement that is popularly known as SHG-bank linkage programme. NABARD issued policy guidelines on them in 1992 and has undertaken since then a number of steps to intensively promote the micro-finance movement in India and the RBI has issued a set of guidelines to banks to be observed by them in rendering micro-credit assistance. Credit disbursements through the scheme are to be covered as part of priority sector advances. Alongside, SIDBI Foundation for Micro Credit (SFMC) was launched effective from January 1999.

There is no doubt that micro-credit movement has shown significant potential in India, and with intensive official support, the coverage has rapidly expanded in recent years. Almost all scheduled commercial banks and regional rural banks (RRBs) have embraced it as an important banking programme. As shown in Table 75, over 29.25 lakh SHGs have obtained bank loans aggregating Rs 18,041 crore for about 410 lakh poor households with the refinance support of Rs 5,446 crore from NABARD as at the end of March 2007. Likewise, the cumulative assistance under the SIDBI scheme has aggregated Rs 1,178 crore for 33.50 lakh poor households as at end of March 2007 (Table 76).

But, SHGs comprising only women members have constituted 90 per cent, with of course a quantity of timely loan repayment (95 per cent). There has been substantial regional concentration of SHGs, with the southern states occupying a pride of place – accounting for 52 per cent of the total SHGs credit linked and much more at 75 per cent in terms of the total amount of bank loan disbursed as at the end of March 2006. Andhra Pradesh has alone accounted for 26 per cent of the SHGs credit linked and 38 per cent of cumulative bank loans

**Table 75:** NABARD: Bank-SHG Credit Linkage Programme Cumulative Progress up to 2004-05

<i>Year-End (April-March)</i>	<i>No. of SHGs Linked</i>	<i>SHGs Refinanced (Number)</i>	<i>Bank Loans (Rs. Crore)</i>	<i>Refinance by NABARD (Rs. Crore)</i>	<i>Number of Poor Households Accessing Micro Finance (Rs. in Lakh)</i>
2000-01*	263,825	213,213	481	400	
2001-02	461,478	340,131	1026	796	
2002-03	717,360	493,634	2049	1419	
2003-04	1,079,091	611,043	3904	2124	
2004-05	1,618,456	824,888	6898	3086	
2005-06	2,238,565	900,000	11,398	4,157	330.0
2006-07	29,24,973		18,041	5,446	409.5

\* In the 2000-01 report, SHGs are excluding those not covered under refinance  
*Source:* NABARD's Annual Report 2006-07 and various issues.

**Table 76:** Progress Under SIDBI Foundation for Micro Credit (SFMC)

<i>(Amount in Rs crore)</i>						
<i>Year</i>	<i>Amount Sanctioned</i>	<i>Amount Disbursed</i>	<i>Number of SHG's Involved</i>	<i>Outstanding Loan Portfolio of SIDBI (Amount)</i>	<i>Cumulative sanctions of assistance (Amount)</i>	<i>Cumulative Total number of poor households benefited (lakh)</i>
1999-00	21.90	14.03	-	-	52.61	3.14
2000-01	28.28	19.45	20530	33.24 (1.50)	81.05	4.42
2001-02	41.70	21.79	28436	43.45 (1.51)	122.75	7.28
2002-03	38.51	31.04	-	-	161.26	8.62
2003-04	70.84	66.31	-	91.21	232.08	10.41
2004-05	189.73	145.06	-	199.21	421.81	15.10
2005-06	340.00	269.58	-	339.22	708.18	26.25
2006-07	416.99	376.00		548.44	1178.08	33.45

Figures in brackets represent NPAs of the total portfolio  
*Source:* SIDBI Annual Report 2006-07 and various issues.

as at the end of March 2006. This situation was much more acutely concentrated until the recent period and it is claimed to be undergoing a change as may be seen in the latest data provided by NABARD, as the NABARD has been sealing up SHG-bank linkage programme in 13 priority states that account for 70 per cent of the country's rural poor (Table 77). However, it is important to note that for the BIMARU states, the proportion of SHGs in the all-India total has remained at about 15-16 per cent even as at the end of March 2007.

As for the data for the sources of support for the SHG sector are concerned, SHGs directly formed and financed by banks still constitute only 20 per cent of the total as at end-March 2006; an overwhelming 74 per cent are formed by NGO organisations but directly financed by banks and another 6 per cent are financed by banks using financial intermediaries:

- Model I: Bank - SHG – Members – About 20 per cent  
 In this model the bank itself promotes and nurtures the self-help groups until they reach maturity.
- Model II: Bank - Facilitating Agency - SHG – Members – About 74 per cent  
 Here groups are formed and supported by NGOs or government agencies.
- Model III: Bank - NGO-MFI - SHG – Members – About 6 per cent  
 In this model NGOs act as both facilitators and MF intermediaries, and have been found to federate SHGs into apex organisations to facilitate inter-group lending and larger access to funds.

**Table 77:** Cumulative Growth in SHG-Linkage in Priority Status (As on March 31<sup>st</sup>)

(Number of SHGs)						
State	2002	2003	2004	2005	2006	2007
Assam	1,024	3,477	10,706	31,234	56,449	81,454
Bihar	3,957	8,161	16,246	28,015	46,221	72,339
Chhattisgarh	3,763	6,763	9,796	18,569	31,291	41,703
Gujarat	9,496	13,875	15,974	24,712	34,160	43,572
Himachal Pradesh	5,069	8,875	13,228	17,798	22,920	27,799
Jharkhand	4,198	7,765	12,647	21,531	30,819	37,317
Maharashtra	19,619	28,065	38,535	71,146	1,31,470	22,5856
Madhya Pradesh	7,981	15,271	27,095	45,105	57,125	70,912
Orissa	20,553	42,272	77,588	1,23,256	1,80,896	2,34,451
Rajasthan	12,564	22,742	33,846	60,006	98,171	1,37,837
Uttar Pradesh	33,114	53,696	79,210	1,19,648	1,61,911	1,98,587
Uttaranchal	3,323	5,853	10,908	14,043	17,588	21,527
West Bengal	17,143	32,647	51,685	92,698	1,36,251	1,81,563
<b>Total for 13 priority states</b>	1,41,804 (30.7)	2,49,462 (34.7)	3,97,464 (36.8)	6,67,761 (41.2)	10,05,272 (44.9)	13,74,917 (47.0)
<b>BIMARU States</b>	57,616 (12.5)	99,870 (13.9)	1,56,397 (14.5)	2,52,774 (15.6)	3,63,428 (16.2)	4,79,675 (16.4)
<b>Southern States</b>	3,17,276 (68.8)	4,63,712 (64.7)	6,74,356 (62.5)	9,38,941(58.0)	12,14,431(54.3)	15,22,144(52.0)
<b>All-India Total</b>	4,61,478	7,17,360	1,079,091	1,618,456	22,38,565	29,24,973

*Note:* Figures in brackets represent percentages to All-India totals  
*Source:* Progress of SHG – Bank Linkage in India, Various Issues, NABARD.

### **Independent micro-finance institutions**

In addition to the micro-credit system run or supported by the mainstream financial institutions, which is undoubtedly the largest in the country, a large number of private, non-bank, independent micro-finance institutions have been operating in India now for many years. A vast majority of them function as NGOs.

“Some of the leading alternative independent micro-finance institutions in this segment are SEWA Bank in Gujarat, which also runs federations of SHGs in nine districts; ASSEFA and its Sarva Jana Seva Kosh Ltd., and ASA in Tamil Nadu; SHARE, BASIX, CARE and MACTs in AP promoted among others by the Cooperative Development Foundation (CDF); MYRADA in Karnataka, which has promoted Sanghamitra, a company of its village savings and credit sanghas; PRADAN, which has established a large number of SHGs and federated them under Damodar in Bihar, Sakhi Samiti in Rajasthan and the Kalanjams in Tamil Nadu (the last now run by DHAN Foundation); ADITHI in Bihar, which has established Nari Nidhi, a federation of women’s groups; PREM in Orissa has

done the same through the Utkal Mahila Sanchay O Bikas; the Rashtriya Gramin Vikas Nidhi which runs credit and savings programmes in Assam and Orissa, on the lines of the Grameen Bank, Bangladesh, as does SHARE in AP, ASA in Tamil Nadu and Volunteers for Village Development (VVD) in Manipur.

“Many banks in India now intervene in the micro-finance sector with soft loans and attractive models like the partnership model of ICICI Bank. ICICI Bank has planned to disburse near Rs 400 crore in the 2004-05 period for micro-finance activities through various innovative models. HDFC Bank, UTI Bank and a few other private sector banks have also ventured into the arena. Several banks are now looking at micro-finance as more than what it has always been, merely a priority sector target, but as having immense commercial potential. ABN-Amro, a foreign bank operating in India has a target of Rs. 6 crore for its micro-finance portfolio aimed at one million households in five years. The other group that is increasingly investing in this area is that of non-residents Indians. Though right now their number and amount is very little, they could

**Table 78:** SHG-Bank Linkage Programme and Independent MFIs

Type	No. of NGOs/SHGs		No. of Clients		Cumulative Loans Portfolio (Rupees, thousands)	
	1996	2007	1996	2007	1996	2007
1. NABARD Supported	4,757	29.30 lakh	50,000	292.50 lakh*	60.58	180,410
2. Independent MFIs (Sa-Dhan Members)	19 (1998)	162	45,000	75.00 lakh	250.58	42,750

\* Ten members per SHG

Source: For (1), see earlier tables; For (2), see Sa-Dhan 2006 and 2007

be one of the significant stakeholders in the coming years” (Sa-Dhan, March 2005, p. 13).

Sa-Dhan, an association of private, non-bank, independent MFIs, made up of primarily NGOs as well as NBFCs, collates information on the operations of its member institutions. It has a membership of 162, of whom about 140 conduct credit operations. Its latest report has covered 129 MFIs across the country. A comparison of the SHG-bank linkage programme and the independent MFI movement is presented below in Table 78.

The micro finance movement in India has shown significant potential, and with intensive official support, the coverage has significantly expanded – which, as the institutional visions portray, is likely to be further intensified. The RBI has also expanded the scope by giving freedom to institutions to charge interest rates at their own discretion and more importantly, to cover not only consumption and production loans but also credit needs of housing and shelter improvements. Self-Help groups involve thrift as well as credit arrangements. NABARD and SIDBI have provided, for SHGs and SHG members, scope for capacity building through training and other inputs by NGOs. Peer monitoring helps better credit recovery. Finally, the SHG movement so far has shown that the outcomes have gone beyond thrift, credit and economic well-being; it has served as an instrument of social change essentially out of the empowerment of women. Improvement in literacy levels and children’s education particularly in awareness of girls’ education, housing facilities, abolition of child labour, decline in family violence, and banning of illicit distilleries in the villages – have all been reported in different studies. Women have acquired better communication skills and self-confidence; they have also acquired better status within families. Though the MFI movement has grown in size, its reach in terms of satisfying the felt needs of the vast micro-credit dependents remains small. As against the presently outstanding loan portfolio of Rs. 22,300 crore, the

estimates reveal that the credit support for the poor households could be of the order of Rs. 450,000 crore [see RBI 2007 (d)]. However, with a view to streamlining the sector, the Government has introduced the Micro-Finance Sector (Development and Regulation) Bill, 2007 in the Parliament. This bill provides for a separate regulatory mechanism for micro-finance institutions which are not NBFCs. NABARD has been designated as a regulating authority for MFIs under this proposed bill, whereas NBFC-MFIs would continue to be regulated by RBI. But the bill has evoked a fierce debate in the micro-finance sector and at this juncture it is not possible to assess the final shape in which the bill could be approved by Parliament. [*MICRO-Finance in India: Issues, Problems and Prospects – A Critical Review*, EPWRF, 2007 (October), pp. 47-48]. There are thus a number of misgivings regarding the working of the micro-finance system in India and the possibilities of it emerging as an effective instrument of credit delivery for the vast masses of productive households and enterprises in rural areas – small and medium farmers, tenant farmers and agriculture labourers desiring to graduate to non-farm activities and artisans and other small-scale own-account enterprises; these issues are raised in the final section of this study.

#### **Words of caution on the MFI movement**

Before closing this section, a word of caution is required to be entered on the expectations of a pivotal role to be played by the micro-finance movement in the rural credit system of the country. First, success stories of MFIs are invariably based on intensely dedicated, selfless and celebrity services of individuals as NGOs. It is in this context that questions are asked whether the institution of NGOs is a free good, liberally available and whether it can be a substitute for public administration and the associated public programmes and policies. Second, NABARD’s own experience has shown that over 54 per cent of NGO- supported SHGs are



concentrated in four southern states or over 48 per cent within them in Andhra Pradesh alone. SHG formations in other regions are hampered by the absence of a dedicated NGO movement. Third, women upliftment is an important goal, but the goal of poverty-alleviation has to have a wider coverage. The latest report on progress SHG-Bank linkage for 2005-06 states that 90 per cent of the SHGs linked to banks continue to comprise only of women members, but this has been commended on the ground that as a result, repayment of loans by SHGs to banks has been consistently over 95 per cent. When the micro-finance system is brought into the mainstream, concentration only on women SHGs will not work and formation of SHGs amongst men entrepreneurs is a much arduous task because it is difficult to get homogeneity of interests. Fourth, the whole micro-financing programme has been in a nascent stage “and that the results are an initial outcome of a small-scale and nascent programme. Even studies on Bangladesh’s Grameen Bank have revealed that low default rates were confined to loans of small size, that the default rates tended to rise with the loan size and with time and repetitive borrowers” (Hossain, 1988). Fifth, the same thing can be said of the impact of high interest rates in micro-credit lendings mediated through NGOs and SHGs. Again, studies on Grameen Bank and other micro-financing schemes have emphasised how high rates of interest, while they are accepted by the poor initially because of their state of helplessness and distress borrowings, nevertheless become a burden on their incomes and their future stream of savings [Rahman 1999 and Mosley and Hulme 1998]. Sixth, studies express similar misgivings regarding the apparent prompt and regular loan repayments by the micro borrowers, but in reality they are known to repay not out of the income stream flowing from assets gained, but through further borrowing from even money lenders (Rahman 1999). In a significant study in northern Bangladesh, Sinha and Martin (1998) reveal that “most of the informal loans repaid with Grameen loans were taken to repay earlier Grameen loans”. Among the target group households, 45 per cent of the amount of informal sector loans was utilised for repaying loans taken from micro-credit institutions, including Grameen Bank; for the non-target groups this was 15 per cent (*ibid*). Hence, Rahman (1999) has characterised the micro-credit situation as the creation of “debt cycles” or repetitive borrowings for the borrowers. Such are the implications of creating a system of micro-financing institutions, which are made commercially viable on the strength of higher interest rates charged on the poor than those charged by traditional banking for their normal customers. The caution on the uneconomic levels of rates of interest should also be applicable to the new system of ‘agency banking’; the RBI has exempted the whole system from interest rate ceilings and it would have significant

adverse repercussions on the finances of micro enterprises.<sup>18</sup>

Seventh, can the micro-credit system substitute for the vast credit needs of the poor in general? Today, only women’s needs are being catered to and that too to a limited extent through micro-credit. Small borrowal accounts with credit limits of Rs 25,000 or less have accounted for Rs 42,992 crore of loans (March 2005), whereas, out of these small borrowal accounts, the scheduled commercial banks at best may have provided Rs 10,000 crore as part of micro-credit arrangement, and that too, with about 80 per cent refinance from NABARD at 6.50 per cent concessive rate of interest. How long such an arrangement can be sustained when the banking system in general shows no commitment to the needs of the small borrowers spread over the nooks and corners of the country. Once the focus on small loans bestowed to its original level, at least 10 per cent of bank credit will have to be set aside for such borrowers (about Rs 2,06,000 crore as per the latest banking data for scheduled commercial banks alone); they accounted for over 25 per cent of total bank credit in the early 1990s.

What is being sought to be hypothesized here is that there is a degree of continuum in the economic relationships, say within a village, and the objective of socio-economic empowerment of the poor households in the village would be better served only if all sections of the village - myriad small and marginal farmers, farm households in general, village artisans, unincorporated enterprises and other household enterprises - partake the benefits of increased institutional credit but such a requirement is unlikely to be served without co-opting the borrowing needs of all small borrowing households as a responsibility of the banking system and not just the NGO-supported and SHG-based micro enterprises. Alongside, banks need to co-opt the MFI movement and bring it on to the mainstream.

<sup>18</sup> In defence of the high interest rate, this is what the Finance Minister, P. Chidambaram has to say:

“Stating that micro finance world over carried an interest rate not less than 20-25 per cent, Mr Chidambaram said the perception in India somehow was that such a rate of interest was highly exploitative. “There is a cost to micro-finance and we should educate the public at large that micro finance carries a price”.

In this context, he said the Union Government had recently asked the State Governments to crack the whip against moneylenders while at the same time treading cautiously when interfering in the functioning of micro finance institutions (MFIs)” (*The Hindu Business Line*, November 4, 2006).

Continuing with the same strand of thought, Dr. C. Rangarajan said: “They (SHGs) should be provided credit at moderate rates of interest. But lowering the rate of interest defeats the very nature of these groups” (*The Hindu Business Line*, November 5, 2006).

## COMPLEX DEMAND-SIDE ISSUES AND THE GROUND REALITY

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In our study of the flow of agricultural credit over years, we have discerned three phases. We noticed these phases particularly in the context of long-period behaviour of scheduled commercial banks after bank nationalisation in Section IV. These phases are: rapid expansion for about two decades of the 1970s and 1980s; relative slowdown during the 1990s; and a pick-up after 2002-03 soon followed by galloping credit disbursements for the next few years until 2006-07. Even when we combined the scheduled commercial banks' lendings with those of cooperative banks, the same three-phase picture has been discernible.

In all evaluations of the performance of the banking system including that presented in this study so far, the emphasis has been on supply-side issues of public policies which have contributed to the given expansions or contractions in bank credit. Broadly, in the phases of expansion, various credit targets and targets for branch banking, or in the latest phase, the policy of doubling of bank credit for agriculture, have been emphasized as contributory factors. There were also intermittent policy interventions such as IRDD (1979-80) or special agricultural credit plans (SACP) in 1995-96. Similarly, for the relative contraction phase of the 1990s, it is said that the result was seen as a response of the policy planners to reform the banking system with the help of rigorous prudential norms which constrained the commercial banks from expanding credit exposures to risky sectors and individuals. For banks themselves, in the face of accumulated disabilities – reduced bottom line, large NPAs, and insufficiency of loan loss provisions, poor capital base, overstaffing and other organisations weaknesses –, the process of cleaning up and consolidating their operations had become a great challenge in the 1990s.

### **A caricature of demand-side issues**

The aforesaid supply-side issues have no doubt been dominant factors explaining the divergent trends in credit-delivery for the agricultural sector in particular in different phases. But, there cannot be any dispute that the behaviour of the banking industry cannot be explained by supply-side factors alone. Within the financial system, the commercial banks are highly risk averse as they are socially empowered to leverage public deposits. Therefore, the importance of demand-side factors for their credit delivery performances cannot be ignored. For instance, no doubt scheduled commercial banks have drastically reduced their share of agriculture in total bank credit from 17-18 per cent in the latter half of the 1980s to about 10-11 per cent in recent years, but it is contented that at the same time, the share of agriculture in the country's total GDP at current prices (1999-2000 series) have steadily fallen from 35.7 per cent in 1980-81 to 17.5 per cent in 2006-07. During the period, banks have been faced with drastic structural changes in the economy in that while the share of agriculture has so fallen and that of industry has stagnated at around 26-28 per cent, the share of services sector in GDP has jumped from 40 per cent to 55 per cent. Thus, there cannot be any doubt that there are significant demand-side constraints for improved credit delivery for agriculture and other informal sectors. But, as we referred to it once, and as we shall presently explain, the conventional demand-side factors have their limitations insofar as ensuring of certain role for bank credit in the process of an inclusive and egalitarian pattern of development.

For the present, it is necessary to steer clear of the demand-side picture that emerges by relating supply of bank credit

to macro-level demand indicators such as sectoral gross domestic product (GDP), agricultural inputs and gross capital formation. With a view to spreading these ideas of demand-side issues, to regional and state level distribution of bank credit, such broad indicators as bank credit to state domestic product (SDP), ratios or relative shares in bank credit and SDP could be analysed. These brief reviews of the trends in relevant indicators are attempted in this section.

### 1. Sectoral Bank Credit to GDP Ratios

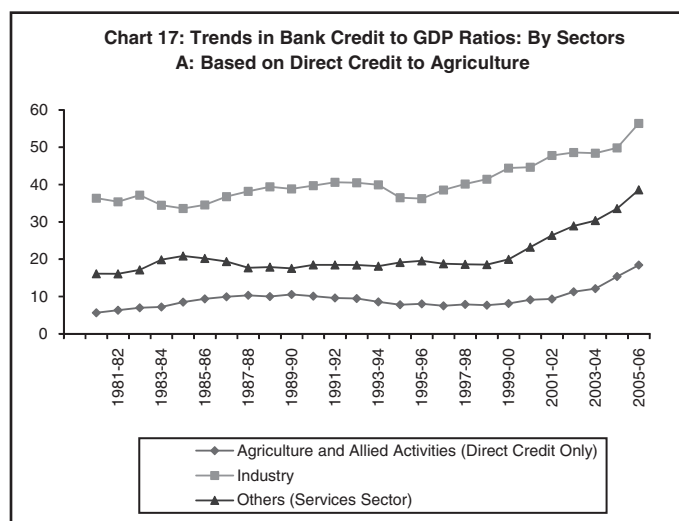
When we work out bank credit to sectoral GDP ratios, we find that the same three-phase picture of rise, fall and recovery emerges insofar as agriculture is concerned, whereas for the other two sectors – industry and services – the trends have been one of continuous rise (Table 79 and Chart 17). Thus, direct credit for agriculture as percentage of

**Table 79:** Trends in Bank Credit to GDP Ratios: By Sectors

<i>(In percentages)</i>								
<i>A: Based on Direct Credit to Agriculture</i>					<i>B: Based on Total Credit (Direct plus Indirect) for Agriculture</i>			
<i>Year</i>	<i>Agriculture and Allied Activities (Direct Credit Only)</i>	<i>Industry</i>	<i>Others (Services Sector)</i>	<i>Total GDP</i>	<i>Agriculture and Allied Activities (Direct Credit Only)</i>	<i>Industry</i>	<i>Others (Services Sector)</i>	<i>Total GDP</i>
1980-81	5.6	36.3	16.1	18.3	8.3	36.3	16.1	18.3
1981-82	6.3	35.4	16.1	18.7	9.3	35.4	16.1	18.7
1982-83	7.0	37.2	17.1	19.9	9.9	37.2	17.1	19.9
1983-84	7.2	34.5	19.9	20.3	10.1	34.5	19.9	20.3
1984-85	8.5	33.6	20.9	21.1	11.4	33.6	20.9	21.1
1985-86	9.4	34.5	20.2	21.3	11.7	34.5	20.2	21.3
1986-87	9.9	36.7	19.4	21.8	12.4	36.7	19.4	21.8
1987-88	10.3	38.2	17.7	21.7	13	38.2	17.7	21.7
1988-89	10.0	39.4	17.9	21.9	12.4	39.4	17.9	21.9
1989-90	10.5	38.8	17.5	21.8	11.8	38.8	17.5	21.8
1990-91	10.1	39.7	18.5	22.2	11.7	39.7	18.5	22.2
1991-92	9.6	40.6	18.5	22.0	11.0	40.6	18.5	22.0
1992-93	9.4	40.5	18.4	21.9	10.7	40.5	18.4	21.9
1993-94	8.5	39.9	18.1	21.4	9.8	39.9	18.1	21.4
1994-95	7.8	36.5	19.1	20.9	9.1	36.5	19.1	20.9
1995-96	8.0	36.2	19.5	21.5	9.4	36.2	19.5	21.5
1996-97	7.5	38.5	18.8	21.4	8.8	38.5	18.8	21.4
1997-98	7.9	40.1	18.6	21.9	9.1	40.1	18.6	21.9
1998-99	7.7	41.4	18.5	22.0	9.1	41.4	18.5	22.0
1999-00	8.1	44.4	20	23.6	9.7	44.4	20	23.6
2000-01	9.1	44.7	23.2	25.9	10.8	44.7	23.2	25.9
2001-02	9.3	47.8	26.4	28.4	11.9	47.8	26.4	28.4
2002-03	11.3	48.6	28.9	31.2	14.8	48.6	28.9	31.2
2003-04	12.1	48.4	30.4	32.1	16.1	48.4	30.4	32.1
2004-05	15.3	49.8	33.6	35.6	20.6	49.8	33.6	35.6
2005-06	18.4	56.4	38.6	41.0	25.0	56.4	38.6	41.0

*Note:* Ratios represent averages of two successive years of bank credit outstanding for scheduled commercial banks divided by sectoral GDP for the year.

*Source:* Bank credit data from RBI's BSR presented in earlier sections and GDP data refer the CSO's 1999-2000 series



sectoral GDP steadily improved from a little over 6 per cent in the early 1980s to a peak of 10.5 per cent in 1989-90 or remained around 10 to 10.5 per cent towards the end of the 1980s. This happened when, during the 1980s agriculture fared well and secured a decent average growth rate of over 3.1 per cent per annum (see Section III in this report). But, thereafter for nearly a decade, credit to sectoral GDP ratio fell and reached the lowest level of 7.7 per cent in 1998-99, and interestingly, as shown in Section II of this study, this period of the 1990s has not been a period of any serious slowdown in agriculture; in fact, the average agricultural GDP growth had improved to 3.34 per cent during 1990-91 to 1998-99 (earlier Table 4). And then came a drastic fall in the rate of agricultural GDP growth during 1998-99 to 2006-07 (with also vast year-to-year fluctuations) but there has occurred, during this period, an unprecedented increase in bank credit to GDP ratio for the sector, from 9.3 per cent in 2001-02 to 18.4 per cent 2005-06. Thereby hangs an

important supply-side story of commercial banks behaviour, to which we have made pointed reference in Section IV earlier. The three-phase behaviour of credit to GDP ratios – expansion, slowdown and rapid rise – has been almost similar when we consider total agricultural credit including indirect lendings (Part B of Table 79). When we juxtapose bank credit to sectoral GDP ratios of all the three major sectors – agriculture, industry and services, we find that there has hardly been any erosion in these ratios in respect of industry and services to the extent that have occurred for agriculture in the 1990s. While, for the services sector, the ratio has been continuously on the uptrend, the industry ratio fell only for a brief period in the mid-1990s and continued to rise thereafter – so much so that it has touched twice the industrial sector's GDP share (Table 80).

Any detailed probing into the behaviour of these sectoral ratios is beyond the scope of this study, but there is no doubt that the agricultural sector has received some step-motherly treatment in the hands of the scheduled commercial banks, which has brought about the social pressure to implement the policy of doubling of bank credit for the sector during the recent years (2003-04 to 2006-07).

## 2. Total Institutional Credit Flow for Agriculture

Interestingly, NABARD data presented in the previous section on the total flow of institutional credit for agriculture from all banking institutions including cooperatives, when the same are related to the sector's output, inputs and capital formation, generally confirm the earlier results.

First, the sectoral credit to GDP ratios. The historical series presented in Annexure O show that there was an uptrend in these ratios in the 1970s and 1980s and general slowdown in the 1990s (For a summary, see Table 81).

**Table 80: Credit to Sectoral GDP Ratios and GDP Share**

Year	Agriculture		Industry		Services	
	Credit to GDP Ratio	Sectoral GDP Share	Credit to GDP Ratio	Sectoral GDP Share	Credit to GDP Ratio	Sectoral GDP Share
1990-91	10.1	31.4	39.7	25.9	18.5	42.7
1998-99	7.7	25.9	41.1	25.8	18.5	48.3
2002-03	11.3	21.5	48.6	25.8	28.9	52.7
2003-04	12.1	21.7	48.4	25.6	30.4	52.7
2004-05	15.3	20.2	49.8	26.1	33.6	53.7
2005-06	18.4	19.7	56.4	26.2	38.6	54.1

Source: See the text

With the commercial banks' involvement in agricultural lending, much the larger part of the increase in credit to GDP ratio has occurred in long-term disbursements, and more so in outstandings, because of staggered repayment schedules. Again, because the commercial banks took a back seat in the 1990s, the sharpest fall in the ratio has occurred in long-term farm credit outstandings (Table 81).

### Official series for the 1990s and thereafter

We have discussed the profiles of fresh data disseminated by NABARD in coordination with RBI for the 1990s and thereafter, including the adjustments necessitated by the inclusion of indirect lendings by the RBI for scheduled commercial banks. The relevant data are presented in Tables 82 (original series)

**Table 81:** Direct Credit to GDP Ratios for Agriculture

(In percentages)						
Selected Years	Loans Issued by All Agencies			Loans Outstanding of All Agencies		
	Short-Term	Long-Term	Total	Short-Term	Long-Term	Total
1970-71	3.2	1.3	4.5	4.3	5.7	10.0
1980-81	4.3	2.9	7.3	6.9	9.1	15.9
1987-88	5.8	3.9	9.7	7.8	14.5	22.3
1990-91	4.0	2.8	6.8	6.6	12.8	19.4
1998-99	4.9	2.9	7.8	5.6	8.1	13.7
2001-02	6.1	2.5	8.6	7.3	8.6	16.2

(For details, see Annexure O)

**Table 82:** Total Ground-Level Flow of Institutional Credit for Agriculture and Allied Activities in Relation to Output, Inputs and GDP – **Official Series**

Year	Value of Output of Agriculture and Allied Activities (Rs Crore)	Value of Input of Agriculture and Allied Activities (Rs Crore)	GDP from Agriculture and Allied Activities # (Rs Crore)	Short-Term Credit (Rs Crore)	Total Credit Flow (Short and Long Term) (Rs Crore)	Short-Term Credit as Percentage of	Total Credit as Percentage of	
						Value of Input	Value of Output	Agriculture GDP
(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)	(10)
1993-94	271839	55401	229172	11271	16494	20.3	6.1	7.2
1994-95	312650	63654	263895	11932	18744	18.7	6.0	7.1
1995-96	342535	72026	286946	14525	22032	20.2	6.4	7.7
1996-97	399902	74415	345020	16998	26411	22.8	6.6	7.7
1997-98	426792	83125	366125	20640	31956	24.8	7.5	8.7
1998-99	488731	93416	420486	23903	36860	25.6	7.5	8.8
1999-00	526658#	121878#	446515	28965	46268	23.8	8.8	10.4
2000-01	529800#	126773#	449746	33314	52827	26.3	10.0	11.7
2001-02	566563#	137802#	487063	40509	62045	29.4	11.0	12.7
2002-03	556121#	151437#	472679	45586	69560	30.1	12.5	14.7
2003-04	625121#	153770#	533642	54977	86981	35.8	13.9	16.3
2004-05	648096#	159658#	536629	74064	125309	46.4	19.3	23.4
2005-06			595058	105350	180486			30.3
2006-07			656051		203296			31.0

Note: Data are at Current Prices.

#: Data, in case of value of output and inputs from Agriculture and Allied Sectors, before 1999-2000 are based on 1993-94 series and for the rest of the years, it is based on 1999-2000 series. In case of GDP, the entire data set is based on 1999-2000 series.

Source: Central Statistical Organisation for 'National Accounts of Statistics of India', Reserve Bank of India for bank credit data up to 1994-95 and National Bank for Agriculture and Rural Development (NABARD) for rest of the bank credit data.

**Table 83:** Total Adjusted Ground-Level Flow of Institutional Credit for Agriculture and Allied Activities in Relation to Output, Inputs and GDP – **Adjusted Series**

Year	Value of Output of Agriculture and Allied Activities (Rs Crore)	Value of Input of Agriculture and Allied Activities (Rs Crore)	GDP from Agriculture and Allied Activities# (Rs Crore)	Short-Term Credit (Rs Crore)	Total Credit Flow (Short and Long Term) (Rs Crore)	Total Credit as Percentage of		
						Short-Term Credit as Percentage of Value of Input	Value of Output	Agriculture GDP
(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)	(10)
1993-94	271839	55401	229172	11238	16162	20.3	5.9	7.1
1994-95	312650	63654	263895	11875	17784	18.7	5.7	6.7
1995-96	342535	72026	286946	14421	20996	20.0	6.1	7.3
1996-97	399902	74415	345020	16871	25140	22.7	6.3	7.3
1997-98	426792	83125	366125	20450	30052	24.6	7.0	8.2
1998-99	488731	93416	420486	23703	34863	25.4	7.1	8.3
1999-00	526658#	121878#	446515	28622	42837	23.5	8.1	9.6
2000-01	529800#	126773#	449746	32917	48860	26.0	9.2	10.9
2001-02	566563#	137802#	487063	39710	54055	28.8	9.5	11.1
2002-03	556121#	151437#	472679	44960	63299	29.7	11.4	13.4
2003-04	625121#	153770#	533642	54083	78045	35.2	12.5	14.6
2004-05	648096#	159658#	536629	71891	103581	45.0	16.0	19.3
2005-06			595058	101906	146046			24.5
2006-07			656051		164379			25.1

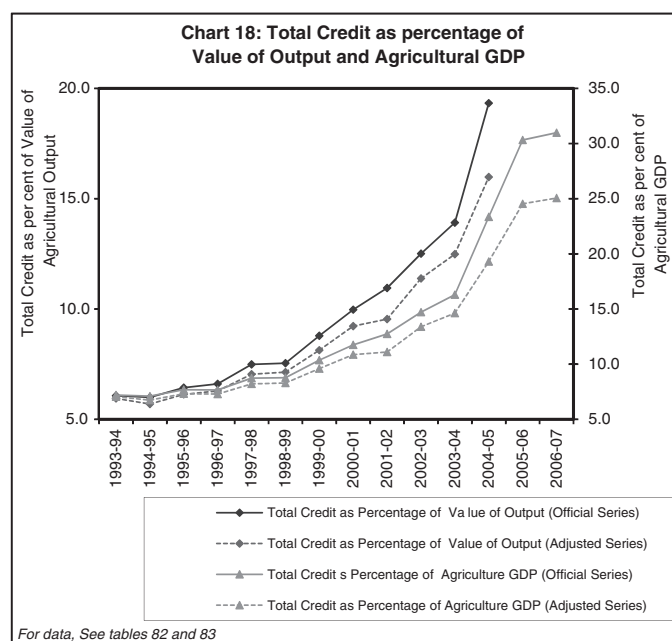
Note: Data are at Current Prices.

#: Data, in case of value of output and inputs from Agriculture and Allied Sectors, before 1999-2000 are based on 1993-94 series and for the rest of the years, it is based on 1999-2000 series. In case of GDP, the entire data set is based on 1999-2000 series.

Source: Central Statistical Organisation for 'National Accounts of Statistics of India', Reserve Bank of India for bank credit data up to 1994-95 and National Bank for Agriculture and Rural Development (NABARD) for rest of the bank credit data.

and 83 (adjusted series) along with the ratios displaying the relationship between credit and real sector indicators.

The fresh credit flow data so worked out are thus related to four demand-side indicators: gross value of gross output; sectoral GDP; inputs; and gross capital formation. These data confirm that after 2000-01 or thereabout, there has occurred a significant rise in the proportions of credit to these indicators. As percentage of gross value of output, total credit issued in the original series shot up from 10.0 per cent in 2000-01 to 19.3 per cent in 2004-05 (the latest available), or as percentage of GDP, from 11.7 per cent to 23.4 per cent in these years and further to 31.0 per cent in 2006-07. These unadjusted data obviously tend to inflate the ratios because of the inclusion of indirect lendings. The adjusted data reveal a more moderate picture even subsequent to recent increases after 2000-01 (see Chart 18). The level of the latest credit to value of output ratio dips from 19.3 per cent in unadjusted data to 16.0 per cent in adjusted series or the ratio of credit to GDP ratio slips from 31.0 per cent to 25.1 per cent.



A better indicator of demand is the value of agricultural inputs, which when related to short-term credit issued by all agencies, shows a very impressive rise in recent years. This ratio had stagnated in the 1990s and ruled between 24 per cent to 26 per cent during 1997-98 to 2000-01; it suddenly shot up to 29.4 per cent in 2001-02 and galloped to 46.4 per cent in 2004-05 in unadjusted series (Table 82) or 45.0 per cent in adjusted series (Table 83). This latter period is when the agricultural sector experienced low and highly fluctuating growth scenario. At the same time, the banks have been pushed to rapidly expand bank credit for the sector. This is reflected in a growing proportion of farm inputs – 30 to 46 per cent – being financed by short-term borrowings from banks. As we have argued in a subsequent section, this has serious implications for the economics of farming. If inputs financed by bank borrowings do not yield commensurate output, the possibilities of such forced lendings may lead to increased non-performing assets.

### 3. Credit to Private Capital Formation Ratio in Agriculture

Yet another important indicator of the role of credit demand is the extent to which private capital formation in agriculture

is financed by term loans of banks. In this regard, it may be recalled that an important contributory factor for the crisis in agriculture was the persistent decline in investment. As shown in Table 7 of Section II, public sector investment in agriculture as percentage of agricultural GDP steadily fell from 4 per cent in 1980-81 to 1.8 per cent in 2000-01, while private sector investment stagnated at around 5 to 6 per cent during these two decades. But, in recent years after 2000-01, there appears a distinct improvement in all components of capital formation in agriculture – public, private and total, and each one of them as percentage of agriculture GDP. Amongst them, the most conspicuous improvement has taken place in private sector investment. As percentage of agriculture GDP, private investment has averaged 10.4 per cent during the latest four-year period 2001-02 to 2004-05 as against 7.4 per cent in the preceding four-year period.

The above improvement in private capital formation in agriculture seems to have been supported to an extent by increased institutional credit (Table 84). Term Credit as percentage of private capital formation in agriculture, as per official data, dipped from 57 per cent in 1995-96 to 42 per cent in 1999-00; thereafter, there has been some increase but the sharp increase took place in 2003-04 and 2004-05 to 65 per cent and 90 per cent, respectively.

**Table 84:** Share of Term Credit in Private Capital Formation in Agriculture (at 1999-2000 Prices)

<i>(Rupees, Crore)</i>					
<i>Year</i>	<i>Private Sector Capital Formation For Agriculture and Allied Activities</i>	<i>Term Credit From All Institutions - (Official Series)</i>	<i>Term Credit from All Institutions - (Adjusted Series)</i>	<i>Term Credit as Per Cent of Private Sector GCF (Official Series)</i>	<i>Term Credit as Per Cent of Private Sector GCF (Adjusted Series)</i>
(1)	(2)	(3)	(4)	(5)	(6)
1993-94	11356	5223	4924	46.0	43.4
1994-95	11440	6841	6315	59.8	55.2
1995-96	13160	7507	6575	57.0	50.0
1996-97	16893	9413	8269	55.7	48.9
1997-98	21922	11316	9602	51.6	43.8
1998-99	23545	12957	11160	55.0	47.4
1999-00	41481	17303	14215	41.7	34.3
2000-01	38256	19513	15943	51.0	41.7
2001-02	50013	21536	14345	43.1	28.7
2002-03	52319	23974	18339	45.8	35.1
2003-04	49609	32004	23962	64.5	48.3
2004-05	57176	51245	31690	89.6	55.4
2005-06		75136	44140		

\*Data are at Current Market Prices

Source: Same as in Tables 82 and 83.

**Table 85:** Trends in Bank Credit to SDP Ratios: By States

(In percentages)								
Regions/States/UTs	1997-98	1998-99	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-05
Northern Region	11.0	12.4	15.0	16.9	18.8	24.2	24.2	35.0
Haryana	15.7	16.6	19.5	21.9	23.5	26.4	32.1	42.1
Himachal Pradesh	4.0	5.6	5.1	5.3	6.4	7.7	8.5	12.4
Jammu & Kashmir	0.7	0.8	0.8	0.8	1.1	1.1	1.2	1.8
Punjab	14.1	17.1	17.6	19.1	21.7	27.9	30.6	39.8
Rajasthan	6.7	7.3	8.4	10.3	10.6	16.5	10.6	19.2
Northern Eastern Region <sup>1</sup>	1.4	1.4	0.7	0.5	0.6	0.8	1.5	1.9
Arunachal Pradesh	0.8	0.8	0.4	0.6	0.8	1.5	0.5	1.8
Assam	1.7	1.7	0.7	0.5	0.6	0.8	1.5	2.0
Manipur	0.4	0.2	0.2	0.1	0.1	0.4	0.5	1.7
Meghalaya	0.8	0.7	0.9	0.6	0.6	0.5	4.6	2.1
Mizoram	0.6	0.5	1.2	0.7	0.7	1.4	1.0*	3.6*
Nagaland	0.7	0.6	1.0	0.5	0.4	0.4	0.4*	1.0*
Tripura	1.0	0.7	0.9	1.2	1.0	1.1	1.7	2.1
Eastern Region	2.4	2.5	2.8	3.5	3.9	4.4	5.3	7.3
Bihar	3.0	2.8	2.6	3.3	4.0	3.5	7.6	8.9
Jharkhand				1.4	1.9	2.6	2.5	4.4
Orissa	3.8	4.9	6.1	7.5	7.0	7.9	7.0	11.0
Sikkim	0.9	1.3	1.3	1.8	1.6	1.2	1.4	1.7
West Bengal	2.0	1.9	2.3	2.8	3.3	4.2	4.4	6.1
A & N Islands	1.0	1.9	1.4	1.1	1.7	0.9	0.7*	0.9*
Central Region	6.2	5.7	6.1	7.3	8.5	10.0	10.5	14.0
Chhattisgarh				4.8	3.7	7.7	6.0	9.7
Madhya Pradesh	9.3	7.7	7.8	9.4	8.9	13.0	10.9	17.2
Uttar Pradesh	5.9	5.8	6.4	7.1	9.1	9.2	11.0	13.3
Uttaranchal				3.7	6.3	10.5	8.6	12.0
Western Region <sup>2</sup>	10.4	10.8	12.6	15.4	15.8	13.1	14.3	20.0
Goa	6.5	6.1	4.3	4.4	3.2	3.3	5.4	9.6
Gujarat	11.1	9.7	15.2	19.9	18.5	20.6	15.8	24.0
Maharashtra	9.9	11.6	11.5	13.6	14.8	10.2	13.3	17.6
Southern Region <sup>3</sup>	14.2	13.0	15.0	15.9	18.7	21.2	24.3	31.3
Andhra Pradesh	14.8	13.1	14.2	14.4	17.2	17.9	20.2	25.9
Karnataka	12.0	11.3	12.6	13.0	17.2	18.8	24.1	28.2
Kerala	11.2	11.3	14.6	16.4	19.3	20.0	24.0	35.2
Tamil Nadu	17.6	15.5	19.5	21.9	22.8	32.6	35.3	43.9
Lakshadweep								
Pondicherry	15.5	13.2	14.7	16.9	17.3	20.7	26.6	58.0
Total	8.6	8.6	9.9	11.3	12.5	13.8	15.2	20.7

GSDP= Gross State Domestic Product \* Estimated

1 Regional total excludes data for Delhi and Chandigarh; 2. Regional total excludes data for Dadra & Nagar Haveli and Daman & Diu; 3. Regional total excludes data for Pondicherry



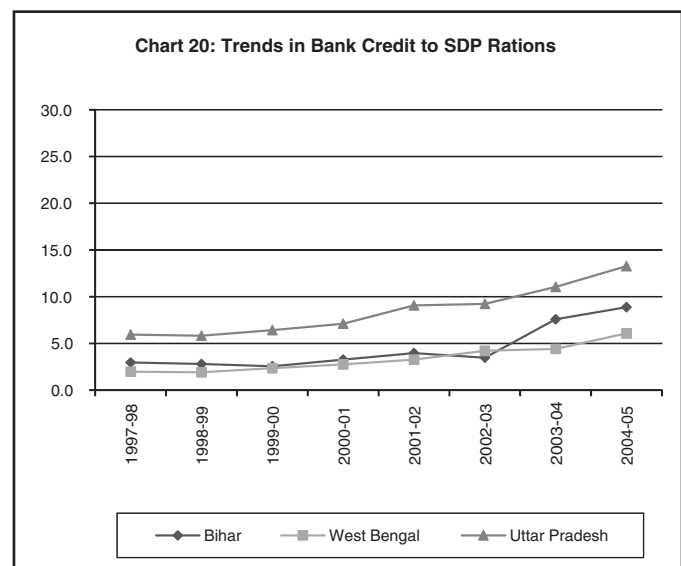
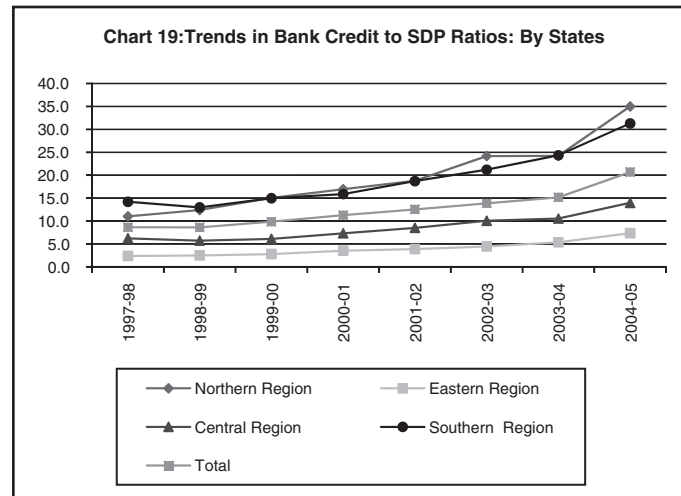
On the face of it, it appears unrealistic that about 90 percent of private capital formation in agriculture is financed by the institutional credit agencies, but there is no way of generating more dependable data in this regard. However, as we have repeatedly pointed out, the inclusion of indirect lendings by commercial banks in the ground-level disbursement data have distorted the data series. Hence, we have made adjustments to the official series on ground-level disbursements. These adjusted series on term credit presented in col.(4) of Table 84, when related to private capital formation, seems to introduce some realism to the relevant ratio (col.6). The adjusted term credit to private capital formation ratio fell from 50 per cent to 34 per cent in 1999-2000 or 29 per cent in 2001-02, but thereafter it has jumped to 35 per cent, 48 per cent and 55 per cent in the subsequent three years 2002-03 to 2004-05, respectively. It must be noted that even this adjusted series leads us to believe that more than one-half of private capital formation in agriculture is financed by direct institutional credit.

#### 4. Demand-side Indicators at the States and Regional Levels

As a surrogate for demand-side indicators, we have the estimation of gross state domestic product (GSDP) which have been turned around to relate to state-wise and region-wise distribution of institutional credit in two ways: first, state-wise and region-wise credit disbursements to GSDP ratios; and second, a comparison of the relative shares of states and regions in GSDP and bank credit.

The bank credit to GSDP ratios presented in Table 85 and Chart 19 reveal a few interesting features. First, the ratios have risen for almost all states and regions. For the country as a whole, the ratios have doubled from 10.6 per cent in 2000-02 to 20.1 per cent in 2004-05. But, as shown in Chart 19, the steepest increase has occurred in the well-developed southern and northern regions. The increase in the ratio in the generally well-banked western region is high but not above the national average (20 per cent each in 2004-05). At the other extreme, what stands out is the depressingly low level of increases in three states, namely, Bihar, West Bengal and Uttar Pradesh (Chart 20).

Apart from the above indicators of weak performances in credit absorption in important states, there is the gross inter-state and inter-regional disparities in the levels of credit absorption. These disparities have always existed but what seems to have happened is that in the latest tempo of rapid credit expansion, the disparities have got further widened. For instance, as shown in Table 86, the spreads between the two best performing regions (southern and northern) and the two laggard regions (eastern and central) have increased in



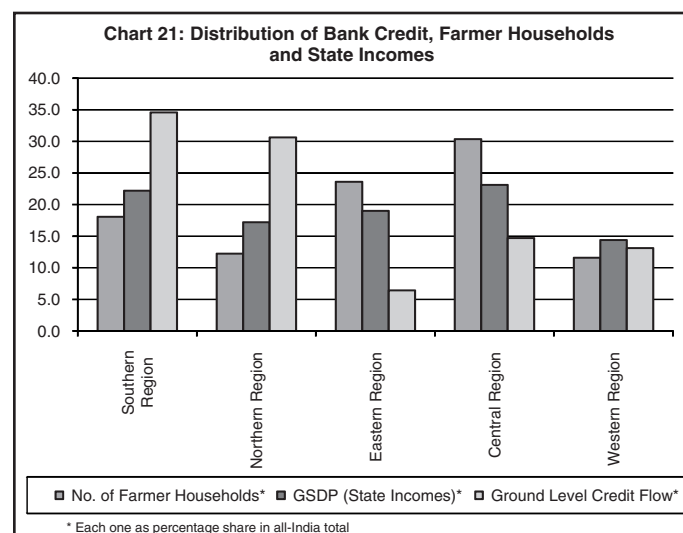
**Table 86:** Spread Between Best Performing Regions and Laggard Regions in Regard to Credit to GDP Ratios

	Ratio for 1997-98	Ratio for 2004-05
Southern Region	14.2	31.3
Northern Region	10.7	30.1
Eastern Region	2.4	5.0
Central Region	6.2	14.0
<i>Percentage Spread</i>		
Eastern to Southern	492	526
Eastern to Northern	346	502
Central to Southern	129	124
Central to Northern	72	115

**Table 87:** Distribution of Bank Credit, Total State Incomes and the Number of Farmer Households – An Inter-Regional Comparison

Regions/UTs	Estimated Number of Farmer Households	Year 2003	Average Shares in GSDP		Total Ground Level Credit (GLC) disbursements for Agriculture and Allied Activities (Rs Lakh)					
		Per Cent to All-India	1993-94 to 1995-96	2002-03 to 2004-05	1995-96 (Rs lakh)	Per Cent to All-India	2001-02 (Rs lakh)	Per Cent to All-India	2005-06 (Rs lakh)	Per Cent to All-India
Northern	109460	12.3	16.95	17.22	456645	20.7	1481531	26.4	4472784	30.7
Northern Eastern	34874	3.9	3.69	3.99	5016	0.2	11277	0.2	62906	0.4
Eastern	211140	23.6	17.43	19.03	138276	6.3	329599	5.9	939628	6.4
Central	271341	30.4	22.47	23.14	353968	16.1	846144	15.1	2147285	14.7
Western	103662	11.6	15.04	14.41	425381	19.3	966829	17.2	1916380	13.1
Southern	161578	18.1	24.43	22.21	823957	37.4	1974869	35.2	5047503	34.6
Union Territory	732	0.1								
All India Total	893504	100.0	100.0	100.0	2203243	100.0	5610249	100.0	14591356	100.0

Note: GSDP= Gross State Domestic Product.



recent years, in some cases rather sizeably.

The second set of inter-regional and inter-state comparisons depicted in Table 87 and Chart 21 makes a telling effect. The southern region accounts for about 35 per cent of total

institutional credit for agriculture but has only 22 per cent of the share in state incomes and what is more, houses only 18 per cent of the country's farm households. Similarly, the northern region has these proportions in this respective order: 31 per cent, 17 per cent and 12 per cent. In contrast, the central region has the highest share of 30 per cent in farmer households and fairly high share of 23 per cent in states' income, but could obtain only 15 per cent in total institutional credit flows. Similarly, the eastern region possesses these ratios thus: 24 per cent in farmer households and 19 per cent in state incomes but only 6 per cent in institutional loans.

What is more disquieting is the further widening of these inter-regional disparities. For instance, while the state income shares have increased in respect of all underdeveloped regions, between 1993-94/1995-96 averages and 2002-03/2004-05 averages, their ground-level credit shares has either declined (central region) or stagnated (eastern region).

## PROJECTIONS OF GROUND-LEVEL CREDIT DEMAND FOR AGRICULTURE FOR THE ELEVENTH PLAN PERIOD (2007-08 TO 2011-12)

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### The backdrop

The objective of this chapter is to attempt a projection of the likely ground-level credit demand for agriculture and allied activities during the next five years of the Eleventh Five Year Plan (2007-08 to 2011-12). The earlier chapters have made a fairly comprehensive review of the recent progress made in agriculture and agricultural credit supply in their varied dimensions. We have explained how the agricultural sector has been facing a crisis of growth and agrarian relations. While the share of agriculture in total GDP has dipped below 18 per cent, the workforce dependent on agriculture has remained high at 56.5 per cent. With increasing subdivision of land and marginalisation of holdings, 71 per cent (175 million out of 247 million) are marginal holdings. Neglect of agriculture in Plan programmes has resulted in sharp reductions in public sector investment in agriculture and also in associated private investment. Therefore, of late, the sector has received added attention for a mutli-pronged attack to revive it. Apart from the repeated emphasis given to the imperative of raising the agricultural growth rate to 4.0 per cent per annum during the eleventh plan period, the government have now prepared a blueprint on *National Policy for Farmers* with farmers' activities defined more comprehensively.

The agricultural credit situation has passed through diverse phases of expansion, slowdown, and expansion, depending upon the complex play of demand-supply issues during the past four decades after bank nationalisation. Review of the progress so far, extensively covered in earlier chapters, constitutes the backdrop for the future credit demand by the

sector in the medium-term. As has been explained, there have been huge increases in agricultural credit disbursements during 2004-05 and 2005-06 as a result of the policy of doubling of credit in three years. The increases have been high in these initial two years, but banks have found it difficult to push ahead with the same high growth rates. In the official series, the growth rate in loans issued has slipped from 44 per cent each in 2004-05 and 2005-06 to 12.6 per cent in 2006-07. What seems to have worked against further rapid expansion is that on the supply-side, banks would have been happy at fulfilling the target of doubling in two years or a little more and hence, there was no pressure for them to push credit delivery anymore; on the demand-side, limited credit absorptive capacity of the farm community may have served as a constraint. In the current context of crisis in agriculture, this is not a surprising development. In any case, the level of credit size has been considerably pushed up, which will serve as the base for projections for the Eleventh Five Year Plan period

Be that as it may, there are a number of other factors, which might call for renewed emphasis on more extensive credit needs of the agricultural sector. The first and the foremost is the accelerated growth target of 4 per cent per annum for the next five-year period as against about 2.5 per cent per annum achieved so far for near two decades now. With production elasticity of demand for bank credit being over 2.0 for the recent period (as shown subsequently), the higher growth would obviously entail still higher rate of credit growth. Second, farm inputs have become increasingly modern and sophisticated; the proportion of purchased inputs has gone

up requiring additional credit; and now more than 85 per cent of the farm inputs constitute such purchased inputs. As it is, the scale of credit required per acreage is going up. Third, vast diversifications are taking place within agriculture and on its periphery in the nature of allied activities which would demand more essentially of investment credit. Finally, NSSO results have indicated that about 65 million cultivator households (and 47 million non-cultivator households) do not have access to formal financial institutions, who in the current scheme of financial inclusion will have to be increasingly accommodated within the institutional credit fold. *The Committee on Financial Inclusion* (Chairman: Dr. C. Rangarajan – March 2007) has recommended that around 11.46 million households per year aggregating 50 per cent of the financially-excluded cultivator and non-cultivator

households should be covered with financial assistance by commercial banks, RRBs and cooperatives within a period of five years, that is, by 2012 and 100 per cent by 2017.

### 1. Recent Trends – Adjustments Required for Official Statistics on Direct Finance

For conceptual and empirical clarity in the present projection exercise, we have to segregate from officially-disseminated data on ground-level credit, data on indirect lendings of commercial banks from their direct lendings, which we have extensively attempted in Section VI. Direct credit data are the ones which fit into the immediate operations of farmers in the form of inputs used and investments undertaken. Such segregated data are reproduced in Table 88.

**Table 88:** Direct and Indirect Credit Flows for Agriculture and Allied Activities (Adjusted Series)

<i>(Amount in Rupees, crore)</i>						
Year	Direct Credit Flow		Indirect Credit Flow		Aggregate Credit Flow	
	Amount	Percentage Increase	Amount	Percentage Increase	Amount	Percentage Increase
1991-92	11004		198		11202	
<b>VIII Five Year Plan</b>						
1992-93	15011	36.4	158	-20.2	15169	35.4
1993-94	16162	7.7	332	110.1	16494	8.7
1994-95	17784	10.0	583	75.6	18367	11.4
1995-96	20996	18.1	1036	77.7	22032	20.0
1996-97	25140	19.7	1271	22.7	26411	19.9
<b>Average</b>		<b>18.4</b>		<b>53.2</b>		<b>19.1</b>
<b>IX Five Year Plan</b>						
1997-98	30052	19.5	1904	49.8	31956	21.0
1998-99	34863	16.0	1997	4.9	36860	15.3
1999-00	42837	22.9	3431	71.8	46268	25.5
2000-01	48860	14.1	3967	15.6	52827	14.2
2001-02	54055	10.6	7990	101.4	62045	17.4
<b>Average</b>		<b>16.6</b>		<b>48.7</b>		<b>18.7</b>
<b>X Five Year Plan</b>						
2002-03	63299	17.1	6261	-21.6	69560	12.1
2003-04	78045	23.3	8936	42.7	86981	25.0
2004-05	103581	32.7	21728	143.2	125309	44.1
2005-06	146046	41.0	34440	58.5	180486	44.0
2006-07	164379	12.6	38917	13.0	203296	12.6
<b>Average</b>		<b>25.3</b>		<b>47.1</b>		<b>27.6</b>
<i>Source:</i> See tables in Section V						

As has been explained at length earlier, there has been a quantum jump in ground-level credit flows in recent years. Trends in direct credit growth are somewhat less fluctuating than indirect credit growth. Available data reveal that the average annual growth in indirect lendings have been thrice or twice (ranging from 53 per cent to 47 per cent) the average growth (ranging from 17 per cent to 25 per cent) in direct lendings during the past three five-year plan periods. Preponderant parts of those indirect lendings have been in the form of loans to electricity boards, rural roads & bridges, social sector and other rural infrastructure projects; sizeable funds have come from RIDF investments in which two-thirds have been disbursed for projects other than irrigation.

Also, as Table 89 sums up the picture, the growth rate gets significantly altered in the case of term loans, particularly for the recent years of high credit growth (2003-04 to 2005-06) in the adjusted series.

## 2. Key Relationships

Table 90 presents some relationships between variables. It is found that total direct credit to agricultural GDP ratio was static during the eighth plan period, registered a steady increase during the ninth plan period, and made a dramatic increase during the tenth plan period. Indirect lendings have appeared with dramatic increases in the tenth plan period.

Interestingly, agricultural inputs and gross capital formation (GCF) show divergent trends in relation to agricultural GDP. While farm inputs to GDP ratio have almost remained unchanged in the eighth and ninth plan periods around 26 per cent to 27 per cent and edged up to around 29 per cent in the tenth plan period, GCF to GDP ratio has made a remarkable recovery in the final three years of the ninth plan (1999-2000 to 2001-02) from around 7 per cent to 12 per cent and further improved to a range of 13 to 14 per cent thereafter.

**Table 89:** Ground Level Credit Flow for Agriculture and Allied Activities – Type-wise

Year	Official Series						Adjusted Series					
	Crop Loan (Rs crore)	Growth Rate (Per Cent)	Term Loans (Rs crore)	Growth Rate (Per Cent)	Total (Rs crore)	Growth Rate (Per Cent)	Crop Loan (Rs crore)	Growth Rate (Per Cent)	Term Loans (Rs crore)	Growth Rate (Per Cent)	Total (Rs crore)	Growth Rate (Per Cent)
1991-92					11202						11004	
VIII Five Year Plan		14.1		17.2		19.0		13.9		14.5		18.4
1992-93	10091		5078		15169	35.4	10075		4936		15011	36.4
1993-94	11271	11.7	5223	2.9	16494	8.7	11238	11.5	4924	-0.2	16162	7.7
1994-95*	11932**	5.9	6841	31.0	18744**	13.6	11875**	5.7	6315	28.3	17784**	10.0
1995-96	14525	21.7	7507	9.7	22032	17.5	14421	21.4	6575	4.1	20996	18.1
1996-97	16998	17.0	9413	25.4	26411	19.9	16871	17.0	8269	25.8	25140	19.7
IX Five Year Plan		19.0		18.3		18.7		18.7		12.4		16.6
1997-98	20640	21.4	11316	20.2	31956	21.0	20450	21.2	9602	16.1	30052	19.5
1998-99	23903	15.8	12957	14.5	36860	15.3	23703	15.9	11160	16.2	34863	16.0
1999-00	28965	21.2	17303	33.5	46268	25.5	28622	20.8	14215	27.4	42837	22.9
2000-01	33314	15.0	19513	12.8	52827	14.2	32917	15.0	15943	12.2	48860	14.1
2001-02	40509	21.6	21536	10.4	62045	17.4	39710	20.6	14345	-10.0	54055	10.6
X Five Year Plan		27.5		37.9		27.6		23.5 <sup>#</sup>		29.0 <sup>#</sup>		25.3
2002-03	45586	12.5	23974	11.3	69560	12.1	44960	13.2	18339	27.8	63299	17.1
2003-04	54977	20.6	32004	33.5	86981	25.0	54083	20.3	23962	30.7	78045	23.3
2004-05	74064	34.7	51245	60.1	125309	44.1	71891	32.9	31690	32.3	103581	32.7
2005-06	105350	42.2	75136	46.6	180486	44.0	101906	41.8	44140	39.3	146046	41.0
2006-07					203296	12.6	113422 <sup>^</sup>	11.3 <sup>#</sup>	50957 <sup>^</sup>	15.4 <sup>#</sup>	164379	12.6

\*: Data are from RBI's Handbook of Statistics on Indian Economy 2006-07.  
 \*\*: The total includes Rs 407 crore of crop loans issued by state governments.  
 ^: Estimated as 69 per cent of total as crop loan and 31 per cent of total as term loans.  
 #: Derived from estimated data.

**Table 90:** Select Ratios and Growth rates of Agriculture and Allied Activities Sector

(in percentage)								
Year	Annual Growth rate in Agricultural GDP		Ratio of Bank Credit to Agriculture GDP (at current prices)			Share of Inputs in GDP of Agriculture and allied activities		GCF as Per Cent of Agricultural GDP (at current prices)
	at 1999-2000 prices	at current prices	Direct	Indirect	Total	at 1999-2000 prices	at current prices	
1990-91	4.0	16.7	-	-	-	27.9	30.2	10.5
1991-92	-2.0	16.8	6.2	0.1	6.4	28.9	30.6	6.7
<b>Eighth Plan</b>								
1992-93	6.7	12.1	7.6	0.1	7.7	27.4	29.3	8.4
1993-94	3.3	16.0	7.1	0.1	7.2	27.4	27.9	7.1
1994-95	4.7	15.2	6.7	0.2	7.0	26.8	27.9	6.6
1995-96	-0.7	8.7	7.3	0.4	7.7	27.6	28.9	6.9
1996-97	9.9	20.2	7.3	0.4	7.7	25.4	25.0	7.0
<b>Ninth Plan</b>								
1997-98	-2.6	6.1	8.2	0.5	8.7	27.0	26.3	7.8
1998-99	6.3	14.8	8.3	0.5	8.8	26.8	25.7	7.4
1999-00	2.7	6.2	9.6	0.8	10.4	26.6	26.6	11.2
2000-01	-0.2	0.7	10.9	0.9	11.7	26.2	27.0	10.3
2001-02	6.3	8.3	11.1	1.6	12.7	25.8	26.8	12.4
<b>Tenth Plan</b>								
2002-03	-7.2	-3.0	13.4	1.3	14.7	27.3	28.8	13.1
2003-04	10.0	12.9	14.6	1.7	16.3	26.0	28.2	11.6
2004-05	0.0	0.6	19.3	4.0	23.4	26.3	29.2	13.2
2005-06	6.0	10.9	24.5	5.8	30.3	25.7	28.3	14.1
2006-07	2.7	10.2	25.1	5.9	31.0	26.00 *	29.00 *	-

\* : Assumed; (-) not available  
 GDPAU: Gross domestic product from agriculture and allied activities at current prices  
 Source: Data on GDP, inputs and gross capital formation (GCF) are from CSO's *National Accounts Statistics* (various issues), and for bank credit data, see tables in Section V.

These relationships will have significant contribution to the projection exercises undertaken below.

As for the relationship of credit to real sector indicators, three distinct results are presented in Table 91. It is interesting that during the past eight years since 1999-2000, all credit to real variables have shown a remarkable improvement, but the improvements have been more dramatic after 2003-04. Total agricultural credit as percentage of value of agricultural GDP, for instance, has almost doubled from 13.4 per cent in 2002-03 to 25.1 per cent in 2006-07. Short-term loans as percentage of inputs have also doubled from 23.5 per cent in 1999-2000 to 45.0 per cent in 2004-05. More remarkable has been the revelation that now term credit contributes as much as 55 per cent of private gross capital formation in agriculture.

### 3. A Comparison of Credit Demand Projections and Growing Demand-Supply Gaps

We have a long history of officially-sponsored studies on the requirements of agricultural credit, and the successive studies have brought out how the demand-supply gaps have widened over years. This brief sub-section gives a run-down of the results of the earlier studies with a view to drawing lessons therefrom.

The RBI's All-India Rural Credit Review Committee (Chairman: B. Venkatappiah, 1969) first attempted an estimate of short-term credit requirements for 1973-74 at Rs 2,000 crore, while the estimate of medium- and long-term credit requirement was placed at Rs 2,000 crore for the five-

**Table 91:** Relationship between Credit and Real Variables

Year	Total Agriculture Credit as Percentage of		Short-Term Credit as Percentage of Value of Input	Term Credit as Percentage of	
	Value of Output	Agriculture GDP		Private Sector GCF	Agriculture GDP
(1)	(2)	(3)	(4)	(5)	(6)
1993-94	5.9	7.1	20.3	43.4	2.1
1994-95	5.7	6.7	18.7	55.2	2.4
1995-96	6.1	7.3	20.0	50.0	2.3
1996-97	6.3	7.3	22.7	48.9	2.4
1997-98	7.0	8.2	24.6	43.8	2.6
1998-99	7.1	8.3	25.4	47.4	2.7
1999-00	8.1	9.6	23.5	34.3	3.2
2000-01	9.2	10.9	26.0	41.7	3.5
2001-02	9.5	11.1	28.8	28.7	2.9
2002-03	11.4	13.4	29.7	35.1	3.9
2003-04	12.5	14.6	35.2	48.3	4.5
2004-05	16.0	19.3	45.0	55.4	5.9
2005-06	-	24.5	-	-	7.4
2006-07	-	25.1	-	-	-

Note: '-' Not Available  
Source: See earlier tables in sections VI and VII

year period of the fourth plan (1969-70 to 1973-74) with progressive increases until 1973-74. The actual achievement of loans issued by all credit agencies during 1973-74 was only Rs 860 crore as short-term and Rs 327 crore as medium- and long-term lendings – near 60 per cent shortfall.

Next, the National Commission on Agriculture 1976 (Chairman; Shri Morarji Desai) assessed the short-term, medium-term and long-term credit requirements for 1985 which were placed at Rs 16,149 crore, but the Government of India, in its response to the report, scaled down the requirements to Rs 9,400 crore keeping in view the capacity of the financial institutions to render assistance (RBI 1989). The actual assistance including those by state governments

and RRBs during 1984-85 worked out to Rs 6,667 crore – over 70 per cent achievement of the scaled down target, but only a little over 40 per cent of the systematically arrived at demand estimate.

And then came the Agricultural Credit Review Committee (Chairman: Prof. A.M. Khusro; RBI 1989) which made one of the most extensive studies on agricultural credit demand. It made an assessment of the credit requirements, both in the forms of short and term loans, for crop production, livestock production, forestry and fisheries. In its complex set of summing up, its demand estimates at current prices have been converted into outstandings (i.e. stock figures) which were as follows:

Demand projected for	Demand Estimates (Outstandings) (Rupees, crore)			Actuals (Outstandings)* (Rupees, crore)		
	Short-term	Term	Total	Short-term	Term	Total
1989-90	12,597	14,954	27,551	9,527	18,160	27,687 (100.5)
1994-95	27,866	29,450	57,316	14,361	26,378	40,738 (71.1)
1999-2000	53,534	57,339	110,873	26,387	36,221	62,608 (56.5)

\* As per RBI's Handbook of Statistics on the Indian Economy, 2006-07

As shown above, there has thus been a progressive shortfall in the actual supply as compared with the demand projected.

In the mid-1990s, and thereafter, the Planning Commission has been taking the initiative to appoint sub-groups to estimate credit demands for agriculture. The P. Kotaiah Working (Planning Commission 1996) estimated for the ninth plan period (1997-98 to 2001-02) a total credit flow of Rs 229,750 crore (both short-term and long-term) for the agricultural sector. This had meant a 16 per cent annual growth. The actual growth of agricultural credit was hardly 9.7 per cent per annum during the ninth plan period.

The above has been followed by the Y.C. Nanda Task Force on Agricultural Credit for the tenth plan (2002-03 to 2006-07). The demand for production credit was estimated to lie between Rs 86,000 crore and Rs 122,928 crore for the five-year period; the Task Force placed the requirement at an annual rise 24 per cent as credit flow and the actual flow has been around that only because of the doubling of credit flow after 2002-04.

Finally, we now have a projection prepared for the Eleventh Five Year Plan by the *Working Group on Savings* (RBI 2007c), which we have extensively covered in a subsequent paragraph.

#### 4. Our Approach to the Projection Exercise

There are thus divergent methodologies employed in literature to arrive at agricultural credit projections. However, there is some mix-up of approaches in them, in that conceptually they do not differentiate between supply projections and demand projections. In our exercise, the focus is essentially on demand projections. There is no doubt that the capacity of the credit institutions to supply farm credit is important but, there are a number of issues which lead us to believe that the credit requirements of the agricultural sector should not be made privy to the supply considerations of credit institutions if their past performance is any guide. Their capacity to lend to agriculture should not be determined by their voluntary willingness, for undoubtedly in their willingness and preparedness to expand their credit base of agriculture, there appears to be some degree of bias against the sector. True, the absorptive capacity of the farm sector for higher credit may be constrained by demand-side considerations, but as Chapter VII earlier has shown, it is the organisational neglect in backward regions that is contributing to low credit absorption in those regions. In the eastern and central regions which house disproportionately large farmer population, get puny shares in farm loans; what is more, their shares in state farm incomes have risen but the proportions of institutional credit have slipped somewhat. These distortions deserve to be corrected by focussing on legitimate credit demands of farmers.

Hence, the emphasis in this Section is on demand projections. We may nevertheless clarify that the supply capabilities are not being completely neglected. If demand projections appear too high, they will have to be moderated to more realistic levels. In this respect, we are also guided by the fact that ratios of growth in non-food credit expansion have stood at a range of 28 per cent to 38 per cent during the years 2004-05 to 2006-07; for 2007-08, the RBI has targeted a graduated deceleration but still at 24-25 per cent. Banks have sizeable excess investments in gilt-edged securities – at least above 12-15 per cent of aggregate deposits. Therefore, supply constraints should not overtly colour credit delivery plans for the agricultural sector based on the sector's rightful and genuine credit demands.

#### 5. Methodology of Projections

The most crucial projection method adopted here is the one using multiple regression models separately for crop loans and term loans for agriculture. However, these econometric exercises are supplemented with trend equations only to see if the demand projections are overtly different from the projected trend.

##### *Projections of agricultural GDP and GCF at current prices*

As inputs to the equation systems, certain explanatory variables are required to be estimated for the projection period. The first two important such items are: agricultural GDP and gross capital formation (GCF).

The Planning Commission (Government of India) has set an annual growth target of 9 per cent in overall GDP and an inflation target of 4.5 per cent to 5.0 per cent for the eleventh plan period. Both of these appear very realistic if current trends are any guide.

For the purpose of this exercise, the growth rate of 9 per cent in real GDP and inflation of 5 per cent have been assumed for the Plan period. It is observed that the agriculture sector has recorded 2.1 per cent compound growth annually during the Tenth Plan period against the target of 4 per cent. On the other hand, the Government of India has been repetitively emphasizing the importance of raising the agricultural growth to 4 per cent per annum. Thus, the agriculture sector has been set to grow annually at around 4.1 per cent growth during the eleventh plan period. Accordingly, a 4.0 per cent growth rate per annum has been assumed for the agriculture sector in real terms. In nominal terms, domestic product arising from the sector has been assumed to grow at 9 per cent annually. Estimated GDP likely to originate



**Table 92:** Projected GDP and GCF from Agriculture and Allied Activities During Eleventh Plan Period (at current prices)

(Rupees, crore)		
Year	GDPAU	GCFAU
(1)	(2)	(3)
2007-08	715,096	100,113
2008-09	779,454	109,124
2009-10	849,605	118,945
2010-11	926,070	129,650
2011-12	1,009,416	141,318
GDPAU = Agriculture GDP at Current Prices		
GCFAU = Gross Capital Formation at Current Prices		

from agriculture and allied activities sector as well as the projected gross capital formation (GCF) at current prices is given in Table 92.

Certain data for 2006-07 have been estimated based on the current trends and available indicators. For the ninth plan period (2002-03 to 2006-07), the average ratio of inputs to agricultural GDP worked out to 28.7 per cent as against 26.5 per cent for the eighth plan period, thus showing a gradual rising trend. For projection purposes, the inputs to agriculture GDP ratio for the eleventh plan period is assumed at 30 per cent.

As referred to above, the ratio of financing gross capital formation in agriculture by long term credit has steadily increased from around 30 per cent to 55.5 per cent during the period 1992-93 to 2006-07. As the last three years' position is because of a special thrust, it is assumed that this tempo may not be sustained; as it is, the growth of overall credit, particularly commercial bank credit for agriculture which contains a preponderant part in term credit, has considerably slowed down in 2006-07. Therefore, the ratio of term credit to GCF has been assumed to increase gradually to 60 per cent by the terminal year of the eleventh plan. The dummy variable has been set to take value zero during the initial two years of the Plan assuming that the special thrust by the Government may not continue but the same tempo may reappear in the next two years in case credit to agriculture does not expand as per the expected pattern. As such, the dummy variable has been assumed to take value 1 for the middle two years before the terminal year of the Plan; the dummy reappears as zero in the terminal year.

### Contours of the regression model and the results

The projections for the eleventh plan period have been made based on estimated regression models covering for the period 1992-93 to 2006-07. Regression equations have been worked out separately for short term loans (STL), long-term loans (LTL) and indirect loans (INDL). The selected equations are given in *Appendix A* appended to this section. Alternative models have been worked out, and which have expected signs to the coefficients and satisfy various statistical criteria have been selected for purpose of projection of the credit requirement.

The short-term loans issued (STL) during a year, which are retained in nominal terms, have been estimated as a function of domestic product arising from agriculture (DPAU) at current prices, the amount of loans issued in the previous year (one-year period lag of STL) and a dummy variable (DUM). The dummy has been included in the model to take account of the high growth rates because of special thrust given to agriculture, particularly during 2003-04 to 2006-07. The equations have been estimated after transforming the scale variables into logarithmic form. Alternative equations have been worked out including real domestic product from agriculture, prices, ratio of inputs of agriculture sector to DPAU at current and constant prices. The equation that has been found most satisfactory from the selection criteria has been given at Equation No.1, in *Appendix A*. The coefficients of the independent variable have been found statistically significant and have expected signs. It is expected that elasticity of the short-term credit with respect to GDPAU is about 2.2 indicating more than 2 per cent requirement of credit for one per cent increase in domestic product from the sector.

In the case of long-term loans issued (LTL), it has been estimated as a function of GCFAU, ratio of LTL to gross capital formation at current prices (LTGCFU), representing the extent of financing the gross capital formation in agriculture and the time variable. The inclusion of other variables like gross fixed capital formation in place of GCFAU, the real gross capital formation, GDPAU, or real GDP, the prices represented by WPI and a dummy, have also been considered but found that the equations have not given satisfactory results. The selected equation is given as item No.2 in *Appendix A*. The long-term credit is found to have an elasticity of 0.25 with respect to GCF from agriculture - which incidentally lags far behind the short-term credit elasticity.

The indirect loans, which have been basically routed through layers of financial institutions, have been estimated separately as the benefits of this line of credit may also

**Table 93:** Projections of Ground Level Credit to Agriculture and Allied Activities During 11th Plan Period

	Amounts in rupees crore					Annual Growth Rates (in percentages)				
	Short-term Loans	Term Loans	Direct Loans (STL+LTL)	Indirect Loans	Total Loans	Short-term Loans	Term Loans	Direct Loans	Indirect Loans	Total
2007-08	144192	59567	203759	49991	253750	27.1	16.9	24.0	28.5	24.8
2008-09	182406	67070	249476	68384	317861	26.5	12.6	22.4	36.8	25.3
2009-10	229727	75518	305244	93004	398249	25.9	12.6	22.4	36.0	25.3
2010-11	288170	85030	373200	125756	498956	25.4	12.6	22.3	35.2	25.3
2011-12	360187	94558	454745	169058	623803	25.0	11.2	21.9	34.4	25.0
Average Annual Growth Rate						26.0	13.2	22.6	34.2	25.1

ultimately percolate and help the growth in agriculture sector. It has been observed from the data that the growth in this form of credit has been jumping in many of the years, as it has been essentially determined by the credit supply considerations of banks. Therefore, a simple quadratic equation has been estimated with time as an independent variable and found that the estimated equation has satisfied different statistical criteria. The selected equation has been presented at Equation (3) in Appendix A.

The projected requirement of credit by the agriculture sector during the eleventh plan period, based on the above assumptions and models, have been presented in Table 93. The total credit requirements have been obtained as a sum of short-term loans, long-term loans and indirect lendings. The short-term credit has been projected to grow by 26 per cent per annum (compounded), the long-term credit at 13 per cent and the indirect credit at 34 per cent, resulting in an aggregate credit growth at a little above 25 per cent leading to a requirement of Rs.623,803 crore in 2011-12, the terminal year of the eleventh plan. This implies an expansion of Rs.420,507 crore or by 106 per cent over the aggregate credit disbursed in nominal terms during the terminal year (2006-07) of the tenth plan. The short-term credit has formed about 79 per cent of the direct credit projected for the end of the eleventh plan as against the share of 58 per cent at the tenth plan period.

#### *Alternative estimates*

Alternatively, direct (crop loans + term loans) to agriculture sector has been worked out through three alternative albeit crude methods. First, for understanding the dynamics of credit absorption in its simplest form, we need to work out the agricultural income elasticity of bank credit. Therefore, by applying a simple linear relationship with GDP arising from agriculture sector at current prices, we specify a crude model in which total credit flow is treated as a function of

agricultural GDP. The indirect loans have been projected based on their time trend. Although the equations suffer from serial correlation indicating that a few other variables also jointly explain the variations in the explanatory variable, the equation has been considered for making projections as the agriculture GDP alone could explain about 90 per cent of the variations in direct loans (dependent variable) ( $R^2$  (adj) = 0.90). Similarly, 97 per cent of variations in indirect loans have been explained by time variable which the serial correlation among the error terms has reasonably been well explained. The estimated equations (Nos.4 and 5) are given in Appendix A.

It may be seen from Equation 4 that income (GDP) elasticity of total direct credit flow works out to about 2.07. Accordingly, as shown in Table 94, direct loans have been projected to grow by about 19 per cent annually during the eleventh plan period, while indirect loans are expected to rise at about 44 per cent annually. Summing up the two, the demand for total credit by agriculture is expected to grow at around 27 per cent per annum during the Plan period.

Second, direct loans to agriculture have been projected through another variant of their relation with time factor alone. In other words, the increase in credit as per the time trend alone for about 15 years has been considered without reckoning any influence of economic variables. The equation thus estimated is given at No.6 of Appendix A. It has been mentioned above that indirect loans have been projected based on their relationship with time; therefore, the same equation which has been given at No.5 of Appendix A is repeated under this exercise too (see Tables 93 and 94). Based on this approach, the direct loans are expected to grow by around 20 per cent per annum, and with considerably higher projections for indirect loans at about 44 per cent for the Plan period, the demand for total loans by agriculture is set to increase at about 27 per cent annually (see Part B of Table 94).

Finally, it is observed that the ratio of direct loans to GDP

**Table 94:** Alternative Projections Based on Trend Equations

<i>A: Based on Linear Trends</i>						
	<i>Linear Trend (Rupees, crore)</i>			<i>Growth Rate (in percentages)</i>		
	<i>Direct Loans@</i>	<i>Indirect Loans+</i>	<i>Total Loans</i>	<i>Direct Loans</i>	<i>Indirect Loans</i>	<i>Total Loans</i>
2007-08	172819	56500	229319	18.89	43.62	24.15
2008-09	205459	81146	286604	18.89	43.62	24.98
2009-10	244263	116541	360804	18.89	43.62	25.89
2010-11	290396	167376	457772	18.89	43.62	26.88
2011-12	345242	240386	585627	18.89	43.62	27.93
Average growth rate				18.89	43.62	25.97
<i>B: Based on Credit-GDP Ratios</i>						
	<i>Based on Credit-GDP Equation (Rupees, crore)</i>			<i>Growth Rate (in percentages)</i>		
	<i>Direct Loans*</i>	<i>Indirect Loans+</i>	<i>Total Loans</i>	<i>Direct Loans</i>	<i>Indirect Loans</i>	<i>Total Loans</i>
2007-08	145434	56500	201934	19.52	43.62	25.41
2008-09	173820	81146	254966	19.52	43.62	26.26
2009-10	207747	116541	324289	19.52	43.62	27.19
2010-11	248297	167376	415673	19.52	43.62	28.18
2011-12	296761	240386	537146	19.52	43.62	29.22
Average growth rate				19.52	43.62	27.25
@ : Based on Equation 4						
+ : Based on Equation 6						
* : Based on Equation 5						

from agriculture has been rising over time, from 7.6 per cent in 1992-93 to 11 per cent in 2001-02 and it further surged to around 25 per cent in 2006-07. There have been steep increases in the last three years, 2004-05 to 2006-07. The ratio of indirect loans to GDP from agriculture too, which stayed low at less than 1 per cent till 2000-01, has picked up subsequently and reached around 6 per cent in 2006-07. Thus, the credit-output ratio in agriculture sector has been rising but at a staggering pace in the recent period. Thus assuming that the time trend in these ratios alone will influence the future trend in the medium-term, on the premise that the kind of complex demand-supply factors will continue to repeat their roles as in the past. Based on the projected ratios, the demand for credit by agriculture has been estimated. The equations thus estimated are given in Appendix A at Nos. 7 and 8.

The projected amount of direct and indirect loans are given in Table 95. It has been projected that direct loans may increase by about 15 per cent and indirect loans by 17 per cent annually during the Plan period. As a result, total loans

by agriculture sector have been projected to rise at around 15 per cent annually. Thus, these projections place the estimates at the lowest level of about 15 per cent per annum.

**Table 95:** Projections Based on Credit to Agriculture GDP Ratio

	<i>Growth Rates</i>			<i>Growth Rates</i>		
	<i>Direct Loans</i>	<i>Indirect Loans</i>	<i>Total Loans</i>	<i>Direct Loans</i>	<i>Indirect Loans</i>	<i>Total Loans</i>
2006-07	135848.5	27771	163619			
2007-08	156906.3	32944	189851	15.50	18.63	16.03
2008-09	180654.1	38825	219479	15.14	17.85	15.61
2009-10	207405.6	45496	252902	14.81	17.18	15.23
2010-11	237509.1	53055	290564	14.51	16.61	14.89
2011-12	271351.2	61605	332956	14.25	16.12	14.59
Average Growth Rate				14.84	17.28	15.27

**Table 96:** Projected Annual Growth Rates of Total Loans During the 11h Plan Period

(Per Cent)						
	2007-08	2008-09	2009-10	2010-11	2011-12	Plan Annual Average Growth
<i>Alternative I (Econometric Exercises)</i>						
Direct Loans	24.0	22.4	22.4	22.3	21.9	22.6
Indirect Loans	28.5	36.8	36.0	35.2	34.4	34.2
Total Loans	24.8	25.3	25.3	25.3	25.0	25.1
<i>Alternative II (Credit-GDP Linear Trend)</i>						
Direct Loans	18.9	18.9	18.9	18.9	18.9	18.9
Indirect Loans	43.6	43.6	43.6	43.6	43.6	43.6
Total Loans	24.2	25.0	25.9	26.9	28.0	26.0
<i>Alternative III (Linear Time Trend)</i>						
Direct Loans	19.5	19.5	19.5	19.5	19.5	19.5
Indirect Loans	43.6	43.6	43.6	43.6	43.6	43.6
Total Loans	25.4	26.3	27.2	28.2	29.2	27.3
<i>Alternative IV (Credit-GDP Ratio)</i>						
Direct Loans	15.5	15.1	14.8	14.5	14.3	14.8
Indirect Loans	18.6	17.9	17.2	16.6	16.1	17.3
Total Loans	16.0	15.6	15.2	14.9	14.6	15.2

### Comparison of various projected estimates

We thus have four alternative estimates derived through econometric relationships and various variants of simple relations over time. The implied growth rates arising from these projections, are presented in Table 96.

It may be seen from the table that the first three alternatives uniformly project the total loans to grow in the range of 25 to 27 per cent annually during the Plan period. While direct loans may rise in the range of 19 to 23 per cent, indirect loans are expected to increase by around 34-44 per cent annually. The fourth alternative has placed the growth, as said above, at the lowest level of 15 per cent annually for total loans. It may thus be cautioned that the worst scenario could be the lowest of 15 per cent, if the policy planners and banks stick to the "business-as-usual" method and if the aspirations of the farm community are not attended to in their entirety in the immediate future.

### 6. A Comparison With the Projections Made by the Eleventh Plan Working Group on Savings

Recently, *Report of the Working Group on Savings for the Eleventh Five Year Plan* (2007-08 to 2011 – 12) (Chairman : Dr. Rakesh Mohan) has attempted a projection of ground-level credit (GLC) flow the five years of the Eleventh Five Year Plan (Table 97). After making alternative estimates which give compound average growth rates (CAGR) ranging from 15.8 per cent to 17.8 per cent, the Working Group provides an average projection of 17 per cent per annum.

Only one set of our four projection sets based on the 'business – as-usual' strategy, comes close to the Working Group estimates, but all others in our projections, particularly the one based on some econometric exercise, show major departures. We believe that our econometric exercise provides appropriate focus on possible credit demand from the agricultural sector in the medium-term.

**Table 97:** Estimate of GLC in Agriculture Based on Various Approaches

(Rs. crore)							
Approach	2007-08	2008-09	2009-10	2010-11	2011-12	GLC	CAGR
						(11 <sup>th</sup> FYP)	(Per Cent)
1. Projections based on various GDP growth rates (Term Structure wise)	268130	299355	334012	372460	415112	1689069	18.0
2. Projections based on the capacity of the credit institutions (Credit supply constraint approach)	234912	280663	330474	384342	442266	1672657	17.8
3. Projections based on trend (Trend rate of growth approach)	240295	278624	316952	355281	393609	1584761	15.8
4. Projections based on trend in ratio of GLC to GDP in Agriculture	226218	268470	315368	367051	423561	1600668	16.1
Projection	242000	282000	324000	370000	420000	1640000	17.0
YoY increase (per cent)	20.0	17.5	15.6	14.1	12.9	17.0	

*Source: Report of the Working Group on Savings for the Eleventh Five Year Plan (2007-08 to 2011-12) produced in RBI Bulletin, May 2007, pp. 908-909*

Referring to the 30 per cent growth per annum achieved under the doubling programme as against the average growth of 16 to 17 per cent during the 1990s, the *Working Group on Savings* argues rightly that while the achievement was staggering, the sustainability of the pace of growth was doubtful on two counts, namely, the capability of the sector to absorb additional credit to that extent and the capacity of the credit purveying institutions, especially the cooperative sector, as a supplier of credit to continue to sustain such accelerated growth in credit.

We agree with the above assessment, but even so we stick to our projections which place agricultural credit demand at above 25 per cent per annum in terms of annual flows. As explained earlier, ours is a demand projection and there are a number of considerations which justify holding on to this projection. We have explained at length how, with the expected 4 per cent real growth in agriculture, its structure of output, investment and employment is likely to be radically different from that in the past. Therefore, the needs of agriculture can be reasonably met if, for instance, the share of agriculture in total bank credit in respect of scheduled commercial banks gently rises from about 11 to 12 per cent to 15 to 16 per cent (as per the most-dependable BSR data). This is possible only if the rate of growth in agricultural credit surpasses at least somewhat the rate of growth in total bank credit. As explained earlier, the perspectives provided by the Reserve Bank of India is that the rate of growth in total non-food credit in respect of commercial banks is around 25 per cent (RBI's credit policy statement for 2007-08).

But, there is also yet another arithmetical puzzle in these two sets of data. The 25 per cent growth in non-food credit cited above is over the outstandings of non-food bank credit,

**Table 98:** Percentage Increase in Non-Food Credit – Differences As Between Outstandings and Incrementals

Year	Non-Food Credit Outstandings (Rs crore)	Growth in percentages	Net Increase in Non-Food Credit (Rs crore)	Incremental variations (in percentages)
2001-02	535745		64302	
2002-03	679736	26.9	143991	123.9
2003-04	804824	18.4	125088	-13.1
2004-05	1026426	27.5	221602	77.2
2005-06	1466386	42.9	439960	98.5
2006-07	1882392	28.4	416006	-5.4
Average for 5 Years		28.8		56.2

*Source: Handbook of Statistics on the Indian Economy, 2006-07 & RBI Bulletin*

whereas agricultural credit flows used in our study and projected to rise in demand by over 25 per cent per annum relate to incremental numbers and growth. On this basis, net increases in non-food credit amounts (a rough surrogate for annual flows) reveal an average increase of 56 per cent per annum during the tenth plan period (2002-03 to 2006-07) in contrast to the average growth over outstandings working out to about 29 per cent per annum (Table 98).

When such are the increases in the aggregate credit flows, agricultural credit flows cannot be left far behind; in fact, the latter have to be much higher to take account of the growing needs of agriculture and the aspirations of the farm community.

**Appendix A: Selected Equations for Projection**

I. Econometric Exercise

1.  $\text{Ln STL} = -1.735 + 0.224 \text{ Ln GDPAU} + 0.131 \text{ Dummy} + 0.899 \text{ Ln STL}_{(-1)}$   
t-Value : - 1.244    1.416    3.208    12.836  
 $R^2$  (adj) = 0.995;    D.W. 2.554; Dh: -1.114
2.  $\text{Ln LNL} = -0.251 + 0.823 \text{ Ln GCFAU} + 0.02485 \text{ LTGCFAU} + 0.02286 \text{ Time}$   
t-value : - 0.305    9.746    17.822    1.779  
 $R^2$  (adj) = 1.00;    D.W. = 1.894
3.  $\text{Ln INDL} = 5.018 + 0.409 \text{ Time} - 0.0029 (\text{Time})^2$   
t-value :    21.14    5.994    -0.706  
 $R^2$  (adj) = 0.974;    D.W 1.4.
4.  $\text{Ln TL} = -16.003 + 2.069 \text{ Ln GDPAU}$   
t-value :    -6.654    11.095  
 $R^2 = 0.897$ ;    D.W = 0.41
5.  $\text{Ln INDL} = 5.150 + 0.362 \text{ Time}$   
t-value :    36.282    23.206  
 $R^2 = 0.975$ ;    D.W = 1.542
6.  $\text{Ln TL} = 9.292 + 0.173 \text{ Time}$   
t-value :    174.14    29.442  
 $R^2 = 0.984$ ;    D.W = 0.562
7.  $\text{DCDPR} = 2.182 + 1.235 \text{ Time}$   
t-value :    1.354    6.969  
 $R^2 = 0.773$ ;    D.W = 0.35
8.  $\text{INDL DPR} = -1.377 + 0.374 \text{ Time}$   
t-value :    -2.268    5.602  
 $R^2 = 0.685$ ;    D.W = 0.45

**Explanatory Notes**

- STL : Short term loans ( crop) loans (Rs. crore);
- LNL: term Loans excluding indirect component (Rs. crore);
- INDL: Indirect loans (Rs. crore),
- GDPAU Gross domestic product from agriculture, at current prices (Rs. crore).
- GCFAU : Gross capital formation from agriculture, at current prices (Rs. crore);
- TL : Total Direct Loans to Agriculture
- LTGCFU: Ratio of LTL to GCFU, in per cent;
- Time: Time variable taking values from 1, 2, 3.... for the years 1992-93 onwards;
- Dummy: Dummy variable taking values as:  
= 1 for 1992-93, 2003-04 to 2005-06 and  
= 0 for other years;
- Ln : indicates natural logarithmic transformation of the variable;
- Time period for the equations: 1992-93 to 2006-07
- $R^2$  (adj) : Multiple correlation coefficient adjusted for degrees of freedom;
- D.W.: Durbin-Watson statistic;
- Dh stat: durbin-h statistic for testing serial correlation when lagged dependent variable is present in the equation.
- DCDPR = Ratio of Direct Loans to GDP from Agriculture at Current Prices (Per cent)
- INDL DPR = Ratio of Indirect Loans to GDP from Agriculture at Current Prices (Per Cent)

## CONCLUSIONS AND POLICY IMPLICATIONS

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### 1. Challenges Facing the Agricultural Sector in India

The Indian agriculture has been facing multiple challenges which has culminated into a severe crisis. The farm crisis have twin but inter-related dimensions: an agrarian crisis and an agricultural development crisis. Apart from poor and declining growth, increasing marginalisation has hit the precipice. As a result, the rural credit institutions have undoubtedly faced a roadblock in their credit delivery efforts.

The answer obviously lies in a revitalisation of the agricultural sector including pressing for diversification and expansion of non-farm economic opportunities, particularly for the small and marginal farmers. Any detailed articulation of the development programmes for agriculture is outside the scope of this study. Of late the sector has received from the authorities added attention for a multi-pronged attack to revive it. Apart from the repeated emphasis given to the imperative of raising the agricultural growth rate to 40 per cent per annum in the medium term, the government have now prepared a blue print on *National Policy for Farmers* with farmers' activities defined more comprehensively.

With a view to playing its role, the banking system has to accept the agricultural developmental programmes as given and proceed with gearing itself up to be part of the programmes. In this respect, the story that has unfolded in the earlier sections of the study has telling lessons. The banking system has faced many hurdles in expanding credit delivery but many of them have emanated from within the system. The rural financial architecture has been allowed to be weakened by the authorities. The expansion of rural branches has been halted without instituting an assured alternative structure. The existing rural branches have been organisationally denuded

of sufficient staff support. Credit targets have been floated and the authorities have allowed the slippages by slackness in monitoring as well as backdoor dilution of the socially accepted priority sector targets. Undoubtedly, the banking system has been functioning urban- and metropolitan-centric and biased against the mass of rural and agricultural population.

### 2. New initiatives for expanding credit for agriculture and other informal sectors

In response to the glaring agrarian crisis and recognising the acute shortfall in institutional credit flow to agriculture and other informal sectors, the Government of India and the RBI have initiated a number of measures to mitigate the situation. The institutional issues of reorganising and merging regional rural banks (RRBs) and revitalising the short-term as well as long-term cooperative credit structure have been taken up and definitive programmes of action have been put in place. The system of priority sector credit has been looked at afresh; likewise, the norms for regional credit-deposit ratios and investment credit for agriculture have been probed at the instance of NABARD. The RBI's internal working groups have examined the issues relating to rural credit and micro-finance, lendings against warehouse receipts and the question of adopting "financial inclusion" as a policy goal. Broadly, these committees and working groups have departed from the traditional methods of targeted lendings and proposed instead more intensive use of micro-finance institutions along with an innovative system of "agency banking" as a substitute for branch banking in rural areas. The absence of the expansion of branch banking in rural areas now for over a decade and a half, has created a serious institutional vacuum in such areas.

Therefore, as a substitute arrangement, the system of agency banking has been introduced whereby two models, namely, *business facilitator* model and *business correspondent* model, have been commended to the banks for adoption. The agency system would facilitate the banks to take recourse to local-level institutions. Yet another innovative idea commended by the authorities is that of “financial inclusion”

The government, on its part, introduced in 2004-05 a policy of doubling of agricultural credit in three years – a policy that has been executed by banks with great vigour. A concessional rate of 7 per cent interest has been prescribed for crop loans and the government have provided a 2 per cent subvention to NABARD in this respect. These are in addition to a series of packages of relief in operation in selected districts of five states afflicted with severe agrarian crisis and farmer suicides.

### 3. Need for More Enduring Measures

#### (i) Resurrection of the rural financial architecture

A staggering performance of banks since 2004-05 has been the attempt to achieve the target of doubling of bank credit for agriculture in three years and to do so, banks have adopted a number of unhealthy devices replete with serious potential repercussions. The target for doubling credit flow for agriculture and allied activities in three years, (and similarly doubling for the SMEs sector in five years), was apparently a knee-jerk reaction to the serious socio-political pressures brought to bear on the system due to vast credit supply gaps created over a prolonged period. During this period, the slowing down of credit flow has been to a large extent attributable to the weakening of the rural institutional structure in terms of branch-banking. Superimposing such a large target on the weak institutional structure will have its repercussions on first, the quality and purposes of lending, and second, the process of loan recovery. Therefore, at least from now on attempts should be made to resurrect the entire institutional structure in terms of its geographical spread as well as organisational strengthening, if necessary and wherever feasible in combination with ‘agency banking’. Only such a structure will be able to achieve a steady and healthy delivery of credit for agriculture and rural enterprises. Given the option, the scheduled commercial banks would not like to operate in rural areas. This has been proved clearly since March 1995 after the disbanding of branch licensing policy and the granting of freedom to bank boards to decide on their

branch expansion programme. Since then, there has been a reduction of roughly 2,500 rural branches instead of an addition of at least 10,000 bank branches in rural areas under the erstwhile policy thrust. This approach has thus spawned a serious institutional vacuum in rural credit structure. Merging and strengthening of RRBs is a policy in the right direction, but they can hardly meet the branch requirements of vast areas of central, eastern and north-eastern India. They are also financially and organisationally weak institutions, whereas commercial banks have the necessary resources and strength. As recommended by the Rangarajan Committee on Financial Inclusion, the scheduled commercial banks have to re-introduce a definitive programme of branch expansion in rural areas, the policy initiative for which has to come from the RBI. The presence of bank branches in rural areas helps to build forward and backward linkages between the rural economy and the credit system, as the past experience has shown. There is a case for expanding branch network which can be achieved by operating a rural branch licensing policy with a system of incentives and disincentives for the banks as in the past.

#### (ii) Rural branch banking, agency model and mobile banking

The authorities have also proposed a system of agency banking involving non-banking grassroots level institutions serving as *business facilitators* and *business correspondents*. Though two years have passed by, the new system has hardly taken off the ground. Interestingly, a status report prepared under the GTZ\* – NABARD Rural Finance Programme on “Challenges and Potential For Indian Banks to Implement Business Facilitator and Business Correspondent Models” (October 2006) has concluded that “The BF and BC models have not generated the enthusiasm that would have been normally expected. Several applications related to the use of BFs and BCs, particularly in extension of doorstep banking services, loan recovery and promotion of SHGs have already been enabled by other recent measures and the initiatives taken by banks. However, public sector banks are only just beginning to formulate schemes for the utilization of the services of

\* GTZ - RURAL FINANCE PROGRAMME INDIA, *Challenges and potential for Indian banks to implement Business Facilitator and Business Correspondent Models – A status report by Ajay Tankha (October 2006).*



such agents.” It is essential for the public sector banks to complement their branch expansion programmes with intensive efforts to involve the local level institutions to reach out to the farmers in the nooks and corners of the country. In doing so, they may adopt multiple methods depending up on local conditions; it could be *satellite offices* or *mobile banking* so as to reduce transaction costs.

(iii) Qualified personnel

With vast modern input requirements and diversification into horticultural products and other allied areas underway, agriculture would require a more sophisticated system of credit delivery, for which induction of a sizeable number of qualified agricultural science graduates and graduates with other relevant technical qualifications would be necessary. Some of the banks have begun to implement this policy, but in a half-hearted manner like contract appointments. Instead, it is necessary to create a rural cadre of officers with specialised qualifications combined with appropriate incentive structures.

(iv) Adoption of primary agricultural societies

Unlike cooperatives, scheduled commercial banks possess large deposit resources leveraged with the help of public deposits. On the other hand, cooperatives are rooted in local-level environments. Therefore, there is scope for close link-up between cooperative credit institutions and commercial banks, with appropriate checks and balances, such as through an adoption process which was in vogue earlier.

(v) Reinvigoration of Lead Bank Scheme

It is necessary to reinforce close coordination between district planning authorities and banking institutions operating in a district. The system of lead bank scheme and associated district-level coordination committees of bankers has apparently become inactive. The lead bank scheme needs to be re-invigorated with clear guidelines on respecting the bankers’ commercial judgements even as they are required to fulfill their sectoral targets. As an NIBM Study (Shete, 2004) has revealed, various committees like Block Level Bankers Committee, District Coordination Committee and District Review Committee seldom function with all seriousness. The Lead District Manger who is responsible for preparing the credit plan and who monitors the progress is burdened with a number of other responsibilities like mobilizing deposits. He

should only be given the task of coordinating the preparation and implementation of credit plans, given more authority and made accountable. In fact, he should be deemed to have been deputed to the Reserve Bank of India (RBI) and given functional freedom and the functionaries from line departments like agriculture, horticulture and animal husbandry responsible for assessing and implementing the credit requirements of the district should be placed under him. The District Development Manager (DDM) of NABARD should be a member of the team. The Annual Credit Plan based on Potential Liked Credit Plan (PLCP) for each district prepared by NABARD should, in fact, be prepared in close consultation with District Lead Manager and other functionaries from line departments. The plan should have added focus on agriculture, including animal husbandry and horticultural development. In fact, there is little agriculture in the whole credit plan in the current scheme of things. It is important that while preparing such plans, the scientist in-charge of the Krishi Vigyan Kendra located in that district should be actively involved. Once the plan is ready, it should be discussed threadbare in a meeting chaired by Deputy Commissioner and attended by all involved including the scientist in-charge of the Krishi Vigyan Kendra. And once the plan is finalized, it should be mandatory to implement the plan and accomplish the targets. The Lead District Manger should be responsible for implementing the plan. For this, he should be provided with adequate infrastructure and technology like computers.

(vi) MFI to be an integral part of the mainstream banking

A word of caution is required to be entered in regard to the almost universal, – and uncritical – expectations of a pivotal role to be played by the micro-finance movement in the rural credit system of the country. First, over 54 per cent of NGO- supported SHGs are concentrated in four southern states or over 48 per cent within them in Andhra Pradesh alone. SHG formations in other regions are hampered by the absence of a dedicated NGO movement. Second, women upliftment is an important goal, but the goal of poverty-alleviation has to have a wider coverage. Recent reports on progress of SHG-Bank linkage reaffirm that 90 per cent of the SHGs continue to comprise only of women members. When the micro-finance system is brought into the mainstream, concentration only on women SHGs will not work and formation of SHGs amongst men entrepreneurs is a much arduous task.

Third, interest rates are said to be high in micro-credit lendings mediated through NGOs and SHGs. Studies on Grameen Bank and other micro-financing schemes have emphasized how high rates of interest, while they are accepted by the poor initially because of their state of helplessness, nevertheless become a burden on their incomes and their future stream of savings. Fourth, studies express similar misgivings regarding the apparent prompt and regular loan repayments by the micro borrowers because in reality they are known to repay not out of the income stream flowing from assets gained, but through further borrowings; repetitive borrowings unrelated to economic activities have become a common feature.

Finally, the micro-credit system cannot be a substitute for the large credit needs of the poor in general – the objective of socio-economic empowerment of the poor households in a village would be better served only if all sections of the village – myriad small and marginal farmers, farm households in general, village artisans, and other household enterprises – partake the benefits of increased institutional credit but such a requirement is unlikely to be served without co-opting the borrowing needs of all small borrowing households as a responsibility of the banking system and not just the NGO-supported and SHG-based micro enterprises.

The RBI has just given credence to the estimates of Rs. 450,000 crore as the credit requirements of small borrowers which the existing framework of SHG movement cannot satisfy. Banks, which have in recent years, shied away from small borrowal accounts, should treat MFI movement as part of their mainstream banking.

(vii) Effective implementation of the measures of ‘financial inclusion’

As cited in the previous section, at the all-India level, as much as 46 million farm households (or 52 per cent) out of a total of 89 million remain excluded from any form of debt facilities. A large number of them are small and marginal farmers. Of the 43 million who are indebted only 25 million enjoy the benefits of institutional loans. Thus, there is the need for bringing in 72 per cent of the farm households (i.e., 65 million out of 89 million) into the institutional fold for credit delivery. This deprivation has been the steepest in central, eastern and north-eastern regions. Thus, ‘financial inclusion’ encompasses two tasks: first, improving the share of institutional credit flow to those who are heavily indebted to non-institutional sources; and

second, extending institutional credit to those farmer households which do not have access to any source of finance.

The issue of ‘financial exclusion’ can be addressed only by a multi-pronged approach: expanding the branch network and improving the overall credit architecture if necessary with link-ups with the local institutions, increasing credit-deposit ratios in underdeveloped regions and implementing effectively the series of working group recommendations for better credit delivery for the farm community in particular.

(viii) Credit architecture for central, eastern and north-eastern regions to be placed on a mission mode.

All the measures suggested above, which would go to strengthen the institutional credit structure in the country, should be prioritised for making the most exiting impact by covering these underdeveloped regions; the promotion of credit architecture should thus be placed on a mission mode in central, eastern and north-eastern regions. It must be noted that the existing system of opening deposit accounts for the poor in north-east and some other selected districts as part of ‘financial inclusion’ is a misconceived idea; it is not a solution to the crying credit needs of the poor.<sup>19</sup>

(ix) Systematic monitoring of credit guidelines

There have been a plethora of guidelines issued by the RBI and the government but implementation has been truly weak and slack. There is, therefore, the need for systematic monitoring of the effective implementation of various guidelines, both at the level of the RBI and NABARD and also at the individual bank levels. The RBI bestows enormous amount of efforts at monitoring various prudential norms of banks and financial institutions; it is necessary that the RBI assigns the same sanctity to the social goals of banking operations. In this respect, it is easy for the RBI to enforce the guidelines wherein there are quantitative targets to be achieved. In the case of others where guidelines do not indicate specific targets but only broad policy intentions, the RBI and NABARD have to monitor the organisational arrangements including branch-spread and manning of branches attempted by banks for effective implementation of various guidelines.

<sup>19</sup> One such plan of action is contained in the recommendations of Report of the Committee on Financial Sector Plan for North Eastern Region (Reserve Bank of India, July 2006a).

- (x) Need for streamlining the data base on agricultural credit

Though incidental, it is necessary for NABARD and RBI to take a fresh look at their data base on bank credit outstanding. This is also related to the lackadaisical approach adopted in monitoring of credit targets and guidelines for agriculture and other informal sectors. It is found by research scholars that the data on agricultural advances as put out by NABARD and RBI tend to overstate amounts of the outstanding credit

when compared with the data obtained from the RBI's Basic Statistical Returns, which directly come from the branches and which are said to be more reliable – an issue that has been highlighted earlier. It is reported that the reported data on agricultural advances are found to be faulty when they are subjected to auditing which is a requirement for claiming government subvention for the concessional interest rate provided to the farmers on bank loans.

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**Annexure A: Outstanding Credit of Scheduled Commercial Banks Against Agriculture, Small-Scale Industries**

(Amount in rupees lakh)								
Year	1) Agriculture				2) Other Small Scale Industries			
	No. of Accounts	Per Cent to All India	Amount Outstanding	Per Cent to All India	No. of Accounts	Per Cent to All India	Amount Outstanding	Per Cent to All India
Dec-72	1371975	31.6	50091	9.0	172685	4.0	65926	11.9
Jun-73	1455103	31.1	57165	9.0	193546	4.1	75889	12.0
Dec-73	1806363	32.0	66477	9.4	213657	3.8	87635	12.4
Jun-74	1842359	33.4	70874	8.9	229511	4.2	100510	12.6
Dec-74	2210826	36.6	83034	10.2	238682	4.0	104221	12.8
Jun-75	2342480	37.9	96870	10.8	247067	4.0	111754	12.4
Dec-75	3042170	41.3	107058	10.7	262301	3.6	117796	11.8
Jun-76	3428582	41.2	121422	10.4	288220	3.5	125095	10.7
Dec-76	4349042	41.9	138251	10.5	334640	3.2	135276	10.3
Jun-77	4382374	40.8	139942	10.4	358640	3.3	146216	10.9
Dec-77	5423762	44.3	173405	11.5	418340	3.4	174673	11.5
Jun-78	5845609	44.9	196098	12.3	451998	3.5	184770	11.6
Dec-78	7059556	47.2	234233	13.2	498914	3.3	207973	11.7
Jun-79	7333791	47.7	252114	13.2	534318	3.5	227735	11.9
Dec-79	8776469	49.5	292895	14.2	534318	3.0	257600	12.5
Jun-80	9008669	50.0	315204	14.8	602630	3.3	253409	11.9
Dec-80	10339615	51.1	372232	15.7	668570	3.3	284416	12.0
Jun-81	10611697	51.1	416022	16.7	698463	3.4	306778	12.3
Dec-81	11231727	50.5	486330	17.1	765431	3.4	353315	12.4
Jun-82	11882278	50.5	507594	17.2	863386	3.7	353698	12.0
Dec-82	12146981	50.8	563855	16.6	868964	3.6	391603	11.6
Jun-83	12870122	50.3	578599	16.5	925696	3.6	385688	11.0
Dec-83	13992651	50.4	614166	15.8	1475229	5.3	477424	12.3
Jun-84	14615538	49.5	765477	17.7	1621488	5.5	541221	12.5
Dec-84	15844321	50.2	807286	17.5	1714985	5.4	622602	13.5
Jun-85	16628244	49.5	882024	17.6	1962234	5.8	662911	13.3
Dec-85	18276338	50.2	884959	16.9	2091909	5.7	616248	11.8
Jun-86	18977234	48.9	977027	17.4	2308152	6.0	691761	12.3
Dec-86	20341699	48.9	1010460	16.8	2504821	6.0	706519	11.7
Jun-87	20794441	47.9	1101875	17.3	2709011	6.2	762147	12.0
Dec-87	21907916	47.4	1211236	17.7	2868501	6.2	880023	12.9
Jun-88	22386610	46.7	1251661	17.6	3024324	6.3	949344	13.3
Dec-88	23630536	46.2	1384669	17.4	3246641	6.3	1040095	13.0
Jun-89	23571891	45.2	1526580	17.3	3364221	6.5	1182063	13.4
Mar-90	24520595	45.5	1662607	15.9	1606146	3.0	1198563	11.5
Mar-91	27257093	44.0	1857338	15.0	2095396	3.4	1551199	12.5
Mar-92	27736718	42.1	2023764	14.8	2187874	3.3	1640863	12.0
Mar-93	26216787	42.2	2206022	13.6	2070868	3.3	1826393	11.2
Mar-94	25535132	42.8	2287287	13.0	1994446	3.3	1992001	11.3
Mar-95	24813999	42.7	2494802	11.8	1946931	3.4	2172196	10.3
Mar-96	24188573	42.7	2880896	11.3	1752054	3.1	2582270	10.1
Mar-97	22524364	40.5	3163415	11.1	1737692	3.1	2679332	9.4
Mar-98	21720055	40.5	3526252	10.7	1605370	3.0	2862829	8.7
Mar-99	19788385	37.8	4088926	10.7	2029920	3.9	3142843	8.2
Mar-00	20532891	37.8	4563827	9.9	2126150	3.9	3506987	7.6
Mar-01	19843289	37.9	5173035	9.6	1742544	3.3	3690487	6.9
Mar-02	20351184	36.1	6400855	9.8	1572798	2.8	3197030	4.9
Mar-03	20840434	35.0	7593522	10.0	1431421	2.4	3794034	5.0
Mar-04	21304168	32.1	9624504	10.9	718056	1.1	3843255	4.4
Mar-05	26656308	34.6	12438487	10.8	939186	1.2	4707642	4.1
Mar-06	29068113	34.0	17268407	11.4	1048960	1.2	5516398	3.6

Source: RBI, Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006 (Vol.35) and earlier issues

**Annexure B: Direct and Indirect Credit of Scheduled Commercial Banks to Agriculture**

Year	I) AGRICULTURE TOTAL			A) DIRECT FINANCE				B) INDIRECT FINANCE			
	No. of Accounts	Per Cent to All India	Amount Outstanding	No. of Accounts	Per Cent to Agri Total	Amount Outstanding	Per Cent to All-India	No. of Accounts	Per Cent to Agri Total	Amount Outstanding	Per Cent to All-India
Dec-72	1371975	31.6	50091	1218422	88.8	23681	47.3	102494	7.5	12504	25.0
Jun-73	1455103	31.1	57165	1275200	87.6	26208	45.8	109379	7.5	16222	28.4
Dec-73	1806363	32.0	66477	1571419	87.0	33315	50.1	140634	7.8	15188	22.8
Jun-74	1842359	33.4	70874	1595868	86.6	34877	49.2	137153	7.4	17109	24.1
Dec-74	2210826	36.6	83034	1929074	87.3	41785	50.3	143255	6.5	20208	24.3
Jun-75	2342480	37.9	96870	2171472	92.7	52212	53.9	156182	6.7	31079	32.1
Dec-75	3042170	41.3	107058	2656887	87.3	58936	55.1	191383	6.3	25076	23.4
Jun-76	3428582	41.2	121422	3208940	93.6	73750	60.7	203925	5.9	32588	26.8
Dec-76	4349042	41.9	138251	3754071	86.3	83167	60.2	263627	6.1	25643	18.5
Jun-77	4382374	40.8	139942	4119024	94.0	94932	67.8	243232	5.6	29985	21.4
Dec-77	5423762	44.3	173405	5116317	94.3	131096	75.6	307445	5.7	42309	24.4
Jun-78	5845609	44.9	196098	5509597	94.3	140503	71.6	336012	5.7	55595	28.4
Dec-78	7059556	47.2	234233	6667886	94.4	180219	76.9	391870	5.6	54014	23.1
Jun-79	7333791	47.7	252114	6964689	95.0	194574	77.2	369102	5.0	57540	22.8
Dec-79	8776489	49.5	292895	8348239	95.1	231434	79.0	428230	4.9	61461	21.0
Jun-80	9008669	50.0	315204	8601344	95.5	241779	76.7	407325	4.5	73425	23.3
Dec-80	10339615	51.1	372232	9920498	95.9	288662	77.5	419117	4.1	83570	22.5
Jun-81	10611697	51.1	416022	10264381	96.7	303267	72.9	347316	3.3	112755	27.1
Dec-81	11231727	50.5	486330	10857070	96.7	375646	77.2	374657	3.3	110684	22.8
Jun-82	11882278	50.5	507594	11515373	96.9	380306	74.9	366905	3.1	127288	25.1
Dec-82	12146981	50.8	563855	11795375	97.1	418952	74.3	351606	2.9	144903	25.7
Jun-83	12870122	50.3	578599	12503298	97.1	425964	73.6	366824	2.9	152635	26.4
Dec-83	13992651	50.4	614166	13668236	97.7	512446	83.4	324415	2.3	101720	16.6
Jun-84	14615538	49.5	765477	14278443	97.7	614351	80.3	337095	2.3	151125	19.7
Dec-84	15844321	50.2	807286	15513154	97.9	650156	80.5	331167	2.1	157131	19.5
Jun-85	16628244	49.5	882024	16298306	98.0	733892	83.2	329938	2.0	148132	16.8
Dec-85	18276338	50.2	894959	17909463	98.0	754987	85.3	366875	2.0	129972	14.7
Jun-86	18977234	48.9	977027	18627601	98.2	831223	85.1	349633	1.8	145804	14.9
Dec-86	20341699	48.9	1010460	20002064	98.3	858654	85.0	339635	1.7	151806	15.0
Jun-87	20794441	47.9	101875	20447073	98.3	931822	84.6	347368	1.7	170053	15.4
Dec-87	21907916	47.4	1211236	21571143	98.5	1033715	85.3	336773	1.5	177521	14.7
Jun-88	22386610	46.7	1251661	22043027	98.5	1079366	86.2	343583	1.5	172295	13.8
Dec-88	23630536	46.2	1384669	23275141	98.5	1217617	87.9	355395	1.5	167052	12.1
Jun-89	23571891	45.2	1526580	23228724	98.5	1338978	87.7	343167	1.5	187602	12.3
Dec-89	24520595	45.5	1662607	24080094	98.2	1443532	86.8	440501	1.8	219075	13.2
Jun-90	27736718	44.0	1857338	26799101	98.3	1597132	86.0	457992	1.7	260206	14.0
Dec-90	28216787	42.2	2206022	27344748	98.6	1783555	88.1	391970	1.4	240208	11.9
Jun-91	25535132	42.8	2287287	25798375	98.4	1949350	88.4	418412	1.6	256672	11.6
Dec-91	24813999	42.7	2494802	24437780	98.3	1966974	86.0	436214	1.7	320312	14.0
Jun-92	24188573	42.7	2880896	23868444	98.7	2455613	85.2	376219	1.5	352750	14.1
Dec-92	22524364	40.5	3163415	22224763	98.7	2721736	86.0	425282	1.3	441680	14.0
Jun-93	21720055	40.5	3526252	21407723	98.6	3050890	86.5	312332	1.4	475362	13.5
Dec-93	19788385	37.8	4088926	19520405	98.6	3394114	83.0	267980	1.4	694812	17.0
Jun-94	20532891	37.8	4563827	20214350	98.4	3856079	84.5	318541	1.6	707748	15.5
Dec-94	19843289	37.9	5173035	19564089	98.6	4342026	83.9	279200	1.4	831008	16.1
Jun-95	20351184	36.1	6400855	19740112	97.0	4743042	74.1	611072	3.0	1657813	25.9
Dec-95	20840434	35.0	7593522	20195464	96.9	5905756	77.8	644970	3.1	1687766	22.2
Jun-96	21304168	32.1	9624504	20719954	97.3	7009873	72.8	584214	2.7	2614631	27.2
Dec-96	26656308	34.6	12438487	26010380	97.6	9463537	76.1	645928	2.4	2974950	23.9
Jun-97	29068113	34.0	17268407	28418193	97.8	12456294	72.1	649920	2.2	4812113	27.9

Source: As in Annexure A

**Annexure C: Population Group-wise Agriculture Credit of Scheduled Commercial Banks in India**

Year	Rural+Semi-Urban				Urban+Metropolitan				Total				
	No. of Accounts	Per Cent to Total	Amount	y-o-y growth	Per Cent to Total	No. of Accounts	Per Cent to Total	Amount	y-o-y growth	Per Cent to Total	No. of Accounts	Per Cent to Total	Agriculture Credit
Jun-80	8157363	90.6	221122		70.2	851306	9.4	94082		29.8	9008669	315204	
Jun-81	9495248	89.5	287730	30.1	69.2	1116449	10.5	128292	36.4	30.8	10611697	416022	32.0
Jun-82	10877442	91.5	364218	26.6	71.8	1004836	8.5	143376	11.8	28.2	11882278	507594	22.0
Jun-83	11474361	89.2	403303	10.7	69.7	1395761	10.8	175296	22.3	30.3	12870122	578599	14.0
Jun-84	13270297	90.8	567382	40.7	74.1	1345241	9.2	198095	13.0	25.9	14615538	765477	32.3
Jun-85	15122289	90.9	683213	20.4	77.5	1505955	9.1	198811	0.4	22.5	16628244	882024	15.2
Jun-86	17306931	91.2	761234	11.4	77.9	1670303	8.8	215795	8.5	22.1	18977234	977029	10.8
Jun-87	18994650	91.3	857375	12.6	77.8	1799791	8.7	244498	13.3	22.2	20794441	1101873	12.8
Jun-88	20554993	91.8	991532	15.6	79.2	1831617	8.2	260128	6.4	20.8	22386610	1251660	13.6
Jun-89	21770675	92.4	1209812	22.0	79.2	1801217	7.6	316769	21.8	20.8	23571892	1526581	22.0
Mar-90	22738331	92.7	1414963	17.0	85.1	1782264	7.3	247645	-21.8	14.9	24520595	1662608	8.9
Mar-91	25323737	92.9	1560621	10.3	84.0	1933356	7.1	296719	19.8	16.0	27257093	1857340	11.7
Mar-92	25946430	93.5	1721868	10.3	85.1	1790288	6.5	301896	1.7	14.9	27736718	2023764	9.0
Mar-93	24687413	94.2	1852577	7.6	84.0	1529374	5.8	353444	17.1	16.0	26216787	2206021	9.0
Mar-94	24177377	94.7	1908658	3.0	83.4	1357755	5.3	378630	7.1	16.6	25535132	2287288	3.7
Mar-95	23302918	93.9	2088243	9.4	83.7	1511081	6.1	406559	7.4	16.3	24813999	2494802	9.1
Mar-96	22723665	93.9	2334249	11.8	81.0	1464908	6.1	546646	34.5	19.0	24188573	2880895	15.5
Mar-97	21188389	94.1	2519416	7.9	79.6	1335975	5.9	643999	17.8	20.4	22524364	3163415	9.8
Mar-98	20513822	94.4	2825698	12.2	80.1	1206233	5.6	700554	8.8	19.9	21720055	3526252	11.5
Mar-99	18782640	94.9	3182862	12.6	77.8	1005745	5.1	906063	29.3	22.2	19788385	4088925	16.0
Mar-00	19475312	94.8	3610965	13.5	79.1	1057579	5.2	952862	5.2	20.9	20532891	4563827	11.6
Mar-01	18643228	94.0	4013929	11.2	77.6	1200061	6.0	1159106	21.6	22.4	19843289	5173035	13.3
Mar-02	19343338	95.0	4649651	15.8	72.6	1007846	5.0	1751204	51.1	27.4	20351184	6400855	23.7
Mar-03	19837120	95.2	5522910	18.8	72.7	1003314	4.8	2070612	18.2	27.3	20840434	7593522	18.6
Mar-04	20173953	94.7	6362353	15.2	66.1	1130215	5.3	3262150	57.5	33.9	21304168	9624503	26.7
Mar-05	25209573	94.6	8622419	35.5	69.3	1446735	5.4	3816069	17.0	30.7	26656308	12438488	29.2
Mar-06	26891025	92.5	10778710	25.0	62.4	2177088	7.5	6489697	70.1	37.6	29068113	17268407	38.8

From June 1980 to June 1983 classification is based on 1971 Census

From June 1984 to March 1994 classification is based on 1981 Census

From March 1995 to March 2005 classification of centres is based on 1991 Census data.

From March 2006 classification is based on 2001 Census

Source: As in Annexure A



**Annexure D: Size-wise Distribution of Outstanding Credit of Scheduled Commercial Banks to Agriculture**

(Amount in rupees lakh)												
Mar-06												
CREDIT LIMIT RANGE	Agriculture						Indirect Finance					
	No of Accounts	Per Cent to Total	Amount Outstanding	Per Cent to Total	Per Cent to Total	No of Accounts	Per Cent to Total	Amount Outstanding	Per Cent to Total	Per Cent to Total	No of Accounts	Per Cent to Total
Rs. 25,000 and Less	17802496	61.2	2297948	13.3	17422090	61.3	2252602	18.1	380406	58.5	45346	0.9
Above Rs.25,000 and upto Rs. 2 Lakh	10052949	34.6	5424408	31.4	9865661	34.7	5318783	42.7	187288	28.8	105625	2.2
Above Rs.2 Lakh & Upto Rs. 10 Lakh	1159382	4.0	3398230	19.7	1097417	3.9	3173862	25.5	61965	9.5	224368	4.7
Above Rs.10 Lakh & Upto Rs.1 Crore	46047	0.2	1050643	6.1	30571	0.1	595630	4.8	15476	2.4	455013	9.5
Above Rs.1 Crore & Upto Rs.10 Crore	6215	0.0	1460591	8.5	2166	0.0	511722	4.1	4049	0.6	948869	19.7
Above Rs.10 Crore & Upto Rs.25 Crore	592	0.0	738410	4.3	215	0.0	278078	2.2	377	0.1	460332	9.6
Above Rs. 25 Crore	432	0.0	2898179	16.8	73	0.0	325618	2.6	359	0.1	2572561	53.5
<b>Total</b>	<b>29068113</b>	<b>100</b>	<b>17268409</b>	<b>100</b>	<b>28418193</b>	<b>100</b>	<b>12456295</b>	<b>100</b>	<b>649920</b>	<b>100</b>	<b>4812114</b>	<b>100</b>
Mar-05												
Rs. 25,000 and Less	17751065	66.6	2211547	17.8	17339500	66.7	2164927	22.9	411565	63.7	46620	1.6
Above Rs.25,000 and upto Rs. 2 Lakh	8089462	30.3	4236688	34.1	7926635	30.5	4143629	43.8	162827	25.2	93059	3.1
Above Rs.2 Lakh & Upto Rs. 10 Lakh	776512	2.9	2225379	17.9	721345	2.8	2022442	21.4	55167	8.5	202937	6.8
Above Rs.10 Lakh & Upto Rs.1 Crore	34212	0.1	791637	6.4	20994	0.1	422205	4.5	13218	2.0	369432	12.4
Above Rs.1 Crore & Upto Rs.10 Crore	4491	0.0	998684	8.0	1744	0.0	386881	4.1	2747	0.4	611803	20.6
Above Rs.10 Crore & Upto Rs.25 Crore	318	0.0	411633	3.3	112	0.0	135789	1.4	206	0.0	275844	9.3
Above Rs. 25 Crore	248	0.0	1562917	12.6	50	0.0	187663	2.0	198	0.0	1375254	46.2
<b>Total</b>	<b>26656308</b>	<b>100</b>	<b>12438485</b>	<b>100</b>	<b>26010380</b>	<b>100</b>	<b>9463536</b>	<b>100</b>	<b>645928</b>	<b>100</b>	<b>2974949</b>	<b>100</b>
Mar-04												
Rs. 25,000 and Less	15123748	71.0	1804078	18.7	14744306	71.2	1764022	25.2	379442	64.9	40056	1.5
Above Rs.25,000 and upto Rs. 2 Lakh	5534822	26.0	2935315	30.5	5390548	26.0	2852100	40.7	144274	24.7	83215	3.2
Above Rs.2 Lakh & Upto Rs. 10 Lakh	613081	2.9	1696685	17.6	567321	2.7	1529906	21.8	45760	7.8	166779	6.4
Above Rs.10 Lakh & Upto Rs.1 Crore	27865	0.1	664576	6.9	16426	0.1	323126	4.6	11439	2.0	341450	13.1
Above Rs.1 Crore & Upto Rs.10 Crore	4086	0.0	918270	9.5	1214	0.0	266288	3.8	2872	0.5	651982	24.9
Above Rs.10 Crore & Upto Rs.25 Crore	347	0.0	462122	4.8	91	0.0	108486	1.5	256	0.0	353636	13.5
Above Rs. 25 Crore	219	0.0	1143456	11.9	48	0.0	165944	2.4	171	0.0	977512	37.4
<b>Total</b>	<b>21304168</b>	<b>100</b>	<b>9624502</b>	<b>100</b>	<b>20719954</b>	<b>100</b>	<b>709872</b>	<b>100</b>	<b>584214</b>	<b>100</b>	<b>2614630</b>	<b>100</b>

**Annexure D: (Continued)**

CREDIT LIMIT RANGE	Agriculture						Direct Finance						Indirect Finance					
	No of Accounts	Per Cent to Total	Amount Outstanding	Per Cent to Total	No of Accounts	Per Cent to Total	Amount Outstanding	Per Cent to Total	No of Accounts	Per Cent to Total	Amount Outstanding	Per Cent to Total	No of Accounts	Per Cent to Total	Amount Outstanding	Per Cent to Total		
	Mar-03																	
Rs. 25,000 and Less	15821026	75.9	1791029	23.6	15338568	76.0	1743402	29.5	482458	74.8	47627	2.8	482458	74.8	47627	2.8		
Above Rs.25,000 and upto Rs. 2 Lakh	4618296	22.2	2608829	34.4	4512557	22.3	2542869	43.1	105739	16.4	65960	3.9	105739	16.4	65960	3.9		
Above Rs.2 Lakh & Upto Rs. 10 Lakh	371455	1.8	1063881	14.0	324743	1.6	881579	14.9	46712	7.2	182302	10.8	46712	7.2	182302	10.8		
Above Rs.10 Lakh & Upto Rs.1 Crore	25666	0.1	478754	6.3	17160	0.1	281336	4.8	8506	1.3	197418	11.7	8506	1.3	197418	11.7		
Above Rs.1 Crore & Upto Rs.10 Crore	3081	0.0	560461	7.4	1794	0.0	236480	4.0	1287	0.2	323981	19.2	1287	0.2	323981	19.2		
Above Rs.10 Crore & Upto Rs.25 Crore	628	0.0	303501	4.0	472	0.0	105735	1.8	156	0.0	197766	11.7	156	0.0	197766	11.7		
Above Rs. 25 Crore	282	0.0	787069	10.4	170	0.0	114357	1.9	112	0.0	672712	39.9	112	0.0	672712	39.9		
<b>Total</b>	<b>20840434</b>	<b>100</b>	<b>7593524</b>	<b>100</b>	<b>20195464</b>	<b>100</b>	<b>5905758</b>	<b>100</b>	<b>644970</b>	<b>100</b>	<b>1687766</b>	<b>100</b>	<b>644970</b>	<b>100</b>	<b>1687766</b>	<b>100</b>		
Mar-00																		
Rs. 25,000 and Less	17532985	85.4	1606168	35.2	17305978	85.6	1586528	41.1	227007	71.3	19640	2.8	227007	71.3	19640	2.8		
Above Rs.25,000 and upto Rs. 2 Lakh	2786916	13.6	1479265	32.4	2714085	13.4	1442747	37.4	72831	22.9	36518	5.2	72831	22.9	36518	5.2		
Above Rs.2 Lakh & Upto Rs. 10 Lakh	198109	1.0	533982	11.7	187287	0.9	494595	12.8	10822	3.4	39387	5.6	10822	3.4	39387	5.6		
Above Rs.10 Lakh & Upto Rs.1 Crore	13503	0.1	303409	6.6	6445	0.0	149903	3.9	7058	2.2	153506	21.7	7058	2.2	153506	21.7		
Above Rs.1 Crore & Upto Rs.10 Crore	1266	0.0	303612	6.7	536	0.0	120378	3.1	730	0.2	183234	25.9	730	0.2	183234	25.9		
Above Rs.10 Crore & Upto Rs.25 Crore	67	0.0	77763	1.7	13	0.0	17066	0.4	54	0.0	60697	8.6	54	0.0	60697	8.6		
Above Rs. 25 Crore	45	0.0	259627	5.7	6	0.0	44862	1.2	39	0.0	214765	30.3	39	0.0	214765	30.3		
<b>Total</b>	<b>20532891</b>	<b>100</b>	<b>4563826</b>	<b>100</b>	<b>20214350</b>	<b>100</b>	<b>3856079</b>	<b>100</b>	<b>318541</b>	<b>100</b>	<b>707747</b>	<b>100</b>	<b>318541</b>	<b>100</b>	<b>707747</b>	<b>100</b>		
Mar-95																		
Rs. 25,000 and Less	23835882	96.1	1298259	52.0	23494551	96.1	1274018	59.5	341331	90.7	24241	6.9	341331	90.7	24241	6.9		
Above Rs.25,000 and upto Rs. 2 Lakh	929666	3.7	649739	26.0	907260	3.7	633944	29.6	22406	6.0	15795	4.5	22406	6.0	15795	4.5		
Above Rs.2 Lakh & Upto Rs. 10 Lakh	38818	0.2	128244	5.1	32529	0.1	97121	4.5	6289	1.7	31123	8.8	6289	1.7	31123	8.8		
Above Rs.10 Lakh & Upto Rs. 1 Crore	8905	0.0	190299	7.6	3159	0.0	76822	3.6	5746	1.5	113477	32.2	5746	1.5	113477	32.2		
Above Rs.1 Crore & Upto Rs.10 Crore	688	0.0	139916	5.6	274	0.0	49944	2.3	414	0.1	89972	25.5	414	0.1	89972	25.5		
Above Rs.10 Crore	40	0.0	88343	3.5	7	0.0	10201	0.5	33	0.0	78142	22.2	33	0.0	78142	22.2		
<b>Total</b>	<b>24813999</b>	<b>100</b>	<b>2494800</b>	<b>100</b>	<b>24437780</b>	<b>100</b>	<b>2142050</b>	<b>100</b>	<b>376219</b>	<b>100</b>	<b>352750</b>	<b>100</b>	<b>376219</b>	<b>100</b>	<b>352750</b>	<b>100</b>		

Source: RBI, Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006 (Vol.35) and earlier issues

**Annexure E(i): Scheduled Commercial Banks' Direct Finance To Farmers According To Size Of Land Holdings (Disbursements) Short-Term And Long-Term Loans**

(Number of accounts in thousands; Amount in Rupees crore)														
Year	Up to 2.5 acres				Above 2.5 acres to 5 acres				Above 5 acres				TOTAL	
(end-June)	Number of Accounts		Amount		Number of Accounts		Amount		Number of Accounts		Amount		Number of Accounts	Amount
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1980-81*	1587	(51.7)	252	(24.9)	693	(22.6)	168	(16.6)	790	(25.7)	594	(58.5)	3070	1014
1981-82*	682	(50.6)	134	(27.8)	332	(24.6)	100	(20.7)	335	(24.8)	249	(51.6)	1349	484
1982-83	1304	(50.7)	290	(29.7)	652	(25.4)	211	(21.6)	616	(23.9)	476	(48.7)	2571	977
1983-84	1831	(49.0)	404	(26.6)	1072	(28.7)	372	(24.5)	835	(22.3)	743	(48.9)	3738	1519
1984-85	1829	(46.0)	506	(26.1)	1241	(31.2)	482	(24.8)	903	(22.7)	950	(49.0)	3972	1938
1985-86	1950	(46.8)	617	(27.5)	1232	(29.5)	589	(26.2)	988	(23.7)	1037	(46.2)	4170	2243
1986-87	2045	(45.7)	758	(27.6)	1386	(31.0)	708	(25.8)	1044	(23.3)	1278	(46.6)	4475	2744
1987-88	2236	(47.4)	824	(28.0)	1442	(30.6)	760	(25.8)	1038	(22.0)	1360	(46.2)	4716	2945
1988-89	2191	(47.3)	881	(27.6)	1453	(31.4)	835	(26.2)	990	(21.4)	1471	(46.1)	4634	3187
1989-90	2057	(47.4)	1033	(29.3)	1337	(30.8)	890	(25.2)	947	(21.8)	1607	(45.5)	4341	3530
1990-91	1960	(48.1)	1181	(30.2)	1219	(29.9)	952	(24.3)	899	(22.0)	1782	(45.5)	4078	3915
1991-92	1862	(45.4)	1172	(28.8)	1289	(31.4)	1013	(24.9)	949	(23.2)	1887	(46.3)	4100	4072
1992-93	1871	(44.5)	1171	(27.8)	1336	(31.8)	1033	(24.6)	1000	(23.8)	2003	(47.6)	4206	4206
1993-94	1886	(42.7)	1312	(28.8)	1341	(30.4)	1176	(25.8)	1192	(27.0)	2070	(45.4)	4419	4558
1994-95	2032	(42.2)	1692	(27.6)	1518	(31.5)	1474	(24.0)	1261	(26.2)	2970	(48.4)	4812	6137
1995-96	2024	(37.4)	2001	(26.1)	1689	(31.2)	1952	(25.5)	1703	(31.4)	3703	(48.4)	5416	7657
1996-97	2076	(37.8)	2176	(24.2)	1676	(30.5)	2289	(25.5)	1745	(31.7)	4511	(50.3)	5496	8976
1997-98	2104	(39.4)	2288	(24.0)	1811	(33.9)	2413	(25.3)	1420	(26.6)	4827	(50.7)	5336	9528
1998-99	2308	(39.5)	2787	(23.6)	1878	(32.1)	3181	(26.9)	1659	(28.4)	5862	(49.6)	5845	11829
1999-00	2342	(40.4)	3338	(23.8)	1871	(32.3)	3467	(24.7)	1581	(27.3)	7209	(51.4)	5794	14014
2000-01	2382	(40.8)	3740	(25.8)	1860	(31.8)	3642	(25.1)	1599	(27.4)	7135	(49.2)	5841	14516
2001-02	2679	(38.4)	4352	(26.7)	1933	(27.7)	4371	(26.8)	2359	(33.8)	7578	(46.5)	6970	16300
2002-03	2494	(38.9)	4834	(22.1)	1934	(30.2)	5578	(25.5)	1983	(30.9)	11445	(52.4)	6411	21857
2003-04	3711	(42.8)	7953	(24.9)	2695	(31.1)	7340	(23.0)	2259	(26.1)	16592	(52.0)	8665	31885
2004-05	4478	(44.0)	10833	(26.3)	3172	(31.1)	10550	(25.7)	2535	(24.9)	19735	(48.0)	10185	41119

\* - As at end-March  
 Figures in brackets represent percentages to total.  
 Source: RBI 2007 : Handbook of Statistics on the Indian Economy, 2006-07, p.115.

**Annexure E(ii): Scheduled Commercial Banks' Direct Finance To Farmers According To Size Of Land Holdings (Outstandings) Short-Term And Long-Term Loans**

(Number of accounts in thousands; Amount in Rupees crore)														
Year	Up to 2.5 acres				Above 2.5 acres to 5 acres				Above 5 acres				TOTAL	
(end-June)	Number of Accounts		Amount		Number of Accounts		Amount		Number of Accounts		Amount		Number of Amount Accounts	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
1980-81*	3017	(45.8)	477	(20.5)	1645	(25.0)	396	(17.0)	1931	(29.3)	1454	(62.5)	6593	2326
1981-82*	3202	(44.8)	611	(21.5)	1821	(25.5)	511	(18.0)	2119	(29.7)	1720	(60.5)	7142	2842
1982-83	3573	(43.4)	762	(22.5)	2147	(26.1)	668	(19.7)	2504	(30.4)	1963	(57.8)	8224	3393
1983-84	4029	(44.7)	948	(22.0)	2564	(28.5)	911	(21.2)	2414	(26.8)	2444	(56.8)	9007	4302
1984-85	4397	(43.8)	1158	(22.0)	3001	(29.9)	1158	(22.0)	2649	(26.4)	2941	(55.9)	10046	5258
1985-86	5104	(43.3)	1526	(22.8)	3557	(30.1)	1483	(22.2)	3135	(26.6)	3678	(55.0)	11796	6687
1986-87	5227	(43.4)	1682	(22.8)	3707	(30.8)	1683	(22.8)	3116	(25.9)	4023	(54.5)	12050	7388
1987-88	5871	(43.2)	2015	(22.2)	4190	(30.8)	2044	(22.5)	3542	(26.0)	5029	(55.3)	13603	9088
1988-89	6073	(43.3)	2324	(23.0)	4354	(31.1)	2312	(22.9)	3593	(25.6)	5460	(54.1)	14020	10096
1989-90	6082	(43.0)	2727	(22.9)	4351	(30.8)	2673	(22.5)	3706	(26.2)	6494	(54.6)	14140	11894
1990-91	6137	(43.7)	2895	(23.4)	4346	(30.9)	2870	(23.2)	3563	(25.4)	6624	(53.5)	14045	12389
1991-92	6063	(42.8)	3239	(24.3)	4439	(31.3)	3050	(22.8)	3669	(25.9)	7058	(52.9)	14170	13346
1992-93	6057	(42.1)	3437	(24.2)	4460	(31.0)	3328	(23.4)	3878	(26.9)	7444	(52.4)	14395	14210
1993-94	6007	(43.1)	3595	(24.1)	4282	(30.8)	3411	(22.9)	3637	(26.1)	7902	(53.0)	13926	14908
1994-95	5463	(42.0)	3889	(24.4)	4047	(31.1)	3659	(23.0)	3492	(26.9)	8359	(52.6)	13002	15906
1995-96	5557	(41.9)	4326	(24.2)	4255	(32.1)	4295	(24.0)	3461	(26.1)	9265	(51.8)	13273	17885
1996-97	5296	(40.5)	4894	(24.0)	4219	(32.2)	5033	(24.7)	3575	(27.3)	10469	(51.3)	13090	20396
1997-98	4890	(39.8)	5058	(22.7)	4034	(32.9)	5442	(24.5)	3354	(27.3)	11752	(52.8)	12278	22252
1998-99	4408	(38.3)	5511	(23.1)	3711	(32.2)	5680	(23.8)	3389	(29.4)	12651	(53.1)	11507	23842
1999-00	4544	(38.8)	6185	(22.6)	3777	(32.3)	6445	(23.6)	3379	(28.9)	14719	(53.8)	11700	27349
2000-01	4600	(38.8)	7215	(22.9)	3689	(31.1)	7308	(23.2)	3555	(30.0)	16963	(53.9)	11844	31486
2001-02	4902	(40.0)	8759	(23.3)	3961	(32.3)	9686	(25.8)	3394	(27.7)	19083	(50.8)	12257	37529
2002-03	4749	(37.5)	9813	(21.8)	4092	(32.3)	11316	(25.2)	3835	(30.3)	23831	(53.0)	12676	44961
2003-04	6086	(39.9)	14805	(25.7)	4806	(31.5)	13974	(24.3)	4377	(28.7)	28786	(50.0)	15268	57565
2004-05	7299	(39.6)	20499	(26.1)	5874	(31.8)	20759	(26.5)	5274	(28.6)	37218	(47.4)	18447	78476

\* - As at end-March  
 Figures in brackets represent percentages to total.  
 Source: RBI 2007 : *Handbook of Statistics on the Indian Economy, 2006-07*, p.116.

## Annexure F: Outstanding Credit of Scheduled Commercial Banks according to Size of Credit Limit

(Amount in Rupees Crore)									
All Loan Accounts				Loan Accounts with Rs. 25,000 and Less					
Year	No. of Accounts	Credit Limit	Amount Outstanding	No. of Accounts		Credit Limit		Amount Outstanding	
Mar-06	85,435,381	2118527	1513842	38,419,104	(45.0)	56430	(2.7)	45217	(3.0)
Mar-05	77,150,794	1646266	1152468	38,732,564	(50.2)	54877	(3.3)	42992	(3.7)
Mar-04	66,390,290	1176959	880312	36,766,092	(55.4)	49745	(4.2)	38555	(4.4)
Mar-03	59,491,187	995134	755969	36,872,666	(62.0)	47531	(4.8)	41038	(5.4)
Mar-02	56,388,379	855428	655994	37,322,523	(66.2)	45639	(5.3)	38501	(5.9)
Mar-01	52,364,395	686951	538434	37,252,319	(71.1)	42942	(6.3)	37816	(7.0)
Mar-00	54,370,397	569096	460081	39,275,614	(72.2)	41514	(7.3)	36409	(7.9)
Mar-99	52,305,456	475451	382425	42,747,346	(81.7)	43740	(9.2)	38285	(10.0)
Mar-98	53,583,956	397330	329944	46,828,393	(87.4)	44079	(11.1)	41095	(12.5)
Mar-97	55,617,917	350617	284373	50,094,017	(90.1)	41732	(11.9)	37446	(13.2)
Mar-96	56,672,429	308579	254692	51,904,658	(91.6)	40138	(13.0)	36253	(14.2)
Mar-95	58,097,104	257782	210939	53,914,923	(92.8)	37350	(14.5)	34060	(16.1)
Mar-94	59,650,805	217330	175891	55,810,055	(93.6)	35418	(16.3)	32188	(18.3)
Mar-93	62,116,396	198765	162467	58,520,533	(94.2)	35801	(18.0)	32091	(19.8)
Mar-92	65,860,730	160643	136706	62,547,660	(95.0)	34898	(21.7)	29945	(21.9)
Mar-91	61,946,755	146547	124203	58,784,192	(94.9)	31462	(21.5)	27323	(22.0)
Mar-90	53,850,686	121654	104312	51,179,961	(95.0)	26111	(21.5)	24147	(23.1)
June-89	52,113,457	106720	88027	49,716,838	(95.4)	23891	(22.4)	22330	(25.4)
Dec-88	51,138,122	97797	79782	48,915,942	(95.7)	22784	(23.3)	20258	(25.4)
June-88	47,980,806	88552	71285	45,886,313	(95.6)	20378	(23.0)	17954	(25.2)
Dec-87	46,214,365	84288	68278	44,236,197	(95.7)	19187	(22.8)	16820	(24.6)
June-87	43,435,976	79305	63727	41,620,163	(95.8)	17505	(22.1)	15444	(24.2)
Dec-86	41,635,326	74072	60216	39,924,897	(95.9)	16187	(21.9)	13929	(23.1)
June-86	38,789,013	72280	56182	37,142,794	(95.8)	14887	(20.6)	12615	(22.5)
Dec-85	36,411,734	66164	52228	34,863,109	(95.7)	13113	(19.8)	11236	(21.5)
June-85	33,610,827	66156	49995	32,137,451	(95.6)	11795	(17.8)	10028	(20.1)
Dec-84	31,581,587	59236	46075	30,240,469	(95.8)	10678	(18.0)	9202	(20.0)
June-84	29,536,919	56504	43326	28,211,113	(95.5)	9819	(17.4)	8897	(20.5)
Dec-83	27,747,255	51906	38922	26,521,062	(95.6)	8923	(17.2)	7624	(19.6)
All Loan Accounts				Loan Accounts with Rs. 10,000 and Less					
June-83	25,563,433	48336	35020	23,682,160	(92.6)	6286	(13.0)	5089	(14.5)
Dec-82	23,911,243	46665	33897	22,141,054	(92.6)	6027	(12.9)	4979	(14.7)
June-82	23,515,960	40591	29590	21,876,676	(93.0)	5617	(13.8)	4582	(15.5)
Dec-81	22,256,766	39731	28392	20,663,665	(92.8)	5071	(12.8)	4265	(15.0)
Jun-81	20,746,754	34812	24875	19,306,504	(93.1)	4427	(12.7)	3553	(14.3)
Dec-80	20,248,295	33867	23674	18,920,017	(93.4)	4087	(12.1)	3453	(14.6)
June-80	18,033,857	30460	21312	16,831,945	(93.3)	3508	(11.5)	2886	(13.5)
Dec-79	17,717,729	28915	20638	16,579,212	(93.6)	3276	(11.3)	2784	(13.5)
June-79	15,383,408	27257	19163	14,336,083	(93.2)	2769	(10.2)	2336	(12.2)
Dec-78	14,943,076	24777	17744	13,973,023	(93.5)	2614	(10.5)	2240	(12.6)
June-78	13,006,528	24058	15961	12,137,248	(93.3)	2144	(8.9)	1816	(11.4)
Dec-77	12,231,258	22108	15144	11,427,656	(93.4)	1945	(8.8)	1688	(11.1)
June-77	10,749,740	20396	13457	10,016,162	(93.2)	1893	(9.3)	1393	(10.4)
Dec-76	10,369,706	19393	13132	9,672,779	(93.3)	1692	(8.7)	1411	(10.7)
June-76	8,316,944	18058	11678	7,673,562	(92.3)	1319	(7.3)	1110	(9.5)
Dec-75	7,359,082	15703	10015	6,754,036	(91.8)	1235	(7.9)	985	(9.8)
June-75	6,179,638	14629	9011	5,607,332	(90.7)	1040	(7.1)	831	(9.2)
Dec-74	6,040,902	13425	8151	5,490,572	(90.9)	1063	(7.9)	792	(9.7)
June-74	5,520,059	13876	7999	4,984,855	(90.3)	995	(7.2)	710	(8.9)
Dec-73	5,651,122	12246	7091	5,141,698	(91.0)	876	(7.2)	695	(9.8)
June-73	4,682,435	11195	6333	4,222,051	(90.2)	768	(6.9)	562	(8.9)
Dec-72	4,340,205	10587	5553	3,923,638	(90.4)	884	(8.4)	502	(9.0)

Note: Figures in brackets are percentage to total

Source: RBI, Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006 (Vol.35) and earlier issues

**Annexure G:** Estimated number of Rural Households and Total and Indebted Farmer Households

<i>State/Region</i>	<i>Estimated Number of Rural Households</i>		<i>Estimated Number of Farmer Households - 2003</i>		<i>Estimated Number of Indebted Farmer</i>		<i>Percentage of Farmer Households Indebted</i>
<b>Northern Region</b>	<b>83667</b>	<b>(5.7)</b>	<b>56380</b>	<b>(6.3)</b>	<b>28432</b>	<b>(6.5)</b>	<b>50.4</b>
Haryana	31474	(2.1)	19445	(2.2)	10330	(2.4)	53.1
Himachal Pradesh	11928	(0.8)	9061	(1.0)	3030	(0.7)	33.4
Jammu & Kashmir	10418	(0.7)	9432	(1.1)	3003	(0.7)	31.8
Punjab	29847	(2.0)	18442	(2.1)	12069	(2.8)	65.4
<b>North-Eastern Region</b>	<b>70915</b>	<b>(4.8)</b>	<b>34874</b>	<b>(3.9)</b>	<b>6870</b>	<b>(1.6)</b>	<b>19.7</b>
Arunachal Pradesh	15412	(1.0)	1227	(0.1)	72	(0.0)	5.9
Assam	41525	(2.8)	25040	(2.8)	4536	(1.0)	18.1
Manipur	2685	(0.2)	2146	(0.2)	533	(0.1)	24.8
Meghalaya	3401	(0.2)	2543	(0.3)	103	(0.0)	4.1
Mizoram	942	(0.1)	780	(0.1)	184	(0.0)	23.6
Nagaland	973	(0.1)	805	(0.1)	294	(0.1)	36.5
Tripura	5977	(0.4)	2333	(0.3)	1148	(0.3)	49.2
<b>Eastern Region</b>	<b>342461</b>	<b>(23.2)</b>	<b>211140</b>	<b>(23.6)</b>	<b>84396</b>	<b>(19.4)</b>	<b>40.0</b>
Bihar	116853	(7.9)	70804	(7.9)	23383	(5.4)	33.0
Jharkhand	36930	(2.5)	28238	(3.2)	5893	(1.4)	20.9
Orissa	66199	(4.5)	42341	(4.7)	20250	(4.7)	47.8
Sikkim	812	(0.1)	531	(0.1)	174	(0.0)	32.8
West Bengal	121667	(8.2)	69226	(7.7)	34696	(8.0)	50.1
<b>Central Region</b>	<b>363672</b>	<b>(24.6)</b>	<b>271341</b>	<b>(30.4)</b>	<b>113045</b>	<b>(26.0)</b>	<b>41.7</b>
Chhattisgarh	36316	(2.5)	27598	(3.1)	11092	(2.6)	40.2
Madhya Pradesh	93898	(6.3)	63206	(7.1)	32110	(7.4)	50.8
Uttar Pradesh	221499	(15.0)	171575	(19.2)	69199	(15.9)	40.3
Uttaranchal	11959	(0.8)	8962	(1.0)	644	(0.1)	7.2
<b>Western Region</b>	<b>251364</b>	<b>(17.0)</b>	<b>156742</b>	<b>(17.5)</b>	<b>83570</b>	<b>(19.2)</b>	<b>53.3</b>
Rajasthan	70172	(4.7)	53080	(5.9)	27828	(6.4)	52.4
Gujarat	63015	(4.3)	37845	(4.2)	19644	(4.5)	51.9
Maharashtra	118177	(8.0)	65817	(7.4)	36098	(8.3)	54.8
<b>Southern Region</b>	<b>372544</b>	<b>(25.2)</b>	<b>161578</b>	<b>(18.1)</b>	<b>117470</b>	<b>(27.1)</b>	<b>72.7</b>
Andhra Pradesh	142512	(9.6)	60339	(6.8)	49493	(11.4)	82.0
Karnataka	69908	(4.7)	40413	(4.5)	24897	(5.7)	61.6
Kerala	49942	(3.4)	21946	(2.5)	14126	(3.3)	64.4
Tamil Nadu	110182	(7.4)	38880	(4.4)	28954	(6.7)	74.5
<b>Uts</b>	<b>2325</b>	<b>(0.2)</b>	<b>732</b>	<b>(0.1)</b>	<b>372</b>	<b>(0.1)</b>	<b>50.8</b>
<b>All India</b>	<b>1478988</b>	<b>(100.0)</b>	<b>893504</b>	<b>(100.0)</b>	<b>434242</b>	<b>(100.0)</b>	<b>48.6</b>

Note: Figures in brackets are percentages to all-India total

Source: NSSO (2005), Indebtedness of Farmer Households, 59th Round (Jan-Dec 2003)

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## Annexure H: State-wise Credit to Agriculture: March 2006

(Amount in Rupees Lakh)						
Region/State/ Union Territory	No. of Bank Offices	Per Cent to Total	No. of Loan Accounts	Per Cent to Total	Agricultural Credit Outstanding	Per Cent to Total
	1	2	3	4	5	6
<b>NORTHERN REGION</b>	<b>11821</b>	<b>16.7</b>	<b>2974089</b>	<b>10.2</b>	<b>4061481</b>	<b>23.5</b>
Haryana	1764	2.5	600838	2.1	712461	4.1
Himachal Pradesh	820	1.2	166108	0.6	103674	0.6
Jammu & Kashmir	873	1.2	45811	0.2	41546	0.2
Punjab	2824	4.0	734502	2.5	880983	5.1
Rajasthan	3512	5.0	1400578	4.8	936417	5.4
Chandigarh	244	0.3	17979	0.1	219257	1.3
Delhi	1784	2.5	8273	0.0	1167143	6.8
<b>NORTH-EASTERN REGION</b>	<b>1949</b>	<b>2.8</b>	<b>446242</b>	<b>1.5</b>	<b>145835</b>	<b>0.8</b>
Arunachal Pradesh	69	0.1	10777	0.0	6541	0.0
Assam	1273	1.8	259293	0.9	87036	0.5
Manipur	78	0.1	18813	0.1	6552	0.0
Meghalaya	189	0.3	40569	0.1	19948	0.1
Mizoram	80	0.1	13811	0.0	7141	0.0
Nagaland	73	0.1	15409	0.1	4836	0.0
Tripura	187	0.3	87570	0.3	13781	0.1
<b>EASTERN REGION</b>	<b>12308</b>	<b>17.4</b>	<b>3934473</b>	<b>13.5</b>	<b>1413343</b>	<b>8.2</b>
Bihar	3647	5.2	1288697	4.4	415987	2.4
Jharkhand	1525	2.2	485829	1.7	93712	0.5
Orissa	2333	3.3	1043766	3.6	293991	1.7
Sikkim	56	0.1	6652	0.0	2607	0.0
West Bengal	4713	6.7	1106962	3.8	595673	3.4
Andaman & Nicobar Islands	34	0.0	2567	0.0	11373	0.1
<b>CENTRAL REGION</b>	<b>14104</b>	<b>19.9</b>	<b>6176074</b>	<b>21.2</b>	<b>3041622</b>	<b>17.6</b>
Chhattisgarh	1061	1.5	303608	1.0	143793	0.8
Madhya Pradesh	3563	5.0	1237474	4.3	946130	5.5
Uttar Pradesh	8562	12.1	4420100	15.2	1822164	10.6
Uttaranchal	918	1.3	214892	0.7	129535	0.8
<b>WESTERN REGION</b>	<b>10996</b>	<b>15.5</b>	<b>2464602</b>	<b>8.5</b>	<b>2973876</b>	<b>17.2</b>
Goa	357	0.5	14099	0.0	13189	0.1
Gujarat	3840	5.4	1094993	3.8	888664	5.1
Maharashtra	6771	9.6	1353759	4.7	2070747	12.0
Dadra & Nagar Haveli	12	0.0	1461	0.0	1033	0.0
Daman & Diu	16	0.0	290	0.0	243	0.0
<b>SOUTHERN REGION</b>	<b>19598</b>	<b>27.7</b>	<b>13072633</b>	<b>45.0</b>	<b>5632249</b>	<b>32.6</b>
Andhra Pradesh	5578	7.9	4952169	17.0	1801283	10.4
Karnataka	5176	7.3	1940005	6.7	1560128	9.0
Kerala	3668	5.2	1910312	6.6	580872	3.4
Tamil Nadu	5074	7.2	4225864	14.5	1672005	9.7
Lakshadweep	10	0.0	719	0.0	1301	0.0
Pondicherry	92	0.1	43564	0.1	16660	0.1
<b>ALL-INDIA</b>	<b>70776</b>	<b>100</b>	<b>29068113</b>	<b>100</b>	<b>17268406</b>	<b>100</b>

Source: RBI, Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006 (Vol.35) and earlier issues

**Annexure I: Region-wise and State-wise Agriculture Credit Share**

(Amount in Rs Lakh)										
<b>A: Regional/State Share in All-India Agriculture Credit</b>										
Region	Mar-06	Per cent to All-India	Mar-02	Per cent to All-India	Mar-92	Per cent to All-India	Dec-82	Per cent to All-India	Dec-72	Per cent to All-India
Northern	4061481	23.5	1411621	22.1	353475	17.5	123561	21.9	6584	13.1
North-Eastern	145835	0.8	58992	0.9	40558	2.0	8333	1.5	2721	5.4
Eastern	1413343	8.2	528527	8.3	227699	11.3	61077	10.8	6671	13.3
Central	3041622	17.6	1160774	18.1	359966	17.8	86615	15.4	5685	11.4
Western	2973876	17.2	1033041	16.1	307369	15.2	90126	16.0	11221	22.4
Southern	5632249	32.6	2207900	34.5	734698	36.3	194125	34.4	17209	34.4
<b>All-India</b>	<b>17268406</b>	<b>100</b>	<b>6400855</b>	<b>100</b>	<b>2023765</b>	<b>100</b>	<b>563837</b>	<b>100</b>	<b>50092</b>	<b>100</b>
Selected States										
Rajasthan	936417	5.4	409025	6.4	101329	5.0	25074	4.4	1121	2.2
Bihar	415987	2.4	148708	2.3	98663	4.9	21479	3.8	731	1.5
Jharkhand	93712	0.5	63677	1.0						
Orissa	293991	1.7	124439	1.9	44930	2.2	16566	2.9	165	0.3
West Bengal	595673	3.4	187709	2.9	83501	4.1	22966	4.1	5775	11.5
Chhattisgarh	143793	0.8	45359	0.7						
Madhya Pradesh	946130	5.5	380589	5.9	127380	6.3	26116	4.6	1038	2.1
Uttar Pradesh	1822164	10.6	693409	10.8	232586	11.5	60499	10.7	4647	9.3
Uttaranchal	129535	0.8	41417	0.6						
Gujarat	888664	5.1	375719	5.9	125247	6.2	29352	5.2	4035	8.1
Maharashtra	2070747	12.0	652498	10.2	178245	8.8	59331	10.5	7076	14.1
Andhra Pradesh	1801283	10.4	757508	11.8	242002	12.0	71074	12.6	4474	8.9
Karnataka	1560128	9.0	669503	10.5	185030	9.1	46257	8.2	4930	9.8
Kerala	580872	3.4	268543	4.2	85104	4.2	23244	4.1	1860	3.7
Tamil Nadu	1672005	9.7	505466	7.9	219634	10.9	52048	9.2	5814	11.6
<b>B: Agriculture Credit Share in each Region/State's Total Bank Credit</b>										
Region	Mar-06	Per cent Tot.Crd	Mar-02	Per cent Tot.Crd	Mar-92	Per cent Tot.Crd	Dec-82	Per cent Tot.Crd	Dec-72	Per cent Tot.Crd
Northern	4061481	12.1	1411621	10.0	353475	14.6	123561	16.4	6584	9.2
North-Eastern	145835	8.4	58992	6.1	40558	15.8	8333	18.5	2721	39.6
Eastern	1413343	10.7	528527	8.8	227699	13.5	61077	12.7	6671	6.7
Central	3041622	24.1	1160774	19.8	359966	22.6	86615	23.9	5685	13.4
Western	2973876	6.2	1033041	4.9	307369	8.0	90126	9.3	11221	5.9
Southern	5632249	13.3	2207900	12.6	734698	19.1	194125	21.6	17209	12.0
<b>All-India</b>	<b>17268406</b>	<b>11.4</b>	<b>6400855</b>	<b>9.8</b>	<b>2023765</b>	<b>14.8</b>	<b>563837</b>	<b>16.1</b>	<b>50092</b>	<b>9.0</b>
Selected States										
Rajasthan	936417	22.3	409025	23.4	101329	26.9	25074	27.3	1121	12.5
Bihar	415987	22.7	148708	22.7	98663	25.2	21479	18.4	731	3.7
Jharkhand	93712	9.5	63677	10.8						
Orissa	293991	11.4	124439	13.2	44930	20.0	16566	32.3	165	3.8
West Bengal	595673	7.7	187709	5.0	83501	7.8	22966	7.3	5775	7.6
Chhattisgarh	143793	13.3	45359	8.8						
Madhya Pradesh	946130	25.4	380589	22.8	127380	23.2	26116	25.5	1038	9.0
Uttar Pradesh	1822164	25.8	693409	20.5	232586	22.2	60499	23.3	4647	14.9
Uttaranchal	129535	17.8	41417	13.8						
Gujarat	888664	11.2	375719	10.5	125247	15.7	29352	15.3	4035	9.5
Maharashtra	2070747	5.2	652498	3.8	178245	5.9	59331	7.8	7076	4.9
Andhra Pradesh	1801283	17.8	757508	17.5	242002	23.9	71074	35.3	4474	16.6
Karnataka	1560128	12.5	669503	15.4	185030	20.5	46257	21.1	4930	13.2
Kerala	580872	11.2	268543	11.9	85104	17.0	23244	17.1	1860	10.1
Tamil Nadu	1672005	11.5	505466	7.8	219634	15.6	52048	15.7	5814	9.7

Source: As in Annexure A



## Annexure J: Population Group-Wise Outstanding Credit Of Scheduled Commercial Banks according to Place of Sanction &amp; Utilisation

(Amount in Rupees Lakh)														
RURAL														
AS PER PLACE OF SANCTION					AS PER PLACE OF UTILISATION					Extent of net		Migration of Credit		
Year	No. of Accounts	% to All India	Amount Outstanding	% to All India	C-D Ratio	No. of Accounts	% to All India	Amount Outstanding	% to All India	C-D Ratio	migration (in percent)	No. of Accounts	Amount Outstand.	Average Amount
	1		2		3	4		5		6	7	8	9	10
1990	28147793	52.3	1606785	15.4	61.2	28400861	52.7	2546750	24.4	97.1	58.5	253068	939965	3.7
1991	32282038	52.1	1859897	15.0	60.0	32465094	52.4	2664386	21.5	85.9	43.3	183056	804489	4.4
1992	33895809	51.5	2069226	15.1	57.9	34015483	51.6	2752005	20.1	77.0	33.0	119674	682779	5.7
1993	32746252	52.7	2290640	14.1	55.3	32881221	52.9	3038283	18.7	73.4	32.6	134969	747643	5.5
1994	32203250	54.0	2467035	14.0	50.0	32310293	54.2	3086300	17.5	62.6	25.1	107043	619265	5.8
1995	29200944	50.3	2517431	11.9	48.6	29406873	50.6	3352916	15.9	64.7	33.2	205929	835485	4.1
1996	28580976	50.4	2901237	11.4	47.3	28795008	50.8	3861351	15.2	63.0	33.1	214032	960114	4.5
1997	27104273	48.7	3252522	11.4	44.1	27280171	49.0	4025888	14.2	54.6	23.8	175898	773366	4.4
1998	26568062	49.6	3759808	11.4	43.4	26761082	49.9	4813214	14.6	55.5	28.0	193020	1053406	5.5
1999	24433632	46.7	4209081	11.0	41.0	24473040	46.8	5390862	14.1	52.5	28.1	39408	1181781	30.0
2000	25038199	46.1	4875339	10.6	40.4	25079582	46.1	5942576	12.9	49.3	21.9	41383	1067237	25.8
2001	22457677	42.9	5443125	10.1	39.0	22510707	43.0	6888194	12.8	49.4	26.5	53030	1445069	27.3
2002	25101576	44.5	6668190	10.2	41.8	25162856	44.6	8771289	13.4	55.0	31.5	61280	2103099	34.3
2003	25532535	42.9	7715335	10.2	43.7	25636572	43.1	10647948	14.1	60.3	38.0	104037	2932613	28.2
2004	25408923	38.3	8502095	9.7	43.6	25564806	38.5	10990745	12.5	56.3	29.3	155883	2488650	16.0
2005	29067890	37.7	10997562	9.5	51.6	29357131	38.1	16047983	13.9	75.3	45.9	289241	5050421	17.5
2006	28576751	33.4	12607834	8.3	55.8	29053685	34.0	19942287	13.2	88.2	58.2	476934	7334453	15.4
SEMI-URBAN														
1990	15559090	28.9	1787551	17.1	49.1	15459268	28.7	1759668	16.9	48.5	-1.6	-99822	-27883	0.3
1991	17478045	28.2	2030744	16.4	49.0	17420175	28.1	2080012	16.7	50.2	2.4	-57870	49268	-0.9
1992	17157526	26.1	2159928	15.8	46.4	17132429	26.0	2284209	16.7	49.0	5.8	-25097	124281	-5.0
1993	16897525	27.2	2359174	14.5	44.0	16885421	27.2	2536706	15.6	47.3	7.5	-12104	177532	-14.7
1994	16125272	27.0	2455394	14.0	39.0	16114114	27.0	2648635	15.1	42.0	7.9	-11158	193241	-17.3
1995	16843791	29.0	2839385	13.5	39.7	16854810	29.0	3180732	15.1	44.5	12.0	11019	341347	31.0
1996	15929562	28.1	3327877	13.1	40.0	15907178	28.1	3689050	14.5	44.3	10.9	-22384	361173	-16.1
1997	15908331	28.6	3738360	13.1	38.1	15838789	28.5	4060202	14.3	41.4	8.6	-69542	321842	-4.6
1998	15144681	28.3	4236013	12.8	36.6	15082849	28.1	4651029	14.1	40.2	9.8	-61832	415016	-6.7
1999	14454804	27.6	4851270	12.7	35.7	14457568	27.6	5482002	14.3	40.3	13.0	2764	630732	228.2
2000	14857984	27.3	5612744	12.2	34.7	14865267	27.3	6479048	14.1	40.0	15.4	7283	866304	118.9
2001	14043306	26.8	6173715	11.5	33.2	14046994	26.8	7110588	13.2	38.2	15.2	3688	936873	254.0
2002	15039559	26.7	7381429	11.3	34.3	15037018	26.7	9015634	13.7	41.9	22.1	-2541	1634205	-643.1
2003	15445695	26.0	8541155	11.3	35.3	15434247	25.9	10414943	13.8	43.1	21.9	-11448	1873788	-163.7
2004	16080257	24.2	10016603	11.4	37.3	16108316	24.3	11487098	13.0	42.8	14.7	28059	1470495	52.4
2005	18202838	23.6	13064117	11.3	44.2	18225926	23.6	14283629	12.4	48.3	9.3	23088	1219512	52.8
2006	21282079	24.9	15144546	10.0	50.1	21474702	25.1	17479436	11.5	57.8	15.4	192623	2334890	12.1
URBAN														
1990	6867937	12.8	2359442	22.6	55.6	6769075	12.6	2242758	21.5	52.9	-4.9	-98862	-116684	1.2
1991	8167278	13.2	2777272	22.4	56.2	8094492	13.1	2736926	22.0	55.7	-1.5	-72786	-40346	0.6
1992	9416764	14.3	2964300	21.7	53.6	9358127	14.2	3012870	22.0	54.5	1.6	-58637	48570	-0.8
1993	8086508	13.0	3301996	20.3	51.6	8008609	12.9	3361264	20.7	52.6	1.8	-77899	59268	-0.8
1994	7400918	12.4	3586922	20.4	48.3	7348834	12.3	3617480	20.6	48.7	0.9	-52084	30558	-0.6
1995	7683435	13.2	3914843	18.6	46.5	7534237	13.0	3727331	17.7	44.3	-4.8	-149198	-187512	1.3
1996	7171127	12.7	4510179	17.7	47.2	7034553	12.4	4439731	17.4	46.5	-1.6	-136574	-70448	0.5

## Annexure J: (Continued)

Year	AS PER PLACE OF SANCTION					AS PER PLACE OF UTILISATION					Extent of net	Migration of Credit		
	No. of Accounts	% to All India	Amount Outstanding	% to All India	C-D Ratio	No. of Accounts	% to All India	Amount Outstanding	% to All India	C-D Ratio	migration (in percent)	No. of Accounts	Amount Outstand.	Average Amount
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>URBAN</b>														
1997	7500608	13.5	4993094	17.6	44.4	7454120	13.4	5179603	18.2	46.0	3.7	-46488	186509	-4.0
1998	6945847	13.0	5800845	17.6	43.0	6902505	12.9	5980399	18.1	44.3	3.1	-43342	179554	-4.1
1999	7009551	13.4	6815881	17.8	42.6	6992485	13.4	7071668	18.5	44.1	3.8	-17066	255787	-15.0
2000	7816995	14.4	7908916	17.2	41.9	7794586	14.3	7959045	17.3	42.1	0.6	-22409	50129	-2.2
2001	7950758	15.2	9370580	17.4	43.0	7933614	15.2	9530289	17.7	43.8	1.7	-17144	159709	-9.3
2002	7681395	13.6	10825401	16.5	42.4	7660848	13.6	12375699	18.9	48.4	14.3	-20547	1550298	-75.5
2003	8006526	13.5	12366196	16.4	42.6	7971979	13.4	14287446	18.9	49.2	15.5	-34547	1921250	-55.6
2004	8871582	13.4	15033609	17.1	45.5	8931305	13.5	16997379	19.3	51.5	13.1	59723	1963770	32.9
2005	10022045	13.0	18923656	16.4	50.5	10176816	13.2	21229977	18.4	56.6	12.2	154771	2306321	14.9
2006	12776733	15.0	24577729	16.2	57.0	12918689	15.1	27636541	18.3	64.1	12.4	141956	3058812	21.5
<b>METROPOLITAN</b>														
1990	3275866	6.1	4677415	44.8	69.9	3221482	6.0	3882018	37.2	58.0	-17.0	-54384	-795397	14.6
1991	4019394	6.5	5752380	46.3	72.8	3966994	6.4	4938970	39.8	62.5	-14.1	-52400	-813410	15.5
1992	5390631	8.2	6477128	47.4	65.1	5354691	8.1	5621497	41.1	56.5	-13.2	-35940	-855631	23.8
1993	4386111	7.1	8294919	51.1	70.9	4341145	7.0	7310475	45.0	62.5	-11.9	-44966	-984444	21.9
1994	3921365	6.6	9079776	51.6	66.1	3877564	6.5	8236712	46.8	60.0	-9.3	-43801	-843064	19.2
1995	4368934	7.5	11822253	56.0	68.8	4301184	7.4	10832933	51.4	63.1	-8.4	-67750	-989320	14.6
1996	4990764	8.8	14729919	57.8	79.2	4935690	8.7	13479079	52.9	72.4	-8.5	-55074	-1250840	22.7
1997	5104705	9.2	16453354	57.9	76.1	5044837	9.1	15171638	53.4	70.2	-7.8	-59868	-1281716	21.4
1998	4925366	9.2	19197778	58.2	74.1	4837520	9.0	17549803	53.2	67.7	-8.6	-87846	-1647975	18.8
1999	6407469	12.3	22366272	58.5	74.7	6382363	12.2	20297971	53.1	67.8	-9.2	-25106	-2068301	82.4
2000	6657219	12.2	27611069	60.0	78.9	6630962	12.2	25627399	55.7	73.2	-7.2	-26257	-1983670	75.5
2001	7912654	15.1	32855959	61.0	80.9	7873080	15.0	30314307	56.3	74.7	-7.7	-39574	-2541652	64.2
2002	8565849	15.2	40724288	62.1	82.5	8527657	15.1	35436686	54.0	71.8	-13.0	-38192	-5287602	138.4
2003	10506431	17.7	46974195	62.1	82.8	10448389	17.6	40246545	53.2	70.9	-14.3	-58042	-6727650	115.9
2004	16029528	24.1	54478896	61.9	75.9	15785863	23.8	48555981	55.2	67.7	-10.9	-243665	-5922915	24.3
2005	19858021	25.7	72261457	62.7	83.7	19390921	25.1	63685248	55.3	73.8	-11.9	-467100	-8576209	18.4
2006	22799818	26.7	99054104	65.4	87.5	21988305	25.7	86325949	57.0	76.3	-12.8	-811513	-12728155	15.7
<b>ALL-INDIA</b>														
1990	53850686	100	10431193	100	60.7	53850686	100	10431193	100	60.7	0	0	0	
1991	61946755	100	12420293	100	61.9	61946755	100	12420293	100	61.9	0	0	0	
1992	65860730	100	13670582	100	57.5	65860730	100	13670582	100	57.7	0	0	0	
1993	62116396	100	16246729	100	58.9	62116396	100	16246729	100	58.9	0	0	0	
1994	59650805	100	17589127	100	54.3	59650805	100	17589127	100	54.3	0	0	0	
1995	58097104	100	21093912	100	55.6	58097104	100	21093912	100	55.6	0	0	0	
1996	56672429	100	25469211	100	59.8	56672429	100	25469211	100	59.8	0	0	0	
1997	55617917	100	28437330	100	56.8	55617917	100	28437330	100	56.8	0	0	0	
1998	53583956	100	32994444	100	55.3	53583956	100	32994444	100	55.3	0	0	0	
1999	52305456	100	38242503	100	54.8	52305456	100	38242503	100	54.8	0	0	0	
2000	54370397	100	46008068	100	56.0	54370397	100	46008068	100	56.0	0	0	0	
2001	52364395	100	53843379	100	56.7	52364395	100	53843379	100	56.7	0	0	0	
2002	56388379	100	65599308	100	58.4	56388379	100	65599308	100	58.4	0	0	0	
2003	59491187	100	75596882	100	59.2	59491187	100	75596882	100	59.2	0	0	0	
2004	66390290	100	88031203	100	58.2	66390290	100	88031203	100	58.2	0	0	0	
2005	77150794	100	115246793	100	66.0	77150794	100	115246793	100	66.0	0	0	0	
2006	85435381	100	151384213	100	72.4	85435381	100	151384213	100	72.4	0	0	0	

Source: As in Annexure A

Annexure K: District-wise Classification of Bank Deposits and Credit by Size of Credit-Deposit Ratio

(Amount in Rupees Crore)												
C-D Ratio Range	March 2005				March 2004				March 2000			
	No. of Districts	Deposit Amount	Credit Amount	C-D Ratio	No. of Districts	Deposit Amount	Credit Amount	C-D Ratio	No. of Districts	Deposit Amount	Credit Amount	C-D Ratio
<b>All-India (All Centres)</b>												
<20	54	72775	12570	17.3	79	122188	20226	16.6	105	99410	15391	15.5
20-30	97	176005	44351	25.2	117	163682	42254	25.8	130	114239	28827	25.2
30-40	105	148589	51854	34.9	127	192127	67756	35.3	97	98177	33811	34.4
40-50	84	161091	71110	44.1	83	112440	50472	44.9	85	64125	28881	45
50-60	87	119818	65348	54.5	73	271242	157976	58.2	47	49596	27706	55.9
60-100	149	673226	479779	71.3	98	580718	459155	79.1	87	262314	179959	68.6
>100	23	395309	427456	108.1	12	68876	82474	119.7	14	141314	147256	104.2
<b>Total</b>	<b>599</b>	<b>1746814</b>	<b>1152468</b>	<b>66.0</b>	<b>589</b>	<b>1511273</b>	<b>880312</b>	<b>58.2</b>	<b>565</b>	<b>829176</b>	<b>461831</b>	<b>55.7</b>
<b>Rural Centres</b>												
<20	49	27236	4037	14.8	80	44260	6670	15.1	96	33725	4893	14.5
20-30	90	46611	11400	24.5	99	40521	10083	24.9	97	25533	6307	24.7
30-40	72	29565	10126	34.3	86	29312	10262	35.0	78	15913	5422	34.1
40-50	80	28950	12769	44.1	81	18661	8329	44.6	63	11663	5323	45.6
50-60	60	17655	9630	54.5	74	21618	11540	53.4	67	9597	5261	54.8
60-100	165	42507	32505	76.5	124	28779	21659	75.3	114	17867	13835	77.4
>100	76	20581	29508	143.4	41	11932	16479	138.1	33	5253	7317	139.3
<b>Total</b>	<b>592</b>	<b>213104</b>	<b>109976</b>	<b>51.6</b>	<b>585</b>	<b>195082</b>	<b>85021</b>	<b>43.6</b>	<b>548</b>	<b>119550</b>	<b>48359</b>	<b>40.5</b>
C-D Ratio Range	March 1990				March 1985				March 1980			
	No. of Districts	Deposit Amount	Credit Amount	C-D Ratio	No. of Districts	Deposit Amount	Credit Amount	C-D Ratio	No. of Districts	Deposit Amount	Credit Amount	C-D Ratio
<b>All-India (All Centres)</b>												
<20	28	2537	417	16.4	20	2519	364	14.4	29	694	102	14.6
20-30	49	14887	3813	25.6	37	3561	896	25.1	59	2208	559	25.3
30-40	71	17686	6141	34.7	71	8699	3115	35.8	64	3157	1100	34.8
40-50	60	30677	14191	46.3	49	6733	3078	45.7	64	4586	2057	44.8
50-60	69	19967	10771	53.9	41	22340	11617	52	49	2563	1400	54.6
60-100	142	75694	57304	75.7	157	35673	27962	78.3	114	13227	10683	80.7
>100	35	10142	11492	113.3	52	24245	34123	140.7	22	5712	7488	131.1
<b>Total</b>	<b>454</b>	<b>171590</b>	<b>104129</b>	<b>60.7</b>	<b>427</b>	<b>103770</b>	<b>81155</b>	<b>78.2</b>	<b>401</b>	<b>32147</b>	<b>23388</b>	<b>72.7</b>
<b>Rural Centres</b>												
<20	31	2117	320	15.1	21	468	70	14.9	42	482	62	12.9
20-30	33	2845	745	26.2	26	1093	266	24.3	48	641	158	24.6
30-40	51	4727	1637	34.6	35	1257	426	33.8	47	486	170	34.9
40-50	43	3246	1451	44.7	52	1384	632	45.7	50	436	201	46.2
50-60	47	2351	1280	54.4	42	1105	605	54.7	36	319	176	55.2
60-100	140	6780	5274	77.8	132	2897	2279	78.6	107	951	730	76.8
>100	102	4150	5460	131.6	123	1870	2741	146.6	64	407	571	140.3
<b>Total</b>	<b>447</b>	<b>26217</b>	<b>16167</b>	<b>61.7</b>	<b>431</b>	<b>10073</b>	<b>7019</b>	<b>69.6</b>	<b>394</b>	<b>3720</b>	<b>2069</b>	<b>55.6</b>

Notes & Source: Classification worked out from district-wise data contained in RBI, Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006 (Vol.35) and respective issues.

**Annexure L: Region-wise and State-wise Classification of Districts by according to C-D Ratios (Utilisation)**

Region/State/Range	Mar-06 Number of Districts					Mar-03 Number of Districts				
	<40	41-59	60-99	>100	Total	<40	41-59	60-99	>100	Total
<b>Northern Region</b>	<b>23</b>	<b>20</b>	<b>41</b>	<b>13</b>	<b>97</b>	<b>43</b>	<b>26</b>	<b>24</b>	<b>4</b>	<b>97</b>
Haryana	1	3	12	4	20	4	7	8		19
Himachal Pradesh	6	2	2	2	12	7	3	2	1	13
Jammu and Kashmir	10	2	1	1	14	12		2		14
Punjab	5	3	8	1	17	8	5	3	1	17
Rajasthan	1	10	16	5	32	12	10	9	1	32
Chandigarh			1		1				1	1
Delhi			1		1		1			1
<b>North-Eastern Region</b>	<b>22</b>	<b>25</b>	<b>19</b>	<b>13</b>	<b>79</b>	<b>44</b>	<b>14</b>	<b>8</b>	<b>5</b>	<b>71</b>
Arunachal Pradesh	10	3		3	16	10	2	1		13
Assam	5	11	5	3	24	11	5	4	3	23
Manipur	1	2	4	2	9	3	3	1	1	8
Meghalaya	1	2		4	7	5	1		1	7
Mizoram	2	3	2	1	8	4	3	1		8
Nagaland	2	1	8		11	7		1		8
Tripura	1	3			4	4				4
<b>Eastern Region</b>	<b>54</b>	<b>26</b>	<b>24</b>	<b>11</b>	<b>115</b>	<b>73</b>	<b>26</b>	<b>12</b>	<b>2</b>	<b>113</b>
Bihar	23	8	3	4	38	32	6			38
Jharkhand	20	1	1		22	17	2	1		20
Orissa	1	9	14	6	30	6	14	8	2	30
Sikkim	1	1	1	1	4	3		1		4
West Bengal	8	6	5		19	14	3	2		19
A & N Islands	1	1			2	1	1			2
<b>Central Region</b>	<b>54</b>	<b>46</b>	<b>33</b>	<b>14</b>	<b>147</b>	<b>87</b>	<b>33</b>	<b>20</b>	<b>3</b>	<b>143</b>
Chhattisgarh	5	5	2	4	16	10	4	1	1	16
Madhya Pradesh	10	15	15	8	48	17	15	11	2	45
Uttar Pradesh	30	24	15	1	70	50	12	7		69
Uttaranchal	9	2	1	1	13	10	2	1		13
<b>Western Region</b>	<b>7</b>	<b>13</b>	<b>33</b>	<b>11</b>	<b>64</b>	<b>18</b>	<b>10</b>	<b>29</b>	<b>7</b>	<b>64</b>
Goa	2				2	2				2
Gujarat	4	3	15	3	25	12	4	8	1	25
Maharashtra		10	17	7	34	3	6	21	4	34
Dadra & Nagar Haveli				1	1				1	1
Daman and Diu	1		1		2	1			1	2
<b>Southern Region</b>	<b>4</b>	<b>20</b>	<b>46</b>	<b>29</b>	<b>99</b>	<b>15</b>	<b>30</b>	<b>40</b>	<b>14</b>	<b>99</b>
Andhra Pradesh	1	6	8	8	23	1	8	12	2	23
Karnataka	1	2	15	9	27	2	4	16	5	27
Kerala	1	4	7	2	14	6	5		3	14
Tamil Nadu		5	15	10	30	3	11	12	4	30
Lakshadweep	1	1			2	1				1
Pondicherry		2	1		3	2	2			4
<b>All-India</b>	<b>164</b>	<b>150</b>	<b>196</b>	<b>91</b>	<b>601</b>	<b>280</b>	<b>139</b>	<b>133</b>	<b>35</b>	<b>587</b>

Source: Computed by EPWRF from BSR database.



**Annexure N: Direct Institutional Credit For Agriculture And Allied Activities**

Year	Loans Outstanding (in Rs.crore) : Annual Growth Rates																
	Short Term						Long Term						Short + Long Term				
	Co-operatives	SCBs	RRBs	SCBs+RRBs	Total	Total	Co-operatives	SCBs	RRBs	SCBs+RRBs	Total	Total	Co-operatives	SCBs	RRBs	SCBs+RRBs	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16		
1970-71	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1971-72	696	107	0	107	803	-	-	-	-	-	1598	268	0	268	-	1865	
1972-73	721	139	0	139	860	-	-	-	-	-	1837	342	0	342	1865	2179	
1973-74	807	179	0	179	985	807	179	0	179	985	1970	436	0	436	2179	2405	
1974-75	904	246	0	246	1150	904	246	0	246	1150	2165	564	0	564	2405	2724	
1975-76	1012	364	2	366	1377	1345	427	0	427	1772	2357	790	0	790	3147	3417	
1976-77	1216	451	0	451	1667	1580	580	0	580	2160	2796	1031	0	1031	3827	4114	
1977-78	1348	547	0	547	1894	1727	793	0	793	2520	3074	1340	0	1340	4414	4714	
1978-79	1540	759	0	759	2299	1843	1065	0	1065	2908	3383	1825	0	1825	5208	5508	
1979-80	1697	949	168	1117	2814	2153	1415	168	1583	3568	3850	2364	168	2532	6382	6632	
1980-81	1908	1162	0	1162	3250	2407	1882	286	2168	4289	4315	3043	180	3224	7539	7839	
1981-82	2149	1370	0	1370	3792	2672	2171	0	2171	4843	4821	3541	273	3814	8635	8935	
1982-83	2225	1351	109	1460	3685	2930	2792	273	3065	5995	5155	4143	382	4525	9680	9980	
1983-84	2554	1638	147	1785	4339	3180	3642	363	4005	7185	5735	5280	509	5789	11524	11824	
1984-85	2836	1964	206	2170	5006	3531	4649	490	5139	8670	6367	6613	696	7309	13676	14076	
1985-86	3237	2355	265	2620	5858	3710	6061	606	6667	10377	6947	8416	871	9287	16234	16634	
1986-87	3293	2619	324	2943	6236	4172	6736	737	7473	11645	7465	9355	1061	10416	17881	18181	
1987-88	3871	3071	400	3471	7342	4476	733	913	9266	13742	8347	11424	1313	12737	21084	21384	
1988-89	4668	3414	479	3893	8561	4740	9426	1073	10499	15239	9408	12840	1552	14392	23800	24100	
1989-90	4948	4005	575	4580	9527	5618	11279	1263	12542	19160	10566	15283	1838	17121	27687	28087	
1990-91	5178	4235	590	4825	10002	5353	12797	1353	13960	19313	10531	17032	1753	18785	29316	29616	
1991-92	5110	4631	679	5310	10419	7067	12351	1306	13656	20723	12176	16981	1984	18965	31142	31442	
1992-93	5900	4988	779	5787	11687	7869	13300	1407	14707	22576	13769	18288	2206	20494	34263	34563	
1993-94	6640	5425	887	6312	12952	8676	13688	1673	15361	24037	15316	19113	2560	21673	36988	37288	
1994-95	7091	6154	1115	7269	14361	9718	14766	1894	16659	26378	16810	20920	3009	23929	40738	41038	
1995-96	9312	7173	1308	8481	16793	9814	16255	2158	18413	28227	19126	23427	3467	26894	46020	46320	
1996-97	9618	8766	1625	10391	20009	10938	17561	2413	19973	30911	20556	26327	4038	30365	50921	51221	
1997-98	10060	9522	1914	11436	21469	11330	18924	2769	21693	32950	21390	28445	4683	33128	54518	54818	
1998-99	10462	10821	2238	13059	23521	11737	18998	3151	22149	33886	22199	29819	5389	35209	57408	57708	
1999-00	10969	12610	2808	15418	26387	12206	20832	3183	24015	36221	23175	33442	5991	39433	62608	62908	
2000-01	11517	15442	3692	19134	30651	12720	22828	3557	26385	39105	24237	38270	7249	45519	69757	70057	
2001-02	12092	18882	4812	23694	35786	13229	26224	3474	29698	42927	25321	45106	8286	53392	78713	79013	
2002-03 P	-	-	-	23211	229	-	30593	3766	34359	-	-	53804	10261	64064	200	-	
2003-04 P	-	-	-	31982	335	-	36121	4058	40179	-	-	68103	11721	79825	246	-	
2004-05 P	-	-	-	42798	356	-	52721	460	58450	-	-	95519	16709	112228	406	-	
2005-06 P	-	-	-	13877	-	-	-	7632	-	-	-	-	21510	-	-	-	
2006-07 P	-	-	-	18813	-	-	-	9151	-	-	-	-	27964	-	-	-	
<b>Average Annual Growth Rate</b>																	
1971-72 to 1981-82	12.0	29.3	29.3	29.7	16.9	16.8	37.4	38.0	22.6	11.7	31.1	30.6	16.6				
1981-82 to 1991-92	9.3	13.2	13.2	14.7	10.9	10.6	19.5	20.8	15.8	9.8	18.9	17.7	13.8				
1991-92 to 2001-02	9.3	15.2	15.2	16.3	13.2	6.5	7.9	8.1	7.8	7.8	9.4	11.0	9.7				

For Notes see Annexure M

Source: RBI (2007), Handbook of Statistics on the Indian Economy 2006-07, October

**Annexure O : Direct Institutional Credit for Agriculture and Allied Activities - Share in Aggregate  
Loan and Share in GDP in Agriculture and Allied Activities**

Loans Issued (Rs.crore)													Loans Outstanding					
Year	Short-Term*		Long-Term*		Total (Short+ Long Term)	Per cent to GDP originating from Agriculture & Allied Activities			Short-Term			Long-Term		Total (Short+ Long Term)	Per cent to GDP originating from Agriculture & Allied Activities			
						Short	Long	Total							Short	Long	Total	
1	2	3	4	5	6	7	8	9	10	11	12	13						
1970-71	589	[72.0]	229	[28.0]	818	3.2	1.3	4.5	-	-	-	-	-	-	-	-	-	-
1971-72	640	[72.5]	243	[27.5]	883	3.4	1.3	4.8	803	[43.0]	-	1865	4.3	-	-	-	-	10.0
1972-73	790	[68.4]	366	[31.6]	1156	3.9	1.8	5.7	860	[39.5]	-	2179	4.2	-	-	-	-	10.7
1973-74	859	[72.4]	327	[27.6]	1187	3.2	1.2	4.4	985	[41.0]	985	[41.0]	2405	3.7	3.7	-	-	8.9
1974-75	974	[70.0]	417	[30.0]	1391	3.3	1.4	4.7	1150	[42.2]	1150	[42.2]	2724	3.9	3.9	-	-	9.2
1975-76	1177	[70.3]	498	[29.7]	1675	4.0	1.7	5.7	1377	[43.8]	1772	[56.3]	3147	4.7	6.1	-	-	10.8
1976-77	1369	[67.2]	668	[32.8]	2037	4.6	2.2	6.8	1667	[43.6]	2160	[56.4]	3827	5.6	7.2	-	-	12.8
1977-78	1488	[69.0]	668	[31.0]	2155	4.2	1.9	6.1	1894	[42.9]	2520	[57.1]	4414	5.4	7.1	-	-	12.5
1978-79	1792	[67.9]	850	[32.2]	2641	4.9	2.3	7.3	2299	[44.1]	2908	[55.8]	5208	6.3	8.0	-	-	14.3
1979-80	1847	[63.1]	1082	[36.9]	2928	4.9	2.9	7.8	2814	[44.1]	3568	[55.9]	6382	7.5	9.5	-	-	17.0
1980-81	2047	[59.6]	1389	[40.4]	3436	4.3	2.9	7.3	3250	[43.1]	4289	[56.9]	7539	6.9	9.1	-	-	15.9
1981-82	2740	[63.8]	1556	[36.2]	4296	5.1	2.9	8.1	3792	[43.9]	4843	[56.1]	8635	7.1	9.1	-	-	16.2
1982-83	2759	[63.4]	1593	[36.6]	4352	4.8	2.8	7.6	3685	[38.1]	5995	[61.9]	9680	6.4	10.4	-	-	16.8
1983-84	3335	[63.6]	1909	[36.4]	5244	4.9	2.8	7.6	4339	[37.7]	7185	[62.4]	11524	6.3	10.5	-	-	16.8
1984-85	3731	[60.5]	2436	[39.5]	6167	5.0	3.3	8.3	5006	[36.6]	8670	[63.4]	13676	6.8	11.7	-	-	18.5
1985-86	4529	[63.3]	2629	[36.7]	7159	5.7	3.3	9.0	5858	[36.1]	10377	[63.9]	16234	7.4	13.1	-	-	20.5
1986-87	4512	[58.4]	3208	[41.6]	7720	5.3	3.8	9.1	6236	[34.9]	11645	[65.1]	17881	7.3	13.7	-	-	21.0
1987-88	5516	[60.0]	3682	[40.0]	9198	5.8	3.9	9.7	7342	[34.8]	13742	[65.2]	21084	7.8	14.5	-	-	22.3
1988-89	5884	[62.7]	3497	[37.3]	9381	5.0	3.0	8.0	8561	[36.0]	15239	[64.0]	23800	7.3	13.0	-	-	20.4
1989-90	6499	[61.1]	4129	[38.8]	10628	5.0	3.2	8.2	9527	[34.4]	18160	[65.6]	27687	7.4	14.1	-	-	21.4
1990-91	5979	[58.7]	4209	[41.3]	10188	4.0	2.8	6.8	10002	[34.1]	19313	[65.9]	29316	6.6	12.8	-	-	19.4
1991-92	6611	[57.3]	4588	[39.8]	11538	3.8	2.6	6.5	10419	[33.5]	20723	[66.5]	31142	5.9	11.8	-	-	17.7
1992-93	7665	[61.2]	4864	[38.8]	12530	3.9	2.5	6.3	11687	[34.1]	22576	[65.9]	34263	5.9	11.4	-	-	17.3
1993-94	9752	[65.0]	5261	[35.0]	15013	4.3	2.3	6.6	12952	[35.0]	24037	[65.0]	36988	5.7	10.5	-	-	16.1
1994-95	11932	[63.6]	6841	[36.4]	18773	4.5	2.6	7.1	14361	[35.3]	26378	[64.7]	40738	5.4	10.0	-	-	15.4
1995-96	15273	[64.5]	8419	[35.5]	23692	5.3	2.9	8.3	17793	[38.7]	28227	[61.3]	46020	6.2	9.8	-	-	16.0
1996-97	16956	[64.4]	9389	[35.6]	26345	4.9	2.7	7.6	20009	[39.3]	30911	[60.7]	50921	5.8	9.0	-	-	14.8
1997-98	18632	[65.0]	10007	[34.9]	28656	5.1	2.7	7.8	21469	[39.4]	32950	[60.4]	54518	5.9	9.0	-	-	14.9
1998-99	20610	[63.0]	12087	[37.0]	32697	4.9	2.9	7.8	23521	[41.0]	33886	[59.0]	57408	5.6	8.1	-	-	13.7
1999-00	23694	[65.9]	12276	[34.1]	35971	5.3	2.7	8.1	26387	[42.1]	36221	[57.9]	62608	5.9	8.1	-	-	14.0
2000-01	26421	[69.3]	11707	[30.7]	38127	5.9	2.6	8.5	30651	[43.9]	39105	[56.1]	69757	6.8	8.7	-	-	15.5
2001-02	29837	[71.3]	11992	[28.7]	41828	6.1	2.5	8.6	35786	[45.5]	42927	[54.5]	78713	7.3	8.8	-	-	16.2

\* Total includes loans issued by State Governments

For notes see Annexure M

Note: Figures in square brackets are percentages to respective aggregate (short+long) Loan

Source: RBI (2007), Handbook of Statistics on the Indian Economy 2006-07, October

**Annexure P: Direct Institutional Credit For Agriculture And Allied Activities : Share In Respective Institution Total**

	Loans Issued (Rs.crore)				Loans Outstanding (Rs.crore)				Total	Short term	Long term	Total	
	Short term	Long term	Total	Co-operatives	Short term	Long term	Total	Co-operatives					Short term
1970-71	515	(69.2)	229	(30.8)	744	589	(72.0)	229	(28.0)	818	-	-	-
1971-72	541	(70.4)	228	(29.6)	769	640	(72.5)	243	(27.5)	883	696	(43.6)	1598
1972-73	613	(64.0)	345	(36.0)	958	-	-	-	-	-	721	(39.2)	1837
1973-74	663	(75.6)	214	(24.4)	877	105	(47.9)	114	(51.9)	219	807	(41.0)	1970
1974-75	750	(72.2)	289	(27.8)	1039	146	(53.2)	128	(46.7)	274	904	(41.8)	2165
1975-76	881	(74.2)	305	(25.7)	1187	215	(52.9)	194	(47.7)	406	1012	(42.9)	2357
1976-77	1016	(71.0)	414	(29.0)	1431	270	(51.5)	270	(51.6)	524	1216	(43.5)	2796
1977-78	1058	(73.2)	387	(26.8)	1444	332	(54.2)	325	(53.0)	613	1348	(43.9)	3074
1978-79	1207	(74.5)	415	(25.6)	1621	466	(51.7)	536	(59.5)	901	1540	(45.5)	3383
1979-80	1260	(69.2)	562	(30.8)	1821	455	(46.7)	520	(53.4)	975	1697	(44.1)	3850
1980-81	1386	(68.3)	643	(31.7)	2029	517	(40.9)	746	(59.1)	1263	1908	(44.2)	4315
1981-82	1796	(72.4)	683	(27.6)	2479	623	(37.5)	873	(52.5)	1663	2740	(63.8)	4821
1982-83	1908	(70.2)	809	(29.8)	2717	663	(45.8)	784	(54.2)	1447	2225	(43.2)	5155
1983-84	2158	(73.5)	780	(26.6)	2938	992	(46.8)	1129	(53.2)	2121	2554	(44.5)	5735
1984-85	2323	(73.6)	831	(26.3)	3154	1167	(42.1)	1605	(57.9)	2771	2836	(44.5)	6367
1985-86	2747	(74.8)	927	(25.2)	3674	1428	(45.6)	1702	(54.4)	3131	3237	(46.6)	6947
1986-87	2620	(70.8)	1081	(29.2)	3701	1683	(44.2)	2127	(55.8)	3809	4512	(58.4)	7465
1987-88	3120	(66.2)	1591	(33.8)	4710	1918	(47.8)	2092	(52.2)	4009	5516	(60.0)	8347
1988-89	3594	(73.8)	1279	(26.2)	4873	2015	(47.6)	2218	(52.4)	4233	5884	(62.7)	9408
1989-90	3974	(73.5)	1433	(26.5)	5407	2234	(45.3)	2696	(54.7)	4930	6499	(61.1)	10566
1990-91	3448	(71.5)	1372	(28.5)	4819	2173	(43.4)	2838	(56.6)	5010	5979	(58.7)	10531
1991-92	3934	(67.9)	1863	(32.1)	5797	2678	(49.6)	2725	(50.4)	5402	6611	(57.3)	12176
1992-93	4394	(67.8)	2089	(32.2)	6484	2883	(51.0)	2775	(49.0)	5658	7665	(61.2)	13769
1993-94	6039	(71.2)	2445	(28.8)	8484	3336	(54.2)	2816	(45.8)	6152	9752	(65.0)	15316
1994-95	6996	(70.8)	2879	(29.2)	9876	4530	(53.4)	3962	(46.7)	8491	11932	(63.6)	16810
1995-96	9243	(74.0)	3240	(26.0)	12483	5477	(51.4)	5179	(48.6)	10655	15273	(64.5)	19126
1996-97	9489	(71.6)	3765	(28.4)	13254	6799	(54.7)	5624	(45.3)	12423	16956	(64.4)	20556
1997-98	10084	(71.2)	4075	(28.8)	14159	7690	(56.4)	5949	(43.6)	13639	18632	(65.0)	21390
1998-99	10698	(70.9)	4401	(29.1)	15099	9492	(55.3)	7686	(44.7)	17178	20610	(63.0)	22199
1999-00	11384	(70.6)	4731	(29.4)	16115	11790	(61.0)	7545	(39.0)	19335	23694	(65.9)	23175
2000-01	12135	(70.4)	5100	(29.6)	17235	13799	(67.6)	6607	(32.4)	20406	26421	(69.3)	24237
2001-02	12923	(71.0)	5279	(29.0)	18202	16471	(71.0)	6713	(29.0)	23184	29837	(71.3)	25321
2002-03 P	.	.	.	.	.	21659	(69.6)	9476	(30.4)	31135	.	.	.
2003-04 P	.	.	.	.	.	30267	(69.8)	13111	(30.2)	43378	.	.	.
2004-05 P	.	.	.	.	.	39861	(66.1)	20433	(33.9)	60294	.	.	.
2005-06 P	.	.	.	.	.	.	.	.	.	.	.	.	.
2006-07 P	.	.	.	.	.	.	.	.	.	.	.	.	.

@ Total includes loans issued by State Governments For notes see Annexure M

Notes: Figures in round brackets are percentages to total

Source: RBI (2007), Handbook of Statistics on the Indian Economy 2006-07, October





**Annexure R: Indirect Institutional Credit For Agriculture And Allied Activities**

(Rupees crore)														
Year	Loans Issued							Loans Outstanding						
	Co-Operatives	SCBs	RRBs	RRBs	REC	Total	Per cent to GDP	Co-Operatives	SCBs	RRBs	RRBs	REC	Total	Per cent to GDP
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1971-72	324.8	-	-		35.7	360.5	1.9	135.1	172.3	-		61.8	369.1	2.0
1972-73	486.6	-	-		49.3	535.9	2.6	140.7	190.2	-		112.2	443.1	2.2
1973-74	430.5	-	-		50.9	481.4	1.8	197.7	211.5	-		163.1	572.3	2.1
1974-75	512.0	-	-		77.9	589.9	2.0	295.2	279.6	-		240.7	815.5	2.8
1975-76	556.8	-	-		76.0	632.8	2.2	237.3	301.5	-		315.5	854.3	2.9
1976-77	615.3	-	1.9		88.2	705.4	2.4	256.6	349.7	-		400.0	1006.3	3.4
1977-78	569.3	-	2.7		112.2	684.2	1.9	380.4	511.0	-		503.4	1394.8	3.9
1978-79	834.7	-	6.3		154.9	-		481.2	633.7	-		637.5	1752.4	4.8
1979-80	894.9	-	-		166.4	-		342.8	733.4	12.7	746.1	781.0	1869.9	5.0
1980-81	1154.0	-	-		183.2	-		638.3	998.3	16.1	1014.4	931.5	2584.2	5.5
1981-82	1497.4	-	9.4		191.6	-		839.7	1158.1	21.4	1179.5	1089.4	3108.6	5.8
1982-83	1955.6	-	8.4		251.8	-		1337.6	1310.1	23.1	1333.2	1292.7	3963.5	6.9
1983-84	2400.0	-	9.1		303.2	-		1700.0	1392.3	27.1	1419.4	1493.9	4613.3	6.7
1984-85	2993.0	-	8.0		327.1	-		2195.0	1459.3	30.3	1489.6	1674.5	5359.1	7.2
1985-86	3744.2	-	-		354.5	-		2885.5	1366.4	33.3	1399.7	1920.6	6205.8	7.8
1986-87	1863.7	-	-		440.0	-		2131.7	1424.2	34.2	1458.4	2291.7	5881.8	6.9
1987-88	2452.5	266.3	10.7	277.0	654.6	3384.1	3.6	2313.1	1510.2	35.4	1545.6	2828.6	6687.3	7.1
1988-89	1942.2	193.9	10.7	204.6	804.5	2951.3	2.5	2381.7	1541.2	43.6	1584.8	3457.7	7424.2	6.3
1989-90	1687.7	207.4	9.7	217.1	712.8	2617.6	2.0	2230.1	1428.6	48.2	1476.8	3959.1	7666.0	5.9
1990-91	1727.3	199.9	8.8	208.7	709.1	2645.1	1.8	2355.1	1189.4	23.7	1213.1	4524.0	8092.2	5.4
1991-92	2002.3	197.6 *	6.9	204.5	587.8	2794.6	1.6	2487.2	1433.2 #	38.7	1472.0	4874.9	8834.0	5.0
1992-93	2072.7	157.9 *	4.5	162.4	474.3	2709.4	1.4	2590.5	1551.7 #	39.8	1592.0	5174.9	9391.1	4.8
1993-94 @	10076.0	332.3 *	0.4	332.7	692.0	11100.7	4.8	13412.0	2099.2 #	33.3	2132.0	5654.6	21199.1	9.3
1994-95	12337.0	582.7 *	0.1	582.8	967.4	13887.2	5.3	16517.0	2865.5 #	32.8	2899.0	6191.9	25607.2	9.7
1995-96	17371.0	1035.9 *	0.8	1036.7	828.9	19236.6	6.7	17406.0	3674.0 #	34.5	3719.0	6629.0	27743.5	9.7
1996-97	18927.0	1270.5 *	0.8	1271.3	787.2	20985.5	6.1	19704.0	4986.4 #	49.2	5035.0	7150.8	31890.4	9.2
1997-98	19972.0	1904.1 *	6.4	1910.5	1093.3	22975.8	6.3	20817.0	6334.7 #	12.5	6348.0	7799.2	34963.4	9.5
1998-99	20818.0	1996.7 *	8.2	2004.9	2202.6	25025.5	6.0	22022.0	8116.8 #	25.2	8142.0	8842.3	39006.3	9.3
1999-00	21857.0	3431.3 *	6.9	3438.2	3051.1	28346.3	6.3	22022.0	12967.6 #	28.8	12997.0	12189.2	47207.6	10.6
2000-01	22952.0	3967.1 *	.	3967.1	4109.2	31028.3	6.8	24714.0	18825.3 #	.		14185.3	.	
2001-02	24108.0	7989.5 *	.	7989.5	4721.9	36819.4	7.6	27634.0	18238.4 #	.		15935.9	.	
2002-03 P	.	6260.5 *	.	6260.5	6606.6	.	.	.	23690.0 #	.		16505.6	.	
2003-04 P	.	8935.5 *	.	8935.5	6017.0	.	.	.	28520.0 #	.		18304.7	.	
2004-05 P	.	21728.0 *	.	1728.0	7440.7	.	.	.	36071.1 #	.		21062.2	.	
2005-06 P	.	.	.	.	7489.1	.	.	.	57175.0 #	.		24563.7	.	
2006-07 P	.	.	.	.	10732.9	.	.	.	.	.		31262.2	.	

P: Provisional (except for SCBs). SCBs Scheduled Commercial Banks. RRBs Regional Rural Banks. REC Rural Electrification Corporation Ltd.

\* Disbursements to priority sectors as at end-June.

# Priority sector advances as at the end-March.

@ Data for loans from co-operatives since 1993-94 are not strictly comparable with the earlier period as many defaulters became non-defaulters with the implementation of Agricultural and Rural Debt Relief (ARDR) Scheme resulting in an increase in the assistance from banks; introduction/stabilisation of Lead Bank Returns (LBR); increase in the number of banks as also increase in the awareness and consequent improvement in the data maintenance and reporting system at the field level, resulting in an increase in the amount of loans reported in subsequent years.

Note : 1. Data up to 1990-91 pertain to the period July-June and April-March thereafter. In case of SCBs, data for all the years pertain to July-June period.

2. RRBs came into existence in 1975-76.

Source: RBI (2007), Handbook of Statistics on the Indian Economy 2006-07, October

## Annexure R(i): Scheduled Commercial Banks' Advances to Agriculture

<i>(Balance outstanding)</i>													<i>(Rupees crore)</i>	
<i>Year (end- March)</i>	<i>Direct Finance</i>			<i>Indirect finance</i>							<i>Per Cent to GDP</i>	<i>Total direct &amp; indirect finance (2+9)</i>	<i>Per Cent to GDP</i>	
	<i>Total Direct Finance</i>	<i>Per Cent to Total</i>	<i>Per Cent to GDP</i>	<i>Distribution of fertilisers and other inputs</i>	<i>Loans to electricity boards</i>	<i>Loans to farmers through PACS/FSS/ LAMPS</i>	<i>Other type of indirect finance</i>	<i>Total Indirect Finance (5+6+7+8)</i>	<i>Per Cent to Total</i>					
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>13</i>		
1970-71	235	(62.2)	[1.3]	64	41	.	38	143	(37.8)	[0.8]	378	[2.1]		
1971-72	259	(65.7)	[1.4]	41	58	7	29	135	(34.3)	[0.7]	394	[2.1]		
1972-73	313	(64.5)	[1.5]	56	79	12	25	172	(35.5)	[0.8]	485	[2.4]		
1973-74	418	(68.0)	[1.6]	50	99	16	32	197	(32.0)	[0.7]	615	[2.3]		
1974-75	543	(68.0)	[1.8]	78	98	20	59	255	(32.0)	[0.9]	798	[2.7]		
1975-76	751	(71.1)	[2.6]	97	88	30	90	305	(28.9)	[1.0]	1056	[3.6]		
1976-77	1006	(74.9)	[3.4]	108	88	46	95	337	(25.1)	[1.1]	1343	[4.5]		
1977-78	1285	(73.9)	[3.6]	131	84	62	178	455	(26.1)	[1.3]	1740	[4.9]		
1978-79	1729	(74.9)	[4.8]	109	93	86	292	579	(25.1)	[1.6]	2308	[6.3]		
1979-80 @	2789	(78.1)	[7.4]	206	145	117	316	784	(21.9)	[2.1]	3573	[9.5]		
1980-81	2888	(76.6)	[6.1]	213	180	113	374	883	(23.4)	[1.9]	3771	[8.0]		
1981-82	4061	(76.8)	[7.6]	301	265	155	505	1227	(23.2)	[2.3]	5288	[9.9]		
1982-83	4903	(78.7)	[8.5]	267	355	168	541	1330	(21.3)	[2.3]	6233	[10.8]		
1983-84	6136	(80.5)	[8.9]	307	430	178	570	1486	(19.5)	[2.2]	7622	[11.1]		
1984-85	7612	(84.3)	[10.3]	401	393	193	434	1420	(15.7)	[1.9]	9032	[12.2]		
1985-86	9160	(86.5)	[11.6]	435	372	203	415	1425	(13.5)	[1.8]	10585	[13.3]		
1986-87	10607	(87.5)	[12.5]	387	478	237	418	1520	(12.5)	[1.8]	12127	[14.2]		
1987-88	12401	(88.9)	[13.1]	390	472	266	426	1555	(11.1)	[1.6]	13956	[14.7]		
1988-89	13844	(90.0)	[11.8]	447	330	260	503	1541	(10.0)	[1.3]	15385	[13.2]		
1989-90	15500	(91.6)	[12.0]	335	495	267	331	1429	(8.4)	[1.1]	16929	[13.1]		
1990-91	16145	(93.1)	[10.7]	329	363	199	299	1189	(6.9)	[0.8]	17334	[11.5]		
1991-92	17397	(92.4)	[9.9]	241	655	177	360	1433	(7.6)	[0.8]	18830	[10.7]		
1992-93	18949	(92.4)	[9.6]	268	708	183	392	1552	(7.6)	[0.8]	20501	[10.4]		
1993-94	19465	(90.3)	[8.5]	364	896	205	635	2099	(9.7)	[0.9]	21564	[9.4]		
1994-95	21334	(88.2)	[8.1]	536	1165	224	940	2865	(11.8)	[1.1]	24199	[9.2]		
1995-96	23814	(86.6)	[8.3]	756	1058	285	1575	3674	(13.4)	[1.3]	27488	[9.6]		
1996-97	27448	(84.6)	[8.0]	968	1233	285	2500	4986	(15.4)	[1.4]	32434	[9.4]		
1997-98	29443	(82.3)	[8.0]	1200	1417	363	3355	6335	(17.7)	[1.7]	35778	[9.8]		
1998-99	33094	(80.3)	[7.9]	1491	1627	407	4592	8117	(19.7)	[1.9]	41211	[9.8]		
1999-00	36466	(73.8)	[8.2]	1675	1723	449	9121	12968	(26.2)	[2.9]	49434	[11.1]		
2000-01	40485	(68.3)	[9.0]	2304	1697	377	14447	18825	(31.7)	[4.2]	59310	[13.2]		
2001-02	46581	(71.9)	[9.6]	3303	1841	928	12166	18238	(28.1)	[3.7]	64819	[13.3]		
2002-03	56857	(70.6)	[12.0]	3241	2966	949	16534	23690	(29.4)	[5.0]	80547	[17.0]		
2003-04	70781	(71.3)	[13.3]	4118	3533	723	20146	28520	(28.7)	[5.3]	99301	[18.6]		
2004-05 P	95565	(72.6)	[17.8]	5134	4174	861	25902	36071	(27.4)	[6.7]	131636	[24.6]		
2005-06 P	134798	(70.2)	[22.7]	6440	6464	769	43501	57175	(29.8)	[9.6]	191973	[32.3]		
<b>CAGR</b>														
1970-71 to 1980-81	28.5							20.0			<b>25.9</b>			
1980-81 to 1990-91	18.8							3.0			<b>16.5</b>			
1990-91 to 1995-96	8.1							25.3			<b>9.7</b>			
1995-96 to 2003-04	14.6							29.2			<b>17.4</b>			
2003-04 to 2005-06	38.0							41.6			<b>39.0</b>			

P : Provisional. PACS Primary Agricultural Credit Societies. FSS Farmers' Service Societies.  
LAMPS Large-sized Adivasi Multipurpose Societies.  
@ Data relate to end-December.  
Source: RBI (2007), Handbook of Statistics on the Indian Economy 2006-07, p.118,October

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**Annexure S:** Ground Level Credit Flow, Growth Rate and percentage share of various agencies for Agriculture Sector (contd.)

(Rs in crore)												
Particulars/Year	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99					
<b>I. Production (ST) Credit</b>												
Co-operative Banks	7170 (71.1)	7839 (69.6)	7250 (91.3)	8331 (57.4)	9328 (54.9)	10877 (52.7)	12514 (52.4)					
RRBs	489 (4.8)	732 (6.5)	688 (8.7)	849 (5.8)	1121 (6.6)	1396 (6.8)	1710 (7.2)					
Commercial Banks*	2432 (24.1)	2700 (24.0)		5345 (36.8)	6549 (38.5)	8349 (40.5)	9622 (40.3)					
Other Agencies						18 (0.1)	57 (0.2)					
<b>Sub Total (A)</b>	<b>10091 (100)</b>	<b>11271 (100)</b>	<b>7938 (100)</b>	<b>14525 (100)</b>	<b>16998 (100)</b>	<b>20640 (100)</b>	<b>23903 (100)</b>					
Share of ST Credit	66.5	68.3	42.3	65.9	64.4	64.6	64.8					
y-o-y Growth (per cent)		11.7	-29.6	83.0	17.0	21.4	15.8					
<b>II. MT/LT Credit</b>												
Co-operative Banks	2208 (43.5)	2278 (43.6)	2156 (20.0)	2148 (28.6)	2616 (27.8)	3098 (27.4)	3356 (25.9)					
RRBs	342 (6.7)	245 (4.7)	395 (3.7)	532 (7.1)	563 (6.0)	644 (5.7)	750 (5.8)					
Commercial Banks*	2528 (49.8)	2700 (51.7)	8255 (76.4)	4827 (64.3)	6234 (66.2)	7482 (66.1)	8821 (68.1)					
Other Agencies						92 (0.8)	30 (0.2)					
<b>Sub Total (B)</b>	<b>5078 (100)</b>	<b>5223 (100)</b>	<b>10806 (100)</b>	<b>7507 (100)</b>	<b>9413 (100)</b>	<b>11316 (100)</b>	<b>12957 (100)</b>					
Share of ST Credit	33.5	31.7	57.7	34.1	35.6	35.4	35.2					
y-o-y Growth (per cent)		2.9	106.9	-30.5	25.4	20.2	14.5					
<b>ST+MT/LT Credit</b>												
Co-operative Banks	9378 (61.8)	10117 (61.3)	9406 (50.2)	10479 (47.6)	11944 (45.2)	13975 (43.7)	15870 (43.1)					
RRBs	831 (5.5)	977 (5.9)	1083 (5.8)	1381 (6.3)	1684 (6.4)	2040 (6.4)	2460 (6.7)					
Commercial Banks*	4960 (32.7)	5400 (32.7)	8255 (44.0)	10172 (46.2)	12783 (48.4)	15831 (49.5)	18443 (50.0)					
Other Agencies						110 (0.3)	87 (0.2)					
<b>Grand Total (A+B)</b>	<b>15169 (100)</b>	<b>16494 (100)</b>	<b>18744 (100)</b>	<b>22032 (100)</b>	<b>26411 (100)</b>	<b>31956 (100)</b>	<b>36860 (100)</b>					
y-o-y Growth (per cent)		8.7	13.6	17.5	19.9	21.0	15.3					
<p>Notes: * Includes Indirect Finance made by Commercial Banks.            Figures in brackets are percentages to respective totals            - Not Available</p> <p>Source: Special Tabulations supplied for the project by NABARD</p>												

## Annexure S: Ground Level Credit Flow, Growth Rate and percentage share of various agencies for Agriculture Sector (concluded)

														(Rs in crore)	
1999-00		2000-01		2001-02		2002-03		2003-04		2004-05		2005-06		2006-07	
14771	(51.0)	16528	(49.6)	18787	(46.4)	19668	(43.1)	22640	(41.2)	27157	(36.7)	34930	(33.2)	-	
2423	(8.4)	3245	(9.7)	3777	(9.3)	4775	(10.5)	6088	(11.1)	10010	(13.5)	12712	(12.1)	-	
11697	(40.4)	13486	(40.5)	17904	(44.2)	21104	(46.3)	26192	(47.6)	36793	(49.7)	57640	(54.7)	-	
74	(0.3)	55	(0.2)	41	(0.1)	39	(0.1)	57	(0.1)	104	(0.1)	68	(0.1)	-	
<b>28965</b>	<b>(100)</b>	<b>33314</b>	<b>(100)</b>	<b>40509</b>	<b>(100)</b>	<b>45586</b>	<b>(100)</b>	<b>54977</b>	<b>(100)</b>	<b>74064</b>	<b>(100)</b>	<b>105350</b>	<b>(100)</b>	-	
62.6		63.1		65.3		65.5		63.2		59.1		58.4			
21.2		15.0		21.6		12.5		20.6		34.7		42.2			
3489	(20.2)	4190	(21.5)	4737	(22.0)	3968	(16.6)	4235	(13.2)	4074	(8.0)	4474	(6.0)	-	
749	(4.3)	974	(5.0)	1077	(5.0)	1295	(5.4)	1493	(4.7)	2394	(4.7)	2511	(3.3)	-	
13036	(75.3)	14321	(73.4)	15683	(72.8)	18670	(77.9)	26249	(82.0)	44688	(87.2)	67837	(90.3)	-	
29	(0.2)	28	(0.1)	39	(0.2)	41	(0.2)	27	(0.1)	89	(0.2)	314	(0.4)	-	
<b>17303</b>	<b>(100)</b>	<b>19513</b>	<b>(100)</b>	<b>21536</b>	<b>(100)</b>	<b>23974</b>	<b>(100)</b>	<b>32004</b>	<b>(100)</b>	<b>51245</b>	<b>(100)</b>	<b>75136</b>	<b>(100)</b>	-	
37.4		36.9		34.7		34.5		36.8		40.9		41.6			
33.5		12.8		10.4		11.3		33.5		60.1		46.6			
18260	(39.5)	20718	(39.2)	23524	(37.9)	23636	(34.0)	26875	(30.9)	31231	(24.9)	39404	(21.8)	42480	(20.9)
3172	(6.9)	4219	(8.0)	4854	(7.8)	6070	(8.7)	7581	(8.7)	12404	(9.9)	15223	(8.4)	20434	(10.1)
24733	(53.5)	27807	(52.6)	33587	(54.1)	39774	(57.2)	52441	(60.3)	81481	(65.0)	125477	(69.5)	140382	(69.1)
103	(0.2)	83	(0.2)	80	(0.1)	80	(0.1)	84	(0.1)	193	(0.2)	382	(0.2)	-	
<b>46268</b>	<b>(100)</b>	<b>52827</b>	<b>(100)</b>	<b>62045</b>	<b>(100)</b>	<b>69560</b>	<b>(100)</b>	<b>86981</b>	<b>(100)</b>	<b>125309</b>	<b>(100)</b>	<b>180486</b>	<b>(100)</b>	<b>203296</b>	<b>(100)</b>
25.5		14.2		17.4		12.1		25.0		44.1		44.0		12.6	

**Annexure T: State-wise Flow of Ground Level Credit (GLC) data for Agriculture and Allied Activities by All Agencies (contd.)**

Sr. No.	Name of the States/UTs	1995-96		1996-97			1997-98			1998-99		
		(Rs.lakh)	Share in All-India (%)	(Rs.lakh)	Share in All-India (%)	Growth Rate (%)	(Rs.lakh)	Share in All-India (%)	Growth Rate (%)	(Rs.lakh)	Share in All-India (%)	Growth Rate (%)
1	Chandigarh	4960	0.23	3057	0.05	(-38.4)	6474	0.21	(111.8)	17471	0.50	(169.9)
2	New Delhi	8221	0.37	8957	0.16	(9.0)	21542	0.70	(140.5)	12965	0.37	(-39.8)
3	Haryana	151056	6.86	182261	3.23	(20.7)	211094	6.87	(15.8)	250306	7.14	(18.6)
4	Himachal Pradesh	7167	0.33	8515	0.15	(18.8)	9561	0.31	(12.3)	15973	0.46	(67.1)
5	Jammu & Kashmir	1666	0.08	2150	0.04	(29.1)	2204	0.07	(2.5)	3020	0.09	(37.0)
6	Punjab	195900	8.89	239653	4.25	(22.3)	288104	9.38	(20.2)	383715	10.95	(33.2)
7	Rajasthan	87675	3.98	110887	1.97	(26.5)	146208	4.76	(31.9)	178759	5.10	(22.3)
	<b>Northern Region</b>	<b>456645</b>	<b>20.73</b>	<b>555480</b>	<b>9.85</b>	<b>(21.6)</b>	<b>685187</b>	<b>22.32</b>	<b>(23.4)</b>	<b>862209</b>	<b>24.60</b>	<b>(25.8)</b>
8	Arunachal Pradesh	97	0.00	274	0.00	(182.5)	346	0.01	(26.3)	425	0.01	(22.8)
9	Assam	3207	0.15	3885	0.07	(21.1)	15410	0.50	(296.7)	17078	0.49	(10.8)
10	Manipur	191	0.01	436	0.01	(128.3)	292	0.01	(-33.0)	185	0.01	(-36.6)
11	Meghalaya	398	0.02	369	0.01	(-7.3)	523	0.02	(41.7)	515	0.01	(-1.5)
12	Mizoram	115	0.01	355	0.01	(208.7)	197	0.01	(-44.5)	157	0.00	(-20.3)
13	Nagaland	325	0.01	437	0.01	(34.5)	411	0.01	(-5.9)	430	0.01	(4.6)
14	Tripura	683	0.03	890	0.02	(30.3)	1114	0.04	(25.2)	830	0.02	(-25.5)
15	Sikkim	98	0.00	244	0.00	(149.0)	191	0.01	(-21.7)	223	0.01	(16.8)
	<b>Northern Eastern Region</b>	<b>5114</b>	<b>0.23</b>	<b>6890</b>	<b>0.12</b>	<b>(34.7)</b>	<b>18484</b>	<b>0.60</b>	<b>(168.3)</b>	<b>19843</b>	<b>0.57</b>	<b>(7.4)</b>
16	A & N Islands	87	0.00	189	0.00	(117.2)	298	0.01	(57.7)	566	0.02	(89.9)
17	Bihar	36670	1.66	45429	0.81	(23.9)	41988	1.37	(-7.6)	48721	1.39	(16.0)
18	Jharkhand											
19	Orissa	41641	1.89	45130	0.80	(8.4)	48426	1.58	(7.3)	65977	1.88	(36.2)
20	West Bengal	59780	2.71	73318	1.30	(22.6)	67281	2.19	(-8.2)	75143	2.14	(11.7)
	<b>Eastern Region</b>	<b>138178</b>	<b>6.27</b>	<b>164066</b>	<b>2.91</b>	<b>(18.7)</b>	<b>157993</b>	<b>5.15</b>	<b>(-3.7)</b>	<b>190407</b>	<b>5.43</b>	<b>(20.5)</b>
21	Chhattisgarh											
22	Madhya Pradesh	130850	5.94	166128	2.95	(27.0)	198599	6.47	(19.5)	189601	5.41	(-4.5)
23	Uttar Pradesh	223118	10.13	256260	4.54	(14.9)	285498	9.30	(11.4)	316129	9.02	(10.7)
24	Uttaranchal											
	<b>Central Region</b>	<b>353968</b>	<b>16.07</b>	<b>422388</b>	<b>7.49</b>	<b>(19.3)</b>	<b>484097</b>	<b>15.77</b>	<b>(14.6)</b>	<b>505730</b>	<b>14.43</b>	<b>(4.5)</b>
25	Dadra & Nagar Haveli	37	0.00	56	0.00	(51.4)	107	0.00	(91.1)	155	0.00	(44.9)
26	Daman & Diu	55	0.00	76	0.00	(38.2)	90	0.00	(18.4)	126	0.00	(40.0)
27	Goa	3228	0.15	2653	0.05	(-17.8)	3364	0.11	(26.8)	3308	0.09	(-1.7)
28	Gujarat	149101	6.77	189148	3.35	(26.9)	230785	7.52	(22.0)	233992	6.68	(1.4)
29	Maharashtra	272960	12.39	281469	4.99	(3.1)	312168	10.17	(10.9)	393797	11.24	(26.1)
	<b>Western Region</b>	<b>425381</b>	<b>19.31</b>	<b>473402</b>	<b>8.39</b>	<b>(11.3)</b>	<b>546514</b>	<b>17.80</b>	<b>(15.4)</b>	<b>631378</b>	<b>18.02</b>	<b>(15.5)</b>
30	Andhra Pradesh	308261	13.99	368600	6.53	(19.6)	407635	13.28	(10.6)	481124	13.73	(18.0)
31	Karnataka	168550	7.65	188585	3.34	(11.9)	256663	8.36	(36.1)	292057	8.33	(13.8)
32	Kerala	94180	4.27	133321	2.36	(41.6)	147936	4.82	(11.0)	157079	4.48	(6.2)
33	Lakshadweep	36	0.00	43	0.00	(19.4)	43	0.00	(0.0)	56	0.00	(30.2)
34	Pondicherry	4150	0.19	2404	0.04	(-42.1)	2730	0.09	(13.6)	2798	0.08	(2.5)
35	Tamil Nadu	248780	11.29	292684	5.19	(17.6)	363237	11.83	(24.1)	361578	10.32	(-0.5)
	<b>Southern Region</b>	<b>823957</b>	<b>37.40</b>	<b>985637</b>	<b>17.47</b>	<b>(19.6)</b>	<b>1178244</b>	<b>38.37</b>	<b>(19.5)</b>	<b>1294692</b>	<b>36.95</b>	<b>(9.9)</b>
	Other states											
	<b>Total</b>	<b>2203243</b>	<b>100.00</b>	<b>5640799</b>	<b>100.0</b>	<b>(156.0)</b>	<b>3070519</b>	<b>100.00</b>	<b>(-45.6)</b>	<b>3504259</b>	<b>100.00</b>	<b>(14.1)</b>
	Other Bonds **											
	Private Sector Banks**						125041			181757		
	RIDF **			333								
	Other Agencies											
	<b>Grand Total</b>	<b>2203243</b>		<b>5641132</b>		<b>(156.0)</b>	<b>3195560</b>		<b>(-43.4)</b>	<b>3686016</b>		<b>(15.3)</b>

\*\* State-wise data not available.

Source: Special tabulations supplied by NABARD for the project.

Annexure T: State-wise Flow of Ground Level Credit (GLC) data for Agriculture and Allied Activities by All Agencies (contd.)

1999-2000			2000-2001			2001-2002			2002-2003		
(Rs.lakh)	Share in All-India (%)	Growth Rate (%)	(Rs.lakh)	Share in All-India (%)	Growth Rate (%)	(Rs.lakh)	Growth Rate (%)	Share in All-India (%)	(Rs.lakh)	Growth Rate (%)	Share in All-India (%)
21599	0.52	(23.6)	8256	0.17	(-61.8)	38769	(369.6)	0.69	17848	(-54.0)	0.29
96654	2.33	(645.5)	109692	2.31	(13.5)	141581	(29.1)	2.52	182540	(28.9)	2.93
311289	7.49	(24.4)	370357	7.79	(19.0)	400908	(8.2)	7.15	463705	(15.7)	7.45
15843	0.38	(-0.8)	18152	0.38	(14.6)	25658	(41.4)	0.46	31358	(22.2)	0.50
3207	0.08	(6.2)	3636	0.08	(13.4)	4960	(36.4)	0.09	5746	(15.8)	0.09
446512	10.74	(16.4)	515071	10.84	(15.4)	611309	(18.7)	10.90	762380	(24.7)	12.26
196743	4.73	(10.1)	210936	4.44	(7.2)	258347	(22.5)	4.60	281911	(9.1)	4.53
<b>1091847</b>	<b>26.27</b>	<b>(26.6)</b>	<b>1236100</b>	<b>26.02</b>	<b>(13.2)</b>	<b>1481532</b>	<b>(19.9)</b>	<b>26.41</b>	<b>1745488</b>	<b>(17.8)</b>	<b>28.06</b>
244	0.01	(-42.6)	408	0.01	(67.2)	539	(32.1)	0.01	994	(84.4)	0.02
7584	0.18	(-55.6)	5281	0.11	(-30.4)	7318	(38.6)	0.13	10127	(38.4)	0.16
161	0.00	(-13.0)	134	0.00	(-16.8)	142	(6.0)	0.00	405	(185.2)	0.01
773	0.02	(50.1)	538	0.01	(-30.4)	642	(19.3)	0.01	552	(-14.0)	0.01
368	0.01	(134.4)	340	0.01	(-7.6)	357	(5.0)	0.01	684	(91.6)	0.01
712	0.02	(65.6)	539	0.01	(-24.3)	540	(0.2)	0.01	540	(0.0)	0.01
1332	0.03	(60.5)	1703	0.04	(27.9)	1739	(2.1)	0.03	1759	(1.2)	0.03
240	0.01	(7.6)	380	0.01	(58.3)	368	(-3.2)	0.01	325	(-11.7)	0.01
<b>11414</b>	<b>0.27</b>	<b>(-42.5)</b>	<b>9323</b>	<b>0.20</b>	<b>(-18.3)</b>	<b>11645</b>	<b>(24.9)</b>	<b>0.21</b>	<b>15386</b>	<b>(32.1)</b>	<b>0.25</b>
397	0.01	(-29.9)	347	0.01	(-12.6)	578	(66.6)	0.01	382	(-33.9)	0.01
42212	1.02	(-13.4)	60491	1.27	(43.3)	70746	(17.0)	1.26	72260	(2.1)	1.16
			7089	0.15		16101	(127.1)	0.29	20315	(26.2)	0.33
80671	1.94	(22.3)	91173	1.92	(13.0)	96925	(6.3)	1.73	109688	(13.2)	1.76
94721	2.28	(26.1)	113568	2.39	(19.9)	144881	(27.6)	2.58	184244	(27.2)	2.96
<b>218001</b>	<b>5.24</b>	<b>(14.5)</b>	<b>272668</b>	<b>5.74</b>	<b>(25.1)</b>	<b>329231</b>	<b>(20.7)</b>	<b>5.87</b>	<b>386889</b>	<b>(17.5)</b>	<b>6.22</b>
			25257	0.53		28237	(11.8)	0.50	46133	(63.4)	0.74
201399	4.84	(6.2)	189632	3.99	(-5.8)	230071	(21.3)	4.10	290285	(26.2)	4.67
379593	9.13	(20.1)	429947	9.05	(13.3)	560667	(30.4)	9.99	618123	(10.2)	9.94
			16580	0.35		27169	(63.9)	0.48	48416	(78.2)	0.78
<b>580992</b>	<b>13.98</b>	<b>(14.9)</b>	<b>661416</b>	<b>13.92</b>	<b>(13.8)</b>	<b>846144</b>	<b>(27.9)</b>	<b>15.08</b>	<b>1002957</b>	<b>(18.5)</b>	<b>16.12</b>
347	0.01	(123.9)	90	0.00	(-74.1)	110	(22.2)	0.00	59	(-46.4)	0.00
392	0.01	(211.1)	45	0.00	(-88.5)	33	(-26.7)	0.00	24	(-27.3)	0.00
2649	0.06	(-19.9)	3566	0.08	(34.6)	2444	(-31.5)	0.04	2124	(-13.1)	0.03
277189	6.67	(18.5)	321916	6.78	(16.1)	371251	(15.3)	6.62	408741	(10.1)	6.57
445609	10.72	(13.2)	498216	10.49	(11.8)	592991	(19.0)	10.57	503275	(-15.1)	8.09
<b>726186</b>	<b>17.47</b>	<b>(15.0)</b>	<b>823833</b>	<b>17.34</b>	<b>(13.4)</b>	<b>966829</b>	<b>(17.4)</b>	<b>17.23</b>	<b>914223</b>	<b>(-5.4)</b>	<b>14.70</b>
528866	12.72	(9.9)	612529	12.89	(15.8)	748287	(22.2)	13.34	754059	(0.8)	12.12
351143	8.45	(20.2)	386305	8.13	(10.0)	433752	(12.3)	7.73	466361	(7.5)	7.50
225740	5.43	(43.7)	240688	5.07	(6.6)	260619	(8.3)	4.65	302961	(16.2)	4.87
35	0.00	(-37.5)	29	0.00	(-17.1)	33	(13.8)	0.00	26	(-21.2)	0.00
3605	0.09	(28.8)	4091	0.09	(13.5)	4073	(-0.4)	0.07	5341	(31.1)	0.09
419105	10.08	(15.9)	504375	10.62	(20.3)	528105	(4.7)	9.41	627046	(18.7)	10.08
<b>1528494</b>	<b>36.77</b>	<b>(18.1)</b>	<b>1748017</b>	<b>36.79</b>	<b>(14.4)</b>	<b>1974869</b>	<b>(13.0)</b>	<b>35.20</b>	<b>2155794</b>	<b>(9.2)</b>	<b>34.65</b>
<b>4156934</b>	<b>100.00</b>	<b>(18.6)</b>	<b>4751357</b>	<b>100.00</b>	<b>(14.3)</b>	<b>5610250</b>	<b>(18.1)</b>	<b>100.0</b>	<b>6220737</b>	<b>(10.9)</b>	<b>100.0</b>
			18800			5700	(-69.7)				
281982		(55.1)	315231		(11.8)	425412	(35.0)		585255	(37.6)	
187860			197354		(5.1)	163182	(-17.3)		149985	(-8.1)	
<b>4626776</b>		<b>(25.5)</b>	<b>5282742</b>		<b>(14.2)</b>	<b>6204544</b>	<b>(17.4)</b>		<b>6955977</b>	<b>(12.1)</b>	

**Annexure T:** State-wise Flow of Ground Level Credit (GLC) data for Agriculture and Allied Activities by All Agencies (concluded)

2003-2004			2004-05			2005-06			CAGR	CAGR	CAGR	CAGR
(Rs.lakh)	Growth Rate (%)	Share in All-India (%)	(Rs.lakh)	Growth Rate (%)	Share in All-India (%)	(Rs.lakh)	Growth Rate (%)	Share in All-India (%)	1995-96 to 1998-99	1998-99 to 2002-03	2002-03 to 2005-06	1995-96 to 2005-06
37245	(108.7)	0.49	90803	(143.8)	0.84	162231	(78.7)	0.92	52.2	0.5	108.7	41.7
242367	(32.8)	3.19	388227	(60.2)	3.60	1307623	(236.8)	7.41	16.4	93.7	92.8	66.0
628620	(35.6)	8.28	864028	(37.4)	8.01	1084743	(25.5)	6.15	18.3	16.7	32.7	21.8
38232	(21.9)	0.50	61581	(61.1)	0.57	95482	(55.1)	0.54	30.6	18.4	44.9	29.6
6619	(15.2)	0.09	11184	(69.0)	0.10	90545	(709.6)	0.51	21.9	17.4	150.7	49.1
914790	(20.0)	12.05	1279416	(39.9)	11.86	1547980	(21.0)	8.77	25.1	18.7	26.6	23.0
313996	(11.4)	4.14	517225	(64.7)	4.80	756234	(46.2)	4.29	26.8	12.1	38.9	24.0
<b>2181869</b>	<b>(25.0)</b>	<b>28.74</b>	<b>3212464</b>	<b>(47.2)</b>	<b>29.79</b>	<b>5044838</b>	<b>(57.0)</b>	<b>28.59</b>	<b>23.6</b>	<b>19.3</b>	<b>42.4</b>	<b>27.2</b>
390	(-60.8)	0.01	1257	(222.3)	0.01	1337	(6.4)	0.01	63.6	23.7	10.4	30.0
19129	(88.9)	0.25	26724	(39.7)	0.25	66332	(148.2)	0.38	74.6	-12.2	87.1	35.4
580	(43.2)	0.01	1923	(231.6)	0.02	5766	(199.8)	0.03	-1.1	21.6	142.4	40.6
5184	(839.1)	0.07	2474	(-52.3)	0.02	5657	(128.7)	0.03	9.0	1.7	117.2	30.4
544	(-20.5)	0.01	2019	(271.1)	0.02	2432	(20.5)	0.01	10.9	44.5	52.6	35.7
742	(37.4)	0.01	1978	(166.6)	0.02	2402	(21.4)	0.01	9.8	5.9	64.5	22.1
3000	(70.6)	0.04	3817	(27.2)	0.04	8476	(122.1)	0.05	6.7	20.7	68.9	28.6
425	(30.8)	0.01	541	(27.3)	0.01	1169	(116.1)	0.01	31.5	9.9	53.2	28.1
<b>29994</b>	<b>(94.9)</b>	<b>0.40</b>	<b>40733</b>	<b>(35.8)</b>	<b>0.38</b>	<b>93571</b>	<b>(129.7)</b>	<b>0.53</b>	<b>57.1</b>	<b>-6.2</b>	<b>82.5</b>	<b>33.7</b>
385	(0.8)	0.01	587	(52.5)	0.01	1528	(160.3)	0.01	86.7	-9.4	58.7	33.2
142172	(96.8)	1.87	181726	(27.8)	1.68	212458	(16.9)	1.20	9.9	10.4	43.3	19.2
21461	(5.6)	0.28	40739	(89.8)	0.38	50588	(24.2)	0.29			35.5	
127778	(16.5)	1.68	198549	(55.4)	1.84	312919	(57.6)	1.77	16.6	13.6	41.8	22.3
212944	(15.6)	2.81	302168	(41.9)	2.80	644134	(113.2)	3.65	7.9	25.1	51.8	26.8
<b>504740</b>	<b>(30.5)</b>	<b>6.65</b>	<b>723769</b>	<b>(43.4)</b>	<b>6.71</b>	<b>1221627</b>	<b>(68.8)</b>	<b>6.92</b>	<b>11.3</b>	<b>19.4</b>	<b>46.7</b>	<b>24.4</b>
52377	(13.5)	0.69	78740	(50.3)	0.73	123321	(56.6)	0.70			38.8	
342935	(18.1)	4.52	529344	(54.4)	4.91	690396	(30.4)	3.91	13.2	11.2	33.5	18.1
810833	(31.2)	10.68	1042864	(28.6)	9.67	1405866	(34.8)	7.97	12.3	18.3	31.5	20.2
42589	(-12.0)	0.56	63232	(48.5)	0.59	93782	(48.3)	0.53			24.7	
1248734	(24.5)	16.45	1714180	(37.3)	15.89	2313365	(35.0)	13.11	12.6	18.7	<b>32.1</b>	<b>20.7</b>
			76		0.00	158	(107.9)	0.00	61.2	-21.5	38.9	15.6
			5		0.00	40	(700.0)	0.00	31.8	-33.9	18.6	-3.1
3938	(85.4)	0.05	8008	(103.4)	0.07	13134	(64.0)	0.07	0.8	-10.5	83.5	15.1
479822	(17.4)	6.32	660930	(37.7)	6.13	1110647	(68.0)	6.30	16.2	15.0	39.5	22.2
528487	(5.0)	6.96	742083	(40.4)	6.88	1493814	(101.3)	8.47	13.0	6.3	43.7	18.5
<b>1012247</b>	<b>(10.7)</b>	<b>13.33</b>	<b>1411102</b>	<b>(39.4)</b>	<b>13.08</b>	<b>2617793</b>	<b>(85.5)</b>	<b>14.84</b>	<b>14.1</b>	<b>9.7</b>	<b>42.0</b>	<b>19.9</b>
1001424	(32.8)	13.19	1349050	(34.7)	12.51	2050124	(52.0)	11.62	16.0	11.9	39.6	20.9
532600	(14.2)	7.02	728127	(36.7)	6.75	1291353	(77.4)	7.32	20.1	12.4	40.4	22.6
377502	(24.6)	4.97	571229	(51.3)	5.30	1032413	(80.7)	5.85	18.6	17.8	50.5	27.1
78	(200.0)	0.00	62	(-20.5)	0.00	115	(85.5)	0.00	15.9	-17.5	64.2	12.3
6970	(30.5)	0.09	12716	(82.4)	0.12	23521	(85.0)	0.13	-12.3	17.5	63.9	18.9
695166	(10.9)	9.16	1020670	(46.8)	9.46	1948810	(90.9)	11.05	13.3	14.8	45.9	22.9
<b>2613740</b>	<b>(21.2)</b>	<b>34.43</b>	<b>3681854</b>	<b>(40.9)</b>	<b>34.14</b>	<b>6346336</b>	<b>(72.4)</b>	<b>35.97</b>	<b>16.3</b>	<b>13.6</b>	<b>43.3</b>	<b>22.6</b>
			1224		0.01	4870	(297.9)	0.03				
<b>7591324</b>	<b>(22.0)</b>	<b>100.0</b>	<b>10785326</b>	<b>(42.1)</b>	<b>100.00</b>	<b>17642400</b>	<b>(63.6)</b>	<b>100.00</b>	<b>16.7</b>	<b>15.4</b>	<b>41.5</b>	<b>23.1</b>
			5867			300	(-94.9)					
1023008	(74.8)		1626342	(59.0)						34.0	-100.0	
83747	(-44.2)		94123	(12.4)		405857	(331.2)				39.4	
			19279									
<b>8698079</b>	<b>(25.0)</b>		<b>12530937</b>	<b>(44.1)</b>		<b>18048557</b>	<b>(44.0)</b>		<b>18.7</b>	<b>17.2</b>	<b>37.4</b>	<b>23.4</b>



## Annexure U: State-wise and Agency-wise Ground Level Credit Flow for Agricultural Credit (contd.)

(Annexure U in 11 Pages)

Regions/ State	1995-96									
	(Rs. Lakh)									
	CBs	Per Cent to All- India	SCB/CCBs	LDBs	Co.op. Banks	Per Cent to All- India	RRBs	Per Cent to All- India	Total	Per Cent to All- India
(1)	(2)	(3)	(4)	(5=3+4)	(6)	(7)	(8)	(9)	(10)	
<b>Northern Region</b>	<b>152248</b>	<b>15.0</b>	<b>240392</b>	<b>48409</b>	<b>288801</b>	<b>27.6</b>	<b>15596</b>	<b>11.3</b>	<b>456645</b>	<b>20.7</b>
Chandigarh	4960	0.5							4960	0.2
New Delhi	8168	0.8	53		53	0.0			8221	0.4
Haryana	33050	3.2	96550	16514	113064	10.8	4942	3.6	151056	6.9
Himachal Pradesh	4850	0.5	1138	909	2047	0.2	270	0.2	7167	0.3
Jammu & Kashmir	380	0.0	775	214	989	0.1	297	0.2	1666	0.1
Punjab	76380	7.5	98932	16680	115612	11.0	3908	2.8	195900	8.9
Rajasthan	24460	2.4	42944	14092	57036	5.4	6179	4.5	87675	4.0
<b>North-Eastern Region</b>	<b>3452</b>	<b>0.3</b>	<b>602</b>	<b>55</b>	<b>657</b>	<b>0.1</b>	<b>1005</b>	<b>0.7</b>	<b>5114</b>	<b>0.2</b>
Arunachal Pradesh			36		36	0.0	61	0.0	97	0.0
Assam	2457	0.2	108		108	0.0	642	0.5	3207	0.1
Manipur	176	0.0					15	0.0	191	0.0
Meghalaya	165	0.0	129		129	0.0	104	0.1	398	0.0
Mizoram	17	0.0	8		8	0.0	90	0.1	115	0.0
Nagaland	210	0.0	114		114	0.0	1	0.0	325	0.0
Tripura	329	0.0	207	55	262	0.0	92	0.1	683	0.0
Sikkim	98	0.0							98	0.0
<b>Eastern Region</b>	<b>76626</b>	<b>7.5</b>	<b>47133</b>	<b>3955</b>	<b>51088</b>	<b>4.9</b>	<b>10464</b>	<b>7.6</b>	<b>138178</b>	<b>6.3</b>
Bihar	24286	2.4	8049	1400	9449	0.9	2935	2.1	36670	1.7
Orissa	19300	1.9	17350	264	17614	1.7	4727	3.4	41641	1.9
West Bengal	33040	3.2	21647	2291	23938	2.3	2802	2.0	59780	2.7
A&N Islands			87		87	0.0			87	0.0
<b>Central Region</b>	<b>127360</b>	<b>12.5</b>	<b>166489</b>	<b>29665</b>	<b>196154</b>	<b>18.7</b>	<b>30454</b>	<b>22.1</b>	<b>353968</b>	<b>16.1</b>
Madhya Pradesh	45330	4.5	70185	7550	77735	7.4	7785	5.6	130850	5.9
Uttar Pradesh	82030	8.1	96304	22115	118419	11.3	22669	16.4	223118	10.1
<b>Western Region</b>	<b>168338</b>	<b>16.5</b>	<b>224731</b>	<b>22327</b>	<b>247058</b>	<b>23.6</b>	<b>9985</b>	<b>7.2</b>	<b>425378</b>	<b>19.3</b>
Dadra & Nagar Haveli	34	0.0	3						34	0.0
Daman & Diu	44	0.0	11		11	0.0			55	0.0
Gujarat	60000	5.9	73489	9441	82930	7.9	6171	4.5	149101	6.8
Goa	2730	0.3	498		498	0.0			3228	0.1
Maharashtra	105530	10.4	150730	12886	163616	15.6	3814		272960	12.4
<b>Southern Region</b>	<b>489221</b>	<b>48.1</b>	<b>241830</b>	<b>22301</b>	<b>264131</b>	<b>25.2</b>	<b>70605</b>	<b>51.1</b>	<b>823957</b>	<b>37.4</b>
Andhra Pradesh @	178750	17.6	103431		103431	9.9	26080	18.9	308261	14.0
Karnataka	85680	8.4	45798	9839	55637	5.3	27233	19.7	168550	7.7
Lakshadweep	36	0.0							36	0.0
Kerala	46205	4.5	28090	7195	35285	3.4	12690	9.2	94180	4.3
Pondicherry	3580	0.4	461	109	570	0.1			4150	0.2
Tamil Nadu	174970	17.2	64050	5158	69208	6.6	4602	3.3	248780	11.3
<b>All-India Total</b>	<b>1017245</b>	<b>100</b>	<b>921177</b>	<b>126712</b>	<b>1047889</b>	<b>100</b>	<b>138109</b>	<b>100</b>	<b>2203240</b>	<b>100</b>

Note: Disbursements through other agencies (if any) included in SCB/CCBs.

Source: Special Tabulations supplied for the project by NABARD

**Annexure U: State-wise and Agency-wise Ground Level Credit Flow for Agricultural Credit (contd.)**

1996-97										(Rs. Lakh)
Regions/ State	CBs	Per Cent to All- India	SCB/CCBs	LDBs	Co.op. Banks	Per Cent to All- India	RRBs	Per Cent to All- India	Total	Per Cent to All- India
(1)	(2)	(3)	(4)	(5=3+4)	(6)	(7)	(8)	(9)	(10)	
<b>Northern Region</b>	<b>184147</b>	<b>14.8</b>	<b>294107</b>	<b>55211</b>	<b>349318</b>	<b>29.2</b>	<b>22015</b>	<b>13.1</b>	<b>555480</b>	<b>21.3</b>
Chandigarh	3057	0.2							3057	0.1
New Delhi	8880	0.7	77		77	0.0			8957	0.3
Haryana	37140	3.0	120888	17148	138036	11.6	7085	4.2	182261	7.0
Himachal Pradesh	4945	0.4	1922	1173	3095	0.3	475	0.3	8515	0.3
Jammu & Kashmir	460	0.0	846	236	1082	0.1	608	0.4	2150	0.1
Punjab	97140	7.8	116821	20375	137196	11.5	5317	3.2	239653	9.2
Rajasthan	32525	2.6	53553	16279	69832	5.8	8530	5.1	110887	4.3
<b>North-Eastern Region</b>	<b>5240</b>	<b>0.4</b>	<b>792</b>	<b>83</b>	<b>875</b>	<b>0.1</b>	<b>775</b>	<b>0.5</b>	<b>6868</b>	<b>0.3</b>
Arunachal Pradesh	9	0.0	174		174	0.0	91	0.1	274	0.0
Assam	3459	0.3	50		50	0.0	376	0.2	3885	0.1
Manipur	404	0.0	22				10	0.0	414	0.0
Meghalaya	185	0.0	68		68	0.0	116	0.1	369	0.0
Mizoram	203	0.0	82		82	0.0	70	0.0	355	0.0
Nagaland	262	0.0	175		175	0.0		0.0	437	0.0
Tripura	474	0.0	221	83	304	0.0	112	0.1	890	0.0
Sikkim	244	0.0							244	0.0
<b>Eastern Region</b>	<b>95391</b>	<b>7.7</b>	<b>38046</b>	<b>20832</b>	<b>58878</b>	<b>4.9</b>	<b>9797</b>	<b>5.8</b>	<b>164066</b>	<b>6.3</b>
Bihar	30033	2.4	7944	1902	9846	0.8	5550	3.3	45429	1.7
Orissa	21780	1.7	6743	15741	22484	1.9	866	0.5	45130	1.7
West Bengal	43567	3.5	23181	3189	26370	2.2	3381	2.0	73318	2.8
A&N Islands	11	0.0	178		178	0.0			189	0.0
<b>Central Region</b>	<b>172500</b>	<b>13.9</b>	<b>173695</b>	<b>40284</b>	<b>213979</b>	<b>17.9</b>	<b>35909</b>	<b>21.3</b>	<b>422388</b>	<b>16.2</b>
Madhya Pradesh	65000	5.2	85171	7513	92684	7.8	8444	5.0	166128	6.4
Uttar Pradesh	107500	8.6	88524	32771	121295	10.2	27465	16.3	256260	9.8
<b>Western Region</b>	<b>206933</b>	<b>16.6</b>	<b>227364</b>	<b>26401</b>	<b>253765</b>	<b>21.2</b>	<b>12704</b>	<b>7.5</b>	<b>473402</b>	<b>18.2</b>
Dadra & Nagar Haveli	56	0.0							56	0.0
Daman & Diu	57	0.0	19		19	0.0			76	0.0
Gujarat	84360	6.8	85233	11918	97151	8.1	7637	4.5	189148	7.3
Goa	2260	0.2	393		393	0.0			2653	0.1
Maharashtra	120200	9.7	141719	14483	156202	13.1	5067	3.0	281469	10.8
<b>Southern Region</b>	<b>580791</b>	<b>46.6</b>	<b>288471</b>	<b>29182</b>	<b>317653</b>	<b>26.6</b>	<b>87193</b>	<b>51.8</b>	<b>985637</b>	<b>37.8</b>
Andhra Pradesh @	201100	16.2	132600		132600	11.1	34900	20.7	368600	14.1
Karnataka	101785	8.2	46057	11306	57363	4.8	29437	17.5	188585	7.2
Lakshadweep	43	0.0							43	0.0
Kerala	74612	6.0	33596	8823	42419	3.6	16290	9.7	133321	5.1
Pondicherry	1800	0.1	496	108	604	0.1			2404	0.1
Tamil Nadu	201451	16.2	75722	8945	84667	7.1	6566	3.9	292684	11.2
<b>All-India Total</b>	<b>1245002</b>	<b>100</b>	<b>1022475</b>	<b>171993</b>	<b>1194468</b>	<b>100</b>	<b>168393</b>	<b>100</b>	<b>2607841</b>	<b>100</b>

Note: Disbursements through other agencies (if any) included in SCB/CCBs.

Source: Special Tabulations supplied for the project by NABARD

## Annexure U: State-wise and Agency-wise Ground Level Credit Flow for Agricultural Credit (contd.)

Regions/ State	1997-98										(Rs. Lakh)
	CBs	Per Cent to All- India	SCB/CCBs	LDBs	Co.op. Banks	Per Cent to All- India	RRBs	Per Cent to All- India	Other Agencies	Total	Per Cent to All- India
		(1)			(2)	(3)		(4)			(5=3+4)
<b>Northern Region</b>	<b>258817</b>	<b>17.8</b>	<b>329712</b>	<b>65605</b>	<b>395317</b>	<b>28.3</b>	<b>30995</b>	<b>15.2</b>	<b>58</b>	<b>685187</b>	<b>22.3</b>
Chandigarh	6474	0.4								6474	0.2
New Delhi	21517	1.5	25		25	0.0				21542	0.7
Haryana	50016	3.4	130413	19931	150344	10.8	10734	5.3		211094	6.9
Himachal Pradesh	5598	0.4	2327	925	3252	0.2	711	0.3		9561	0.3
Jammu & Kashmir	595	0.0	789	206	995	0.1	614	0.3		2204	0.1
Punjab	127056	8.7	127929	26391	154320	11.0	6728	3.3		288104	9.4
Rajasthan	47561	3.3	68229	18152	86381	6.2	12208	6.0	58	146208	4.8
<b>North-Eastern Region</b>	<b>7559</b>	<b>0.5</b>	<b>9950</b>	<b>64</b>	<b>10014</b>	<b>0.7</b>	<b>886</b>	<b>0.4</b>	<b>25</b>	<b>18484</b>	<b>0.6</b>
Arunachal Pradesh	166	0.0	39		39	0.0	141	0.1		346	0.0
Assam	5851	0.4	9198		9198	0.7	361	0.2		15410	0.5
Manipur	253	0.0					14	0.0	25	292	0.0
Meghalaya	313	0.0	20		20	0.0	190	0.1		523	0.0
Mizoram	42	0.0	116		116	0.0	39	0.0		197	0.0
Nagaland	257	0.0	154		154	0.0				411	0.0
Tripura	486	0.0	423	64	487	0.0	141	0.1		1114	0.0
Sikkim	191	0.0								191	0.0
<b>Eastern Region</b>	<b>88500</b>	<b>6.1</b>	<b>47390</b>	<b>6942</b>	<b>54332</b>	<b>3.9</b>	<b>14520</b>	<b>7.1</b>	<b>641</b>	<b>157993</b>	<b>5.1</b>
Bihar	28662	2.0	4819	3237	8056	0.6	5270	2.6		41988	1.4
Orissa	21484	1.5	20086	142	20228	1.4	6711	3.3	3	48426	1.6
West Bengal	38255	2.6	22286	3563	25849	1.8	2539	1.2	638	67281	2.2
A&N Islands	99	0.0	199		199	0.0				298	0.0
<b>Central Region</b>	<b>201241</b>	<b>13.8</b>	<b>209497</b>	<b>37461</b>	<b>246958</b>	<b>17.7</b>	<b>35898</b>	<b>17.6</b>	<b>0</b>	<b>484097</b>	<b>15.8</b>
Madhya Pradesh	81098	5.6	97776	8219	105995	7.6	11506	5.6		198599	6.5
Uttar Pradesh	120143	8.2	111721	29242	140963	10.1	24392	12.0		285498	9.3
<b>Western Region</b>	<b>233501</b>	<b>16.0</b>	<b>270179</b>	<b>26778</b>	<b>296957</b>	<b>21.2</b>	<b>14660</b>	<b>7.2</b>	<b>1396</b>	<b>546514</b>	<b>17.8</b>
Dadra & Nagar Haveli	74	0.0	33		33	0.0				107	0.0
Daman & Diu	83	0.0	7		7	0.0				90	0.0
Gujarat	101407	7.0	101265	17467	118732	8.5	9286	4.6	1360	230785	7.5
Goa	2794	0.2	540		540	0.0			30	3364	0.1
Maharashtra	129143	8.9	168334	9311	177645	12.7	5374	2.6	6	312168	10.2
<b>Southern Region</b>	<b>668407</b>	<b>45.8</b>	<b>318935</b>	<b>74953</b>	<b>393888</b>	<b>28.2</b>	<b>107082</b>	<b>52.5</b>	<b>8867</b>	<b>1178244</b>	<b>38.4</b>
Andhra Pradesh @	211216	14.5	108506	42461	150967	10.8	42276	20.7	3176	407635	13.3
Karnataka	131799	9.0	76381	12919	89300	6.4	35564	17.4		256663	8.4
Lakshadweep	77731	5.3	41519	9027	50546	3.6	19659	9.6		147936	4.8
Kerala	43	0.0								43	0.0
Pondicherry	2213	0.2	436	81	517	0.0				2730	0.1
Tamil Nadu	245405	16.8	92093	10465	102558	7.3	9583	4.7	5691	363237	11.8
<b>All-India Total</b>	<b>1458025</b>	<b>100</b>	<b>1185663</b>	<b>211803</b>	<b>1397466</b>	<b>100</b>	<b>204041</b>	<b>100</b>	<b>10987</b>	<b>3070519</b>	<b>100</b>
Pvt. Sec.Comm.Banks	125041									125041	
<b>Grand Total</b>	<b>1583066</b>		<b>1185663</b>	<b>211803</b>	<b>1397466</b>		<b>204041</b>		<b>10987</b>	<b>3195560</b>	

Note: Disbursements through other agencies (if any) included in SCB/CCBs.

Source: Special Tabulations supplied for the project by NABARD

**Annexure U: State-wise and Agency-wise Ground Level Credit Flow for Agricultural Credit (contd.)**

1998-99											(Rs. Lakh)
Regions/ State	CBs	Per Cent to All- India	SCB/CCBs	LDBs	Co.op. Banks	Per Cent to All- India	RRBs	Per Cent to All- India	Other Agencies	Total	Per Cent to All- India
(1)	(2)	(3)	(4)	(5=3+4)	(6)	(7)	(8)	(9)	(10)	(11)	
<b>Northern Region</b>	<b>325404</b>	<b>19.6</b>	<b>424591</b>	<b>77134</b>	<b>501725</b>	<b>31.6</b>	<b>35029</b>	<b>14.2</b>	<b>51</b>	<b>862209</b>	<b>24.6</b>
Chandigarh	17471	1.1								17471	0.5
New Delhi	12939	0.8	26		26	0.0				12965	0.4
Haryana	50336	3.0	166617	22241	188858	11.9	11100	4.5	12	250306	7.1
Himachal Pradesh	9777	0.6	3697	1892	5589	0.4	607	0.2		15973	0.5
Jammu & Kashmir	793	0.0	1090	383	1473	0.1	753	0.3	1	3020	0.1
Punjab	177447	10.7	165943	32228	198171	12.5	8097	3.3		383715	10.9
Rajasthan	56641	3.4	87218	20390	107608	6.8	14472	5.9	38	178759	5.1
<b>North-Eastern Region</b>	<b>5844</b>	<b>0.4</b>	<b>12928</b>	<b>53</b>	<b>12981</b>	<b>0.8</b>	<b>1010</b>	<b>0.4</b>	<b>8</b>	<b>19843</b>	<b>0.6</b>
Arunachal Pradesh	127	0.0	132		132	0.0	166	0.1		425	0.0
Assam	4477	0.3	12168		12168	0.8	433	0.2		17078	0.5
Manipur	170	0.0					7	0.0	8	185	0.0
Meghalaya	262	0.0	48		48	0.0	205	0.1		515	0.0
Mizoram	42	0.0	79		79	0.0	36	0.0		157	0.0
Nagaland	267	0.0	163		163	0.0				430	0.0
Tripura	276	0.0	338	53	391	0.0	163	0.1		830	0.0
Sikkim	223	0.0								223	0.0
<b>Eastern Region</b>	<b>106172</b>	<b>6.4</b>	<b>60891</b>	<b>4480</b>	<b>65371</b>	<b>4.1</b>	<b>18772</b>	<b>7.6</b>	<b>92</b>	<b>190407</b>	<b>5.4</b>
Bihar	38003	2.3	4115	375	4490	0.3	6228	2.5		48721	1.4
Orissa	20854	1.3	34933		34933	2.2	10190	4.1		65977	1.9
West Bengal	46980	2.8	21612	4105	25717	1.6	2354	1.0	92	75143	2.1
A&N Islands	335	0.0	231		231	0.0				566	0.0
<b>Central Region</b>	<b>217978</b>	<b>13.1</b>	<b>188099</b>	<b>47307</b>	<b>235406</b>	<b>14.8</b>	<b>52128</b>	<b>21.2</b>	<b>218</b>	<b>505730</b>	<b>14.4</b>
Madhya Pradesh	74872	4.5	92704	8712	101416	6.4	13289	5.4	24	189601	5.4
Uttar Pradesh	143106	8.6	95395	38595	133990	8.4	38839	15.8	194	316129	9.0
<b>Western Region</b>	<b>271451</b>	<b>16.3</b>	<b>317342</b>	<b>18402</b>	<b>335744</b>	<b>21.1</b>	<b>19055</b>	<b>7.7</b>	<b>5128</b>	<b>631378</b>	<b>18.0</b>
Dadra & Nagar Haveli	105	0.0	50		50	0.0				155	0.0
Daman & Diu	117	0.0	9		9	0.0				126	0.0
Gujarat	102272	6.2	101371	13375	114746	7.2	11999	4.9	4975	233992	6.7
Goa	2706	0.2	555		555	0.0			47	3308	0.1
Maharashtra	166251	10.0	215357	5027	220384	13.9	7056	2.9	106	393797	11.2
<b>Southern Region</b>	<b>735650</b>	<b>44.2</b>	<b>364141</b>	<b>72336</b>	<b>436477</b>	<b>27.5</b>	<b>120017</b>	<b>48.8</b>	<b>2548</b>	<b>1294692</b>	<b>36.9</b>
Andhra Pradesh @	268807	16.2	125114	36481	161595	10.2	49482	20.1	1240	481124	13.7
Karnataka	151486	9.1	90293	11543	101836	6.4	38735	15.7		292057	8.3
Lakshadweep	77359	4.7	49310	9260	58570	3.7	21150	8.6		157079	4.5
Kerala	56	0.0								56	0.0
Pondicherry	2282	0.1	449	67	516	0.0				2798	0.1
Tamil Nadu	235660	14.2	98975	14985	113960	7.2	10650	4.3	1308	361578	10.3
<b>All-India Total</b>	<b>1662499</b>	<b>100</b>	<b>1367992</b>	<b>219712</b>	<b>1587704</b>	<b>100</b>	<b>246011</b>	<b>100</b>	<b>8045</b>	<b>3504259</b>	<b>100</b>
Pvt. Sec.Comm.Banks	181757									181757	
<b>Grand Total</b>	<b>1844256</b>		<b>1367992</b>	<b>219712</b>	<b>1587704</b>		<b>246011</b>		<b>8045</b>	<b>3686016</b>	

Note: Disbursements through other agencies (if any) included in SCB/CCBs.

Source: Special Tabulations supplied for the project by NABARD

## Annexure U: State-wise and Agency-wise Ground Level Credit Flow for Agricultural Credit (contd.)

1999-00											
(Rs. Lakh)											
Regions/ State	CBs	Per Cent to All- India	SCB/CCBs	LDBs	Co.op. Banks	Per Cent to All- India	RRBs	Per Cent to All- India	Other Agencies	Total	Per Cent to All- India
(1)	(2)	(3)	(4)	(5=3+4)	(6)	(7)	(8)	(9)	(10)	(11)	
<b>Northern Region</b>	<b>479881</b>	<b>24.0</b>	<b>490648</b>	<b>78773</b>	<b>569421</b>	<b>31.2</b>	<b>42527</b>	<b>13.4</b>	<b>18</b>	<b>1091847</b>	<b>26.3</b>
Chandigarh	21599	1.1								21599	0.5
New Delhi	96639	4.8	15		15	0.0				96654	2.3
Haryana	67340	3.4	206185	23122	229307	12.6	14624	4.6	18	311289	7.5
Himachal Pradesh	8999	0.4	3401	2708	6109	0.3	735	0.2		15843	0.4
Jammu & Kashmir	720	0.0	1225	650	1875	0.1	612	0.2		3207	0.1
Punjab	214391	10.7	190793	31202	221995	12.2	10126	3.2		446512	10.7
Rajasthan	70193	3.5	89029	21091	110120	6.0	16430	5.2		196743	4.7
<b>North-Eastern Region</b>	<b>6149</b>	<b>0.3</b>	<b>2537</b>	<b>82</b>	<b>2619</b>	<b>0.1</b>	<b>2639</b>	<b>0.8</b>	<b>7</b>	<b>11414</b>	<b>0.3</b>
Arunachal Pradesh	126	0.0	73		73	0.0	45	0.0		244	0.0
Assam	4211	0.2	1235		1235	0.1	2138	0.7		7584	0.2
Manipur	77	0.0	46		46	0.0	31	0.0	7	161	0.0
Meghalaya	473	0.0	64		64	0.0	236	0.1		773	0.0
Mizoram	128	0.0	179		179	0.0	61	0.0		368	0.0
Nagaland	540	0.0	164		164	0.0	8	0.0		712	0.0
Tripura	357	0.0	773	82	855	0.0	120	0.0		1332	0.0
Sikkim	237	0.0	3		3	0.0				240	0.0
<b>Eastern Region</b>	<b>115796</b>	<b>5.8</b>	<b>77227</b>	<b>5486</b>	<b>82713</b>	<b>4.5</b>	<b>19454</b>	<b>6.1</b>	<b>38</b>	<b>218001</b>	<b>5.2</b>
Bihar	30940	1.5	3966	958	4924	0.3	6348	2.0		42212	1.0
Orissa	24409	1.2	46748		46748	2.6	9514	3.0		80671	1.9
West Bengal	60216	3.0	26347	4528	30875	1.7	3592	1.1	38	94721	2.3
A&N Islands	231	0.0	166		166	0.0				397	0.0
<b>Central Region</b>	<b>245981</b>	<b>12.3</b>	<b>204346</b>	<b>59677</b>	<b>264023</b>	<b>14.5</b>	<b>70974</b>	<b>22.4</b>	<b>14</b>	<b>580992</b>	<b>14.0</b>
Madhya Pradesh	76677	3.8	100375	9409	109784	6.0	14924	4.7	14	201399	4.8
Uttar Pradesh	169304	8.5	103971	50268	154239	8.4	56050	17.7		379593	9.1
<b>Western Region</b>	<b>301163</b>	<b>15.0</b>	<b>378196</b>	<b>13397</b>	<b>391593</b>	<b>21.4</b>	<b>25717</b>	<b>8.1</b>	<b>7713</b>	<b>726186</b>	<b>17.5</b>
Dadra & Nagar Haveli	316	0.0	31		31	0.0				347	0.0
Daman & Diu	355	0.0	37		37	0.0				392	0.0
Gujarat	122283	6.1	121745	11126	132871	7.3	14351	4.5	7684	277189	6.7
Goa	2036	0.1	607		607	0.0			6	2649	0.1
Maharashtra	176173	8.8	255776	2271	258047	14.1	11366	3.6	23	445609	10.7
<b>Southern Region</b>	<b>854484</b>	<b>42.7</b>	<b>435613</b>	<b>80004</b>	<b>515617</b>	<b>28.2</b>	<b>155860</b>	<b>49.1</b>	<b>2533</b>	<b>1528494</b>	<b>36.8</b>
Andhra Pradesh @	285770	14.3	143364	42303	185667	10.2	57429	18.1		528866	12.7
Karnataka	184140	9.2	103181	12723	115904	6.3	51099	16.1		351143	8.4
Lakshadweep	111486	5.6	72405	8717	81122	4.4	33106	10.4		225714	5.4
Kerala	35	0.0							26	61	0.0
Pondicherry	3080	0.2	441	84	525	0.0				3605	0.1
Tamil Nadu	269973	13.5	116222	16177	132399	7.3	14226	4.5	2507	419105	10.1
<b>All-India Total</b>	<b>2003454</b>	<b>100</b>	<b>1588567</b>	<b>237419</b>	<b>1825986</b>	<b>100</b>	<b>317171</b>	<b>100</b>	<b>10323</b>	<b>4156934</b>	<b>100</b>
Pvt. Sec.Comm.Banks	281982									281982	
RIDF	187860									187860	
<b>Grand Total</b>	<b>2473296</b>		<b>1588567</b>	<b>237419</b>	<b>1825986</b>		<b>317171</b>		<b>10323</b>	<b>4626776</b>	

Note: Disbursements through other agencies (if any) included in SCB/CCBs.

Source: Special Tabulations supplied for the project by NABARD

**Annexure U: State-wise and Agency-wise Ground Level Credit Flow for Agricultural Credit (contd.)**

2000-01											
(Rs. Lakh)											
Regions/ State	CBs	Per Cent to All- India	SCB/CCBs	LDBs	Co.op. Banks	Per Cent to All- India	RRBs	Per Cent to All- India	Other Agencies	Total	Per Cent to All- India
(1)	(2)	(3)	(4)	(5=3+4)	(6)	(7)	(8)	(9)	(10)	(11)	
<b>Northern Region</b>	<b>560691</b>	<b>24.9</b>	<b>544010</b>	<b>75010</b>	<b>619020</b>	<b>29.9</b>	<b>55958</b>	<b>13.3</b>	<b>431</b>	<b>1236100</b>	<b>26.0</b>
Chandigarh	8256	0.4								8256	0.2
New Delhi	109534	4.9	158		158	0.0				109692	2.3
Haryana	91067	4.0	233648	26186	259834	12.5	19456	4.6		370357	7.8
Himachal Pradesh	11117	0.5	3619	2037	5656	0.3	1379	0.3		18152	0.4
Jammu & Kashmir	800	0.0	1428	347	1775	0.1	1061	0.3		3636	0.1
Punjab	260990	11.6	214079	26716	240795	11.6	13286	3.1		515071	10.8
Rajasthan	78927	3.5	91078	19724	110802	5.3	20776	4.9	431	210936	4.4
<b>North-Eastern Region</b>	<b>6198</b>	<b>0.3</b>	<b>1808</b>	<b>75</b>	<b>1883</b>	<b>0.1</b>	<b>1216</b>	<b>0.3</b>	<b>26</b>	<b>9323</b>	<b>0.2</b>
Arunachal Pradesh	131	0.0	18		18	0.0	259	0.1		408	0.0
Assam	4760	0.2	27		27	0.0	494	0.1		5281	0.1
Manipur	80	0.0			0	0.0	28	0.0	26	134	0.0
Meghalaya	247	0.0	145		145	0.0	146	0.0		538	0.0
Mizoram	89	0.0	179		179	0.0	72	0.0		340	0.0
Nagaland	408	0.0	129		129	0.0	2	0.0		539	0.0
Tripura	206	0.0	1207	75	1282	0.1	215	0.1		1703	0.0
Sikkim	277	0.0	103		103	0.0				380	0.0
<b>Eastern Region</b>	<b>147294</b>	<b>6.5</b>	<b>93415</b>	<b>4438</b>	<b>97853</b>	<b>4.7</b>	<b>27505</b>	<b>6.5</b>	<b>16</b>	<b>272668</b>	<b>5.7</b>
Bihar	38241	1.7	14386	174	14560	0.7	7690	1.8		60491	1.3
Jharkhand	2662	0.1	2262		2262	0.1	2165	0.5		7089	
Orissa	31587	1.4	46081	24	46105	2.2	13481	3.2		91173	1.9
West Bengal	74567	3.3	30576	4240	34816	1.7	4169	1.0	16	113568	2.4
A&N Islands	237	0.0	110		110	0.0				347	0.0
<b>Central Region</b>	<b>286116</b>	<b>12.7</b>	<b>186672</b>	<b>91993</b>	<b>278665</b>	<b>13.5</b>	<b>96583</b>	<b>22.9</b>	<b>52</b>	<b>661416</b>	<b>13.9</b>
Madhya Pradesh	73924	3.3	88178	12992	101170	4.9	14538	3.4		189632	4.0
Chhattisgarh	588	0.0	20434	2010	22444	1.1	2173	0.5	52	25257	
Uttar Pradesh	210386	9.4	66820	75210	142030	6.9	77531	18.4		429947	9.0
Uttaranchal	1218	0.1	11240	1781	13021	0.6	2341	0.6		16580	
<b>Western Region</b>	<b>303435</b>	<b>13.5</b>	<b>478381</b>	<b>9165</b>	<b>487546</b>	<b>23.5</b>	<b>29203</b>	<b>6.9</b>	<b>3649</b>	<b>823833</b>	<b>17.3</b>
Dadra & Nagar Haveli	48	0.0	42		42	0.0				90	0.0
Daman & Diu		0.0	25		25	0.0			20	45	0.0
Gujarat	140920	6.3	151830	8185	160015	7.7	17683	4.2	3298	321916	6.8
Goa	2891	0.1	670		670	0.0			5	3566	0.1
Maharashtra	159576	7.1	325814	980	326794	15.8	11520	2.7	326	498216	10.5
<b>Southern Region</b>	<b>945552</b>	<b>42.0</b>	<b>517742</b>	<b>69134</b>	<b>586876</b>	<b>28.3</b>	<b>211517</b>	<b>50.1</b>	<b>4072</b>	<b>1748017</b>	<b>36.8</b>
Andhra Pradesh @	301256	13.4	192138	25255	217393	10.5	91960	21.8	1920	612529	12.9
Karnataka	202981	9.0	111227	11476	122703	5.9	60607	14.4	14	386305	8.1
Lakshadweep	103515	4.6	84033	10818	94851	4.6	42181	10.0	141	240688	5.1
Kerala	29	0.0								29	0.0
Pondicherry	3418	0.2	542	131	673	0.0				4091	0.1
Tamil Nadu	334353	14.9	129802	21454	151256	7.3	16769	4.0	1997	504375	10.6
<b>All-India Total</b>	<b>2249286</b>	<b>100</b>	<b>1822028</b>	<b>249815</b>	<b>2071843</b>	<b>100</b>	<b>421982</b>	<b>100</b>	<b>8246</b>	<b>4751357</b>	<b>100</b>
Other Bonds	18800									18800	
Pvt. Sec.Comm.Banks	315231									315231	
RIDF	197354									197354	
<b>Grand Total</b>	<b>2780671</b>		<b>1822028</b>	<b>249815</b>	<b>2071843</b>		<b>421982</b>		<b>8246</b>	<b>5282742</b>	

Note: Disbursements through other agencies (if any) included in SCB/CCBs.

Source: Special Tabulations supplied for the project by NABARD

## Annexure U: State-wise and Agency-wise Ground Level Credit Flow for Agricultural Credit (contd.)

2001-02 (Rs. Lakh)											
Regions/ State	Per Cent to All-India		SCB/CCBs	LDBs	Co.op. Banks	Per Cent to All-India		Other Agencies	Total	Per Cent to All-India	
	CBs					RRBs					
(1)	(2)	(3)	(4)	(5=3+4)	(6)	(7)					
<b>Northern Region</b>	<b>699344</b>	<b>25.3</b>	<b>628948</b>	<b>83205</b>	<b>712153</b>	<b>30.3</b>	<b>69915</b>	<b>14.4</b>	<b>120</b>	<b>1481531</b>	<b>26.4</b>
Chandigarh	38768	1.4	1							38768	0.7
New Delhi	141391	5.1	190		190	0.0				141581	2.5
Haryana	99963	3.6	248014	29991	278005	11.8	22940	4.7		400908	7.1
Himachal Pradesh	17320	0.6	4517	2457	6974	0.3	1364	0.3		25658	0.5
Jammu & Kashmir	1147	0.0	2120	548	2668	0.1	1145	0.2		4960	0.1
Punjab	303302	11.0	259986	29917	289903	12.3	18104	3.7		611309	10.9
Rajasthan	97453	3.5	114120	20292	134412	5.7	26362	5.4	120	258347	4.6
<b>North-Eastern Region</b>	<b>9364</b>	<b>0.3</b>	<b>910</b>	<b>99</b>	<b>1009</b>	<b>0.0</b>	<b>1260</b>	<b>0.3</b>	<b>12</b>	<b>11645</b>	<b>0.2</b>
Arunachal Pradesh	446	0.0	29		29	0.0	64	0.0		539	0.0
Assam	6647	0.2	32		32	0.0	639	0.1		7318	0.1
Manipur	94	0.0			0	0.0	36	0.0	12	142	0.0
Meghalaya	291	0.0	166		166	0.0	185	0.0		642	0.0
Mizoram	186	0.0	77		77	0.0	94	0.0		357	0.0
Nagaland	377	0.0	161		161	0.0	2	0.0		540	0.0
Tripura	1017	0.0	383	99	482	0.0	240	0.0		1739	0.0
Sikkim	306	0.0	62		62	0.0				368	0.0
<b>Eastern Region</b>	<b>190383</b>	<b>6.9</b>	<b>103432</b>	<b>5287</b>	<b>108719</b>	<b>4.6</b>	<b>29751</b>	<b>6.1</b>	<b>378</b>	<b>329231</b>	<b>5.9</b>
Bihar	52475	1.9	8278		8278	0.4	9993	2.1		70746	1.3
Jharkhand	8327	0.3	5989		5989	0.3	1785	0.4		16101	
Orissa	30666	1.1	52618	607	53225	2.3	12980	2.7	54	96925	1.7
West Bengal	98846	3.6	36038	4680	40718	1.7	4993	1.0	324	144881	2.6
A&N Islands	69	0.0	509		509	0.0				578	0.0
<b>Central Region</b>	<b>387074</b>	<b>14.0</b>	<b>241323</b>	<b>92783</b>	<b>334106</b>	<b>14.2</b>	<b>124947</b>	<b>25.7</b>	<b>17</b>	<b>846144</b>	<b>15.1</b>
Madhya Pradesh	100390	3.6	89796	17558	107354	4.6	22327	4.6		230071	4.1
Chhattisgarh	3701	0.1	17593	3124	20717	0.9	3802	0.8	17	28237	
Uttar Pradesh	273648	9.9	121031	70052	191083	8.1	95936	19.8		560667	10.0
Uttaranchal	9335	0.3	12903	2049	14952	0.6	2882	0.6		27169	
<b>Western Region</b>	<b>383858</b>	<b>13.9</b>	<b>536103</b>	<b>9767</b>	<b>545870</b>	<b>23.2</b>	<b>34269</b>	<b>7.1</b>	<b>2832</b>	<b>966829</b>	<b>17.2</b>
Dadra & Nagar Haveli	39	0.0	71		71	0.0				110	0.0
Daman & Diu	0	0.0	33		33	0.0				33	0.0
Gujarat	158122	5.7	180526	9121	189647	8.1	20796	4.3	2686	371251	6.6
Goa	1879	0.1	419		419	0.0			146	2444	0.0
Maharashtra	223818	8.1	355054	646	355700	15.1	13473	2.8		592991	10.6
<b>Southern Region</b>	<b>1094334</b>	<b>39.6</b>	<b>571056</b>	<b>79575</b>	<b>650631</b>	<b>27.7</b>	<b>225217</b>	<b>46.4</b>	<b>4687</b>	<b>1974869</b>	<b>35.2</b>
Andhra Pradesh @	398487	14.4	216000	37000	253000	10.8	95400	19.7	1400	748287	13.3
Karnataka	224137	8.1	130167	9783	139950	5.9	69164	14.3	501	433752	7.7
Kerala	120760	4.4	85806	12727	98533	4.2	41261	8.5	65	260619	4.6
Lakshadweep	33	0.0								33	0.0
Pondicherry	3614	0.1	420	39	459	0.0				4073	0.1
Tamil Nadu	347303	12.6	138663	20026	158689	6.7	19392	4.0	2721	528105	9.4
<b>All-India Total</b>	<b>2764357</b>	<b>100</b>	<b>2081772</b>	<b>270716</b>	<b>2352488</b>	<b>100</b>	<b>485359</b>	<b>100</b>	<b>8046</b>	<b>5610249</b>	<b>100</b>
Other Bonds	5700									5700	
Pvt. Sec.Comm.Banks	425412									425412	
RIDF	163182									163182	
<b>Grand Total</b>	<b>3358651</b>		<b>2081772</b>	<b>270716</b>	<b>2352488</b>		<b>485359</b>		<b>8046</b>	<b>6204543</b>	

Note: Disbursements through other agencies (if any) included in SCB/CCBs.

Source: Special Tabulations supplied for the project by NABARD

**Annexure U: State-wise and Agency-wise Ground Level Credit Flow for Agricultural Credit (contd.)**

2002-03											(Rs. Lakh)
Regions/ State	CBs	Per Cent to All- India	SCB/CCBs	LDBs	Co.op. Banks	Per Cent to All- India	RRBs	Per Cent to All- India	Other Agencies	Total	Per Cent to All- India
(1)	(2)	(3)	(4)	(5=3+4)	(6)	(7)					
<b>Northern Region</b>	<b>886370</b>	<b>27.3</b>	<b>693930</b>	<b>79504</b>	<b>773434</b>	<b>32.7</b>	<b>85592</b>	<b>14.1</b>	<b>92</b>	<b>1745488</b>	<b>28.1</b>
Chandigarh	17840	0.6	8		8	0.0				17848	0.3
New Delhi	182201	5.6	339		339	0.0				182540	2.9
Haryana	132937	4.1	270289	32986	303275	12.8	27493	4.5		463705	7.5
Himachal Pradesh	21542	0.7	6002	1607	7609	0.3	2207	0.4		31358	0.5
Jammu & Kashmir	1495	0.0	2315	228	2543	0.1	1708	0.3		5746	0.1
Punjab	417869	12.9	294935	26468	321403	13.6	23108	3.8		762380	12.3
Rajasthan	112486	3.5	120042	18215	138257	5.8	31076	5.1	92	281911	4.5
<b>North-Eastern Region</b>	<b>11371</b>	<b>0.4</b>	<b>1399</b>	<b>56</b>	<b>1455</b>	<b>0.1</b>	<b>2552</b>	<b>0.4</b>	<b>8</b>	<b>15386</b>	<b>0.2</b>
Arunachal Pradesh	530	0.0	464		464	0.0		0.0		994	0.0
Assam	8437	0.3	110		110	0.0	1580	0.3		10127	0.2
Manipur	183	0.0	179		179	0.0	35	0.0	8	405	0.0
Meghalaya	304	0.0	87		87	0.0	161	0.0		552	0.0
Mizoram	262	0.0	151		151	0.0	271	0.0		684	0.0
Nagaland	343	0.0	189		189	0.0	8	0.0		540	0.0
Tripura	1025	0.0	181	56	237	0.0	497	0.1		1759	0.0
Sikkim	287	0.0	38		38	0.0				325	0.0
<b>Eastern Region</b>	<b>225683</b>	<b>7.0</b>	<b>114774</b>	<b>5933</b>	<b>120707</b>	<b>5.1</b>	<b>40068</b>	<b>6.6</b>	<b>431</b>	<b>386889</b>	<b>6.2</b>
Bihar	46716	1.4	10160		10160	0.4	15384	2.5		72260	1.2
Jharkhand	12142	0.4	5841		5841	0.2	2332	0.4		20315	
Orissa	32809	1.0	60029	912	60941	2.6	15910	2.6	28	109688	1.8
West Bengal	133961	4.1	38417	5021	43438	1.8	6442	1.1	403	184244	3.0
A&N Islands	55	0.0	327		327	0.0				382	0.0
<b>Central Region</b>	<b>423185</b>	<b>13.1</b>	<b>280569</b>	<b>124166</b>	<b>404735</b>	<b>17.1</b>	<b>175037</b>	<b>28.8</b>	<b>0</b>	<b>1002957</b>	<b>16.1</b>
Madhya Pradesh	117844	3.6	119934	22491	142425	6.0	30016	4.9		290285	4.7
Chhattisgarh	8711	0.3	28127	3809	31936	1.4	5486	0.9		46133	
Uttar Pradesh	267546	8.3	119461	95416	214877	9.1	135700	22.4		618123	9.9
Uttaranchal	29084	0.9	13047	2450	15497	0.7	3835	0.6		48416	
<b>Western Region</b>	<b>405901</b>	<b>12.5</b>	<b>447994</b>	<b>6595</b>	<b>454589</b>	<b>19.2</b>	<b>50434</b>	<b>8.3</b>	<b>3299</b>	<b>914223</b>	<b>14.7</b>
Dadra & Nagar Haveli	12	0.0	47		47	0.0				59	0.0
Daman & Diu	0	0.0	24		24	0.0				24	0.0
Gujarat	178519	5.5	196915	6595	203510	8.6	23477	3.9	3235	408741	6.6
Goa	1700	0.1	360		360	0.0			64	2124	0.0
Maharashtra	225670	7.0	250648		250648	10.6	26957	4.4		503275	8.1
<b>Southern Region</b>	<b>1289610</b>	<b>39.8</b>	<b>555358</b>	<b>53354</b>	<b>608712</b>	<b>25.8</b>	<b>253296</b>	<b>41.7</b>	<b>4176</b>	<b>2155794</b>	<b>34.7</b>
Andhra Pradesh @	452439	14.0	184427	14944	199371	8.4	101895	16.8	354	754059	12.1
Karnataka	267436	8.2	116949	8934	125883	5.3	72689	12.0	353	466361	7.5
Lakshadweep	142688	4.4	96114	9985	106099	4.5	54171	8.9	3	302961	4.9
Kerala	26	0.0								26	0.0
Pondicherry	3862	0.1	1471	8	1479	0.1				5341	0.1
Tamil Nadu	423159	13.1	156397	19483	175880	7.4	24541	4.0	3466	627046	10.1
<b>All-India Total</b>	<b>3242120</b>	<b>100</b>	<b>2094024</b>	<b>269608</b>	<b>2363632</b>	<b>100</b>	<b>606979</b>	<b>100</b>	<b>8006</b>	<b>6220737</b>	<b>100</b>
Pvt. Sec.Comm.Banks	585255									585255	
RIDF	149985									149985	
<b>Grand Total</b>	<b>3977360</b>		<b>2094024</b>	<b>269608</b>	<b>2363632</b>		<b>606979</b>		<b>8006</b>	<b>6955977</b>	

Note: Disbursements through other agencies (if any) included in SCB/CCBs.

Source: Special Tabulations supplied for the project by NABARD



## Annexure U: State-wise and Agency-wise Ground Level Credit Flow for Agricultural Credit (contd.)

2003-04											(Rs. Lakh)
Regions/ State	CBs	Per Cent to All- India	SCB/CCBs	LDBs	Co.op. Banks	Per Cent to All- India	RRBs	Per Cent to All- India	Other Agencies	Total	Per Cent to All- India
(1)	(2)	(3)	(4)	(5=3+4)	(6)	(7)	(8)	(9)	(10)	(11)	
<b>Northern Region</b>	<b>1187465</b>	<b>28.7</b>	<b>782457</b>	<b>94264</b>	<b>876721</b>	<b>32.6</b>	<b>117620</b>	<b>15.5</b>	<b>63</b>	<b>2181869</b>	<b>28.7</b>
Chandigarh	37240	0.9	5		5					37245	0.5
New Delhi	242073	5.9	294		294	0.0				242367	3.2
Haryana	229804	5.6	319552	37385	356937	13.3	41879	5.5		628620	8.3
Himachal Pradesh	25725	0.6	7041	1840	8881	0.3	3626	0.5		38232	0.5
Jammu & Kashmir	2578	0.1	2145	123	2268	0.1	1773	0.2		6619	0.1
Punjab	505089	12.2	341337	38700	380037	14.1	29664	3.9		914790	12.1
Rajasthan	144956	3.5	112083	16216	128299	4.8	40678	5.4	63	313996	4.1
<b>North-Eastern Region</b>	<b>24663</b>	<b>0.6</b>	<b>1258</b>	<b>119</b>	<b>1377</b>	<b>0.1</b>	<b>3918</b>	<b>0.5</b>	<b>36</b>	<b>29994</b>	<b>0.4</b>
Arunachal Pradesh	234	0.0	125		125	0.0	31	0.0		390	0.0
Assam	16202	0.4	310		310	0.0	2617	0.3		19129	0.3
Manipur	152	0.0	197		197	0.0	195	0.0	36	580	0.0
Meghalaya	4799	0.1	173		173	0.0	212	0.0		5184	0.1
Mizoram	342	0.0	80		80	0.0	122	0.0		544	0.0
Nagaland	476	0.0	223		223	0.0	43	0.0		742	0.0
Tripura	2077	0.1	106	119	225	0.0	698	0.1		3000	0.0
Sikkim	381	0.0	44		44	0.0				425	0.0
<b>Eastern Region</b>	<b>279587</b>	<b>6.8</b>	<b>168308</b>	<b>7470</b>	<b>175778</b>	<b>6.5</b>	<b>49281</b>	<b>6.5</b>	<b>94</b>	<b>504740</b>	<b>6.6</b>
Bihar	65574	1.6	55104	1007	56111	2.1	20487	2.7		142172	1.9
Jharkhand	18187	0.4			0	0.0	3274	0.4		21461	
Orissa	38579	0.9	71370	1033	72403	2.7	16765	2.2	31	127778	1.7
West Bengal	157017	3.8	41679	5430	47109	1.8	8755	1.2	63	212944	2.8
A&N Islands	230	0.0	155		155	0.0				385	0.0
<b>Central Region</b>	<b>546553</b>	<b>13.2</b>	<b>329681</b>	<b>147171</b>	<b>476852</b>	<b>17.7</b>	<b>225329</b>	<b>29.7</b>	<b>0</b>	<b>1248734</b>	<b>16.4</b>
Madhya Pradesh	151066	3.7	129939	18370	148309	5.5	43560	5.7		342935	4.5
Chhattisgarh	17341	0.4	25133	4903	30036	1.1	5000	0.7		52377	
Uttar Pradesh	356845	8.6	156919	123898	280817	10.4	173171	22.8		810833	10.7
Uttaranchal	21301	0.5	17690		17690	0.7	3598	0.5		42589	
<b>Western Region</b>	<b>518425</b>	<b>12.5</b>	<b>451247</b>	<b>3179</b>	<b>454426</b>	<b>16.9</b>	<b>36484</b>	<b>4.8</b>	<b>2912</b>	<b>1012247</b>	<b>13.3</b>
Dadra & Nagar Haveli					0	0.0				0	0.0
Daman & Diu					0	0.0				0	0.0
Gujarat	229967	5.6	216805	3179	219984	8.2	26961	3.6	2910	479822	6.3
Goa	3285	0.1	651		651	0.0			2	3938	0.1
Maharashtra	285173	6.9	233791		233791	8.7	9523	1.3		528487	7.0
<b>Southern Region</b>	<b>1580637</b>	<b>38.2</b>	<b>639112</b>	<b>63229</b>	<b>702341</b>	<b>26.1</b>	<b>325483</b>	<b>42.9</b>	<b>5279</b>	<b>2613740</b>	<b>34.4</b>
Andhra Pradesh @	580940	14.0	248204	32934	281138	10.5	136884	18.1	2462	1001424	13.2
Karnataka	329670	8.0	116290	6596	122886	4.6	79900	10.5	144	532600	7.0
Lakshadweep	180313	4.4	112132	9532	121664	4.5	75498	10.0	27	377502	5.0
Kerala	78	0.0								78	0.0
Pondicherry	6099	0.1	849	22	871	0.0				6970	0.1
Tamil Nadu	483537	11.7	161637	14145	175782	6.5	33201	4.4	2646	695166	9.2
<b>All-India Total</b>	<b>4137330</b>	<b>100</b>	<b>2372063</b>	<b>315432</b>	<b>2687495</b>	<b>100</b>	<b>758115</b>	<b>100</b>	<b>8384</b>	<b>7591324</b>	<b>100</b>
Pvt. Sec.Comm.Banks	1023008									1023008	
RIDF	83747									83747	
<b>Grand Total</b>	<b>5244085</b>		<b>2372063</b>	<b>315432</b>	<b>2687495</b>		<b>758115</b>		<b>8384</b>	<b>8698079</b>	

Note: Disbursements through other agencies (if any) included in SCB/CCBs.

Source: Special Tabulations supplied for the project by NABARD

**Annexure U: State-wise and Agency-wise Ground Level Credit Flow for Agricultural Credit (contd.)**

2004-05										(Rs. Lakh)
Regions/ State	CBs	Per Cent to All- India	SCB/CCBs	LDBs	Co.op. Bnks	Per Cent to All- India	RRBs	Per Cent to All-India	Total	Per Cent to All- India
(1)	(2)	(3)	(4)	(5=3+4)	(6)	(7)	(8)	(9)	(10)	
<b>Northern Region</b>	<b>1901719</b>	<b>29.6</b>	<b>1020760</b>	<b>110067</b>	<b>1130827</b>	<b>36.2</b>	<b>179918</b>	<b>14.5</b>	<b>3212464</b>	<b>29.8</b>
Chandigarh	90798	1.4	5		5				90803	0.8
New Delhi	387957	6.0	270		270	0.0			388227	3.6
Haryana	371570	5.8	389984	42113	432097	13.8	60361	4.9	864028	8.0
Himachal Pradesh	42665	0.7	11134	3908	15042	0.5	3874	0.3	61581	0.6
Jammu & Kashmir	6316	0.1	2359	12	2371	0.1	2497	0.2	11184	0.1
Punjab	769593	12.0	420527	47598	468125	15.0	41698	3.4	1279416	11.9
Rajasthan	232820	3.6	196481	16436	212917	6.8	71488	5.8	517225	4.8
<b>North-Eastern Region</b>	<b>30277</b>	<b>0.5</b>	<b>1392</b>	<b>92</b>	<b>1484</b>	<b>0.0</b>	<b>8972</b>	<b>0.7</b>	<b>40733</b>	<b>0.4</b>
Arunachal Pradesh	1179	0.0	69	0	69	0.0	9	0.0	1257	0.0
Assam	20089	0.3	320	0	320	0.0	6315	0.5	26724	0.2
Manipur	1562	0.0	149	0	149	0.0	212	0.0	1923	0.0
Meghalaya	1905	0.0	174	0	174	0.0	395	0.0	2474	0.0
Mizoram	869	0.0	280	0	280	0.0	870	0.1	2019	0.0
Nagaland	1697	0.0	215	0	215	0.0	66	0.0	1978	0.0
Tripura	2514	0.0	106	92	198	0.0	1105	0.1	3817	0.0
Sikkim	462	0.0	79	0	79	0.0			541	0.0
<b>Eastern Region</b>	<b>439981</b>	<b>6.9</b>	<b>172796</b>	<b>11254</b>	<b>184050</b>	<b>5.9</b>	<b>99738</b>	<b>8.0</b>	<b>723769</b>	<b>6.7</b>
Bihar	109221	1.7	27375	2000	29375	0.9	43130	3.5	181726	1.7
Jharkhand	31034	0.5	0	0	0	0.0	9705	0.8	40739	
Orissa	70957	1.1	96372	754	97126	3.1	30466	2.5	198549	1.8
West Bengal	228513	3.6	48718	8500	57218	1.8	16437	1.3	302168	2.8
A&N Islands	256	0.0	331	0	331	0.0			587	0.0
<b>Central Region</b>	<b>891449</b>	<b>13.9</b>	<b>383645</b>	<b>90165</b>	<b>473810</b>	<b>15.2</b>	<b>348921</b>	<b>28.1</b>	<b>1714180</b>	<b>15.9</b>
Madhya Pradesh	262889	4.1	173860	24601	198461	6.4	67994	5.5	529344	4.9
Chhattisgarh	26634	0.4	34927	3894	38821	1.2	13285	1.1	78740	0.7
Uttar Pradesh	567429	8.8	151835	61670	213505	6.8	261930	21.1	1042864	9.7
Uttaranchal	34497	0.5	23023	0	23023	0.7	5712	0.5	63232	0.6
<b>Western Region</b>	<b>773753</b>	<b>12.1</b>	<b>578206</b>	<b>3966</b>	<b>582172</b>	<b>18.6</b>	<b>55177</b>	<b>4.4</b>	<b>1411102</b>	<b>13.1</b>
Dadra & Nagar Haveli	76								76	0.0
Daman & Diu	5								5	0.0
Gujarat	362539	5.6	258386	3966	262352	8.4	36039	2.9	660930	6.1
Goa	7053	0.1	955		955	0.0			8008	0.1
Maharashtra	404080	6.3	318865		318865	10.2	19138	1.5	742083	6.9
<b>Southern Region</b>	<b>2383379</b>	<b>37.1</b>	<b>725263</b>	<b>25538</b>	<b>750801</b>	<b>24.0</b>	<b>547674</b>	<b>44.2</b>	<b>3681854</b>	<b>34.1</b>
Andhra Pradesh @	872650	13.6	207700		207700	6.7	268700	21.7	1349050	12.5
Karnataka	482977	7.5	116274	8339	124613	4.0	120537	9.7	728127	6.8
Lakshadweep	270340	4.2	179062	14168	193230	6.2	107659	8.7	571229	5.3
Kerala	62	0.0	0	0					62	0.0
Pondicherry	11448	0.2	1248	20	1268	0.0			12716	0.1
Tamil Nadu	745902	11.6	220979	3011	223990	7.2	50778	4.1	1020670	9.5
<b>All-India Total</b>	<b>6420558</b>	<b>100</b>	<b>2882062</b>	<b>241082</b>	<b>3123144</b>	<b>100</b>	<b>1240400</b>	<b>100</b>	<b>10784102</b>	<b>100</b>
Other Bonds	5867								5867	
Pvt. Sec.Comm.Banks	1626342								1626342	
RIDF	94123								94123	
<b>Grand Total</b>	<b>8146890</b>		<b>2882062</b>	<b>241082</b>	<b>3123144</b>		<b>1240400</b>		<b>12510434</b>	

Note: Disbursements through other agencies (if any) included in SCB/CCBs.

Source: Special Tabulations supplied for the project by NABARD

## Annexure U: State-wise and Agency-wise Ground Level Credit Flow for Agricultural Credit (concluded)

2005-06												(Rs. Lakh)	
Regions/State	CBs (Pub.Sec)	Per Cent to All- India	SCB/CCBs	LDBs	Co.op. Banks	Per Cent to All- India	RRBs	Per Cent to All- India	Total	Per Cent to All- India	Pvt. Sec. CBs	Per Cent to All- India	
(1)	(2)	(3)	(4)	(5=3+4)	(6)	(7)	(8)	(9)	(10)	(11)	(12)		
<b>Northern Region</b>	<b>2862494</b>	<b>31.5</b>	<b>1276005</b>	<b>83798</b>	<b>1360511</b>	<b>34.2</b>	<b>249779</b>	<b>16.4</b>	<b>4472784</b>	<b>30.7</b>	<b>572054</b>	<b>18.7</b>	
Chandigarh	145891	1.6	9		9	0.0			145900	1.0	16331	0.5	
New Delhi	1009549	11.1	180		180	0.0			1009729	6.9	297894	9.8	
Haryana	437234	4.8	486070	22952	509028	12.8	79959	5.3	1026221	7.0	58522	1.9	
Himachal Pradesh	64585	0.7	17384	4938	22322	0.6	6992	0.5	93899	0.6	1583	0.1	
Jammu & Kashmir	69948	0.8	3045		3045	0.1	3127	0.2	76120	0.5	14425	0.5	
Punjab	795776	8.8	546476	37755	584641	14.7	56848	3.7	1437265	9.9	110715	3.6	
Rajasthan	339511	3.7	222841	18153	241286	6.1	102853	6.8	683650	4.7	72584	2.4	
<b>North-Eastern Region</b>	<b>49787</b>	<b>0.5</b>	<b>3113</b>	<b>78</b>	<b>3214</b>	<b>0.1</b>	<b>11038</b>	<b>0.7</b>	<b>64039</b>	<b>0.4</b>	<b>29532</b>	<b>1.0</b>	
Arunachal Pradesh	1106	0.0	208		208	0.0	23	0.0	1337	0.0			
Assam	33083	0.4	283		283	0.0	6798	0.4	40164	0.3	26168	0.9	
Manipur	4143	0.0	1519		1542	0.0	81	0.0	5766	0.0			
Meghalaya	2335	0.0	297		297	0.0	825	0.1	3457	0.0	2200	0.1	
Mizoram	724	0.0	301		301	0.0	1400	0.1	2425	0.0	7	0.0	
Nagaland	2086	0.0	96		96	0.0	99	0.0	2281	0.0	121	0.0	
Tripura	5325	0.1	261	78	339	0.0	1812	0.1	7476	0.1	1000	0.0	
Sikkim	985	0.0	148		148	0.0			1133	0.0	36	0.0	
<b>Eastern Region</b>	<b>586466</b>	<b>6.5</b>	<b>225853</b>	<b>8619</b>	<b>236538</b>	<b>5.9</b>	<b>115491</b>	<b>7.6</b>	<b>938495</b>	<b>6.4</b>	<b>283132</b>	<b>9.3</b>	
Bihar	143038	1.6	23461		23461	0.6	45009	3.0	211508	1.4	950	0.0	
Jharkhand	41656	0.5					7991	0.5	49647	0.3	941	0.0	
Orissa	97000	1.1	142361	76	144305	3.6	41536	2.7	282841	1.9	30078	1.0	
West Bengal	303455	3.3	59820	8543	68561	1.7	20955	1.4	392971	2.7	251163	8.2	
A&N Islands	1317	0.0	211		211	0.0			1528	0.0			
<b>Central Region</b>	<b>1210486</b>	<b>13.3</b>	<b>426099</b>	<b>70729</b>	<b>496862</b>	<b>12.5</b>	<b>439937</b>	<b>28.9</b>	<b>2147285</b>	<b>14.7</b>	<b>166080</b>	<b>5.4</b>	
Madhya Pradesh	330489	3.6	197556	20768	218324	5.5	92454	6.1	641267	4.4	49129	1.6	
Chhattisgarh	39044	0.4	36862	3916	40812	1.0	20174	1.3	100030	0.7	23291	0.8	
Uttar Pradesh	789580	8.7	159760	46045	205805	5.2	320576	21.1	1315961	9.0	89905	2.9	
Uttaranchal	51373	0.6	31921		31921	0.8	6733	0.4	90027	0.6	3755	0.1	
<b>Western Region</b>	<b>1063954</b>	<b>11.7</b>	<b>745424</b>	<b>6378</b>	<b>781793</b>	<b>19.7</b>	<b>70633</b>	<b>4.6</b>	<b>1916380</b>	<b>13.1</b>	<b>701413</b>	<b>23.0</b>	
Dadra & Nagar Haveli	10	0.0	78		85	0.0			95	0.0	63	0.0	
Daman & Diu	1	0.0							1	0.0	39	0.0	
Gujarat	464568	5.1	340960	6016	376875	9.5	49540	3.3	890983	6.1	219664	7.2	
Goa	10871	0.1	590		675	0.0			11546	0.1	1588	0.1	
Maharashtra	588504	6.5	403796	362	404158	10.2	21093	1.4	1013755	6.9	480059	15.7	
<b>Southern Region</b>	<b>3312443</b>	<b>36.4</b>	<b>1057903</b>	<b>36378</b>	<b>1099648</b>	<b>27.6</b>	<b>635412</b>	<b>41.7</b>	<b>5047503</b>	<b>34.6</b>	<b>1298833</b>	<b>42.6</b>	
Andhra Pradesh @	1093788	12.0	312600		312600	7.9	281700	18.5	1688088	11.6	362036	11.9	
Karnataka	725200	8.0	249665	16772	269523	6.8	153601	10.1	1148324	7.9	143029	4.7	
Lakshadweep	414056	4.6	268893	18328	287387	7.2	129045	8.5	830488	5.7	201925	6.6	
Kerala	115	0.0							115	0.0			
Pondicherry	20013	0.2	2015	16	2031	0.1			22044	0.2	1477	0.0	
Tamil Nadu	1059271	11.7	224730	1262	228107	5.7	71066	4.7	1358444	9.3	590366	19.3	
Unclassified	4870	0.1							4870	0.0			
<b>All-India Total</b>	<b>9090500</b>	<b>100</b>	<b>3734397</b>	<b>205980</b>	<b>3978566</b>	<b>100</b>	<b>1522290</b>	<b>100</b>	<b>14591356</b>	<b>100</b>	<b>3051044</b>	<b>100</b>	
Other Bonds											300		
Pvt. Sec. Comm. Banks													
RIDF	337279								337279		68578		
<b>Grand Total</b>	<b>9427779</b>		<b>3734397</b>	<b>205980</b>	<b>3978566</b>		<b>1522290</b>		<b>14928635</b>		<b>3119922</b>		

Note: Disbursements through other agencies (if any) included in SCB/CCBs.

Source: Special Tabulations supplied for the project by NABARD

**Annexure V: State-wise/Agency-wise Ground Level Credit (GLC) disbursements for Production Credit and Investment Credit under Agriculture and Allied Activities**

1999-2000											(Rs.lakh)	
Cooperatives Banks					RRBs			CBs \$ Agriculture & Allied Activities		Per cent to Col 10	Aggregate Credit for Agriculture & Allied Activities	
Name of the State/Region/Uts (1)	Production Credit (2)	Investment Credit (3)	Total Credit (4=2+3) (5)	Per cent to Col 10 (6)	Production Credit (5)	Investment Credit (6)	Total Credit (7=5+6) (7)	(8)	(9=7+8) (9)	(10)	(10)	
<b>Northern Region</b>	<b>479411</b>	<b>90028</b>	<b>569439</b>	<b>(52.2)</b>	<b>26949</b>	<b>15578</b>	<b>42527</b>	<b>479881</b>	<b>522408</b>	<b>(47.8)</b>	<b>1091847</b>	<b>(100)</b>
Chandigarh								21599	21599	(100.0)	21599	(100)
New Delhi	2	13	15	(0.0)				96639	96639	(100.0)	96654	(100)
Haryana	204950	24375	229325	(73.7)	10405	4219	14624	67340	81964	(26.3)	311289	(100)
Himachal Pradesh	830	5279	6109	(38.6)	149	586	735	8999	9734	(61.4)	15843	(100)
Jammu & Kashmir	821	1054	1875	(58.5)	302	310	612	720	1332	(41.5)	3207	(100)
Punjab	189123	32872	221995	(49.7)	7821	2305	10126	214391	224517	(50.3)	446512	(100)
Rajasthan	83685	26435	110120	(56.0)	8272	8158	16430	70193	86623	(44.0)	196743	(100)
<b>North Eastern Region</b>	<b>469</b>	<b>2157</b>	<b>2626</b>	<b>(23.0)</b>	<b>202</b>	<b>2437</b>	<b>2639</b>	<b>6149</b>	<b>8788</b>	<b>(77.0)</b>	<b>11414</b>	<b>(100)</b>
Arunachal Pradesh	3	70	73	(29.9)	30	15	45	126	171	(70.1)	244	(100)
Assam	15	1220	1235	(16.3)	89	2049	2138	4211	6349	(83.7)	7584	(100)
Manipur	0	53	53	(32.9)	0	31	31	77	108	(67.1)	161	(100)
Meghalaya	46	18	64	(8.3)	75	161	236	473	709	(91.7)	773	(100)
Mizoram	36	143	179	(48.6)	3	58	61	128	189	(51.4)	368	(100)
Nagaland	151	13	164	(23.0)	0	8	8	540	548	(77.0)	712	(100)
Tripura	215	640	855	(64.2)	5	115	120	357	477	(35.8)	1332	(100)
Sikkim	3	0	3	(1.3)	0	0	0	237	237	(98.8)	240	(100)
<b>Eastern Region</b>	<b>71435</b>	<b>11316</b>	<b>82751</b>	<b>(38.0)</b>	<b>11764</b>	<b>7690</b>	<b>19454</b>	<b>115796</b>	<b>135250</b>	<b>(62.0)</b>	<b>218001</b>	<b>(100)</b>
Bihar	3724	1200	4924	(11.7)	1872	4476	6348	30940	37288	(88.3)	42212	(100)
Orissa	42624	4124	46748	(57.9)	7484	2030	9514	24409	33923	(42.1)	80671	(100)
West Bengal	25071	5842	30913	(32.6)	2408	1184	3592	60216	63808	(67.4)	94721	(100)
Andaman & Nicobar	16	150	166	(41.8)	0	0	0	231	231	(58.2)	397	(100)
<b>Central Region</b>	<b>196345</b>	<b>67692</b>	<b>264037</b>	<b>(45.4)</b>	<b>42668</b>	<b>28306</b>	<b>70974</b>	<b>245981</b>	<b>316955</b>	<b>(54.6)</b>	<b>580992</b>	<b>(100)</b>
Madhya Pradesh	96445	13353	109798	(54.5)	6360	8564	14924	76677	91601	(45.5)	201399	(100)
Uttar Pradesh	99900	54339	154239	(40.6)	36308	19742	56050	169304	225354	(59.4)	379593	(100)
<b>Western Region</b>	<b>320081</b>	<b>79226</b>	<b>399307</b>	<b>(55.0)</b>	<b>20250</b>	<b>5466</b>	<b>25716</b>	<b>301163</b>	<b>326879</b>	<b>(45.0)</b>	<b>726186</b>	<b>(100)</b>
Dadra & Nagar Haveli	20	11	31	(8.9)	0	0	0	316	316	(91.1)	347	(100)
Daman & Diu	0	37	37	(9.4)	0	0	0	355	355	(90.6)	392	(100)
Gujarat	121578	18977	140555	(50.7)	11760	2591	14351	122283	136634	(49.3)	277189	(100)
Goa	307	306	613	(23.1)	0	0	0	2036	2036	(76.9)	2649	(100)
Maharashtra	198176	59895	258071	(57.9)	8490	2875	11365	176173	187538	(42.1)	445609	(100)
<b>Southern Region</b>	<b>416786</b>	<b>101365</b>	<b>518151</b>	<b>(33.9)</b>	<b>140448</b>	<b>15411</b>	<b>155859</b>	<b>854484</b>	<b>1010343</b>	<b>(66.1)</b>	<b>1528494</b>	<b>(100)</b>
Andhra Pradesh	143364	42303	185667	(35.1)	51392	6037	57429	285770	343199	(64.9)	528866	(100)
Karnataka	97244	18660	115904	(33.0)	44304	6795	51099	184140	235239	(67.0)	351143	(100)
Kerala	66556	14592	81148	(35.9)	31659	1447	33106	111486	144592	(64.1)	225740	(100)
Lakshadweep								35	35	(100.0)	35	(100)
Pondicherry	429	96	525	(14.6)				3080	3080	(85.4)	3605	(100)
Tamil Nadu	109193	25714	134907	(32.2)	13093	1132	14225	269973	284198	(67.8)	419105	(100)
<b>All-India Total</b>	<b>1484527</b>	<b>351784</b>	<b>1836311</b>	<b>(44.2)</b>	<b>242281</b>	<b>74888</b>	<b>317169</b>	<b>2003454</b>	<b>2320623</b>	<b>(55.8)</b>	<b>4156934</b>	<b>(100)</b>
Private Sector CBs *								281982	281982		281982	
RIDF *								187860	187860		187860	
<b>Grand Total</b>	<b>1484527</b>	<b>351784</b>	<b>1836311</b>		<b>242281</b>	<b>74888</b>	<b>317169</b>	<b>2473296</b>	<b>2790465</b>		<b>4626776</b>	

\$ Separate break up for Production Credit and Investment Credit in respect of CBs is not available.

\* State-wise data is not available.

Source : (i) Commercial Banks - Reported by RPCD, RBI and Complied by NABARD

(ii) Cooperatives Banks and RRBs - Reported and Complied by NABARD ROs/SO

(contd.)

**Annexure V: State-wise/Agency-wise Ground Level Credit (GLC) disbursements for Production Credit and Investment Credit under Agriculture and Allied Activities**

2000-01											(Rs.lakh)	
Cooperatives Banks					RRBs			CBs \$			Aggregate Credit for Agriculture & Allied Activities (10)	
Name of the State/Region/Uts (1)	Production Credit (2)	Investment Credit (3)	Total Credit (4=2+3) (5)	Per cent to Col 10 (6)	Production Credit (7)	Investment Credit (8)	Total Credit (9=7+8) (10)	Agriculture & Allied Activities (11)	RRBs + CBs (12)	Per cent to Col 10 (13)		
<b>Northern Region</b>	<b>527136</b>	<b>92315</b>	<b>619451</b>	<b>(50.1)</b>	<b>39832</b>	<b>16126</b>	<b>55958</b>	<b>560691</b>	<b>616649</b>	<b>(49.9)</b>	<b>1236100</b>	<b>(100)</b>
Chandigarh								8256	8256	(100.0)	8256	(100)
New Delhi	114	44	158	(0.1)				109534	109534	(99.9)	109692	(100)
Haryana	231389	28445	259834	(70.2)	14958	4498	19456	91067	110523	(29.8)	370357	(100)
Himachal Pradesh	1488	4168	5656	(31.2)	229	1150	1379	11117	12496	(68.8)	18152	(100)
Jammu & Kashmir	704	1071	1775	(48.8)	399	662	1061	800	1861	(51.2)	3636	(100)
Punjab	211720	29075	240795	(46.7)	11282	2004	13286	260990	274276	(53.3)	515071	(100)
Rajasthan	81721	29512	111233	(52.7)	12964	7812	20776	78927	99703	(47.3)	210936	(100)
<b>North Eastern Region</b>	<b>698</b>	<b>1211</b>	<b>1909</b>	<b>(20.5)</b>	<b>441</b>	<b>775</b>	<b>1216</b>	<b>6198</b>	<b>7414</b>	<b>(79.5)</b>	<b>9323</b>	<b>(100)</b>
Arunachal Pradesh	1	17	18	(4.4)	65	194	259	131	390	(95.6)	408	(100)
Assam	12	15	27	(0.5)	193	301	494	4760	5254	(99.5)	5281	(100)
Manipur	0	26	26	(19.4)	0	28	28	80	108	(80.6)	134	(100)
Meghalaya	128	17	145	(27.0)	115	31	146	247	393	(73.0)	538	(100)
Mizoram	5	174	179	(52.6)	25	47	72	89	161	(47.4)	340	(100)
Nagaland	125	4	129	(23.9)	0	2	2	408	410	(76.1)	539	(100)
Tripura	424	858	1282	(75.3)	43	172	215	206	421	(24.7)	1703	(100)
Sikkim	3	100	103	(27.1)				277	277	(72.9)	380	(100)
<b>Eastern Region</b>	<b>86506</b>	<b>11364</b>	<b>97870</b>	<b>(35.9)</b>	<b>15981</b>	<b>11523</b>	<b>27504</b>	<b>147294</b>	<b>174798</b>	<b>(64.1)</b>	<b>272668</b>	<b>(100)</b>
Bihar	14386	174	14560	(24.1)	2973	4717	7690	38241	45931	(75.9)	60491	(100)
Jharkhand	0	2262	2262	(31.9)	710	1455	2165	2662	4827	(68.1)	7089	(100)
Orissa	43841	2264	46105	(50.6)	9172	4309	13481	31587	45068	(49.4)	91173	(100)
West Bengal	28262	6571	34833	(30.7)	3126	1042	4168	74567	78735	(69.3)	113568	(100)
Andaman & Nicobar	17	93	110	(31.7)				237	237	(68.3)	347	(100)
<b>Central Region</b>	<b>177004</b>	<b>101711</b>	<b>278715</b>	<b>(42.1)</b>	<b>56548</b>	<b>40037</b>	<b>96585</b>	<b>286116</b>	<b>382701</b>	<b>(57.9)</b>	<b>661416</b>	<b>(100)</b>
Madhya Pradesh	82745	18425	101170	(53.4)	7841	6697	14538	73924	88462	(46.6)	189632	(100)
Chhattisgarh	19883	2612	22495	(89.1)	1180	994	2174	588	2762	(10.9)	25257	(100)
Uttar Pradesh	63873	78157	142030	(33.0)	46131	31400	77531	210386	287917	(67.0)	429947	(100)
Uttaranchal	10503	2517	13020	(78.5)	1396	946	2342	1218	3560	(21.5)	16580	(100)
<b>Western Region</b>	<b>368942</b>	<b>122253</b>	<b>491195</b>	<b>(59.6)</b>	<b>22409</b>	<b>6794</b>	<b>29203</b>	<b>303435</b>	<b>332638</b>	<b>(40.4)</b>	<b>823833</b>	<b>(100)</b>
Dadra & Nagar Haveli	30	12	42	(46.7)				48	48	(53.3)	90	(100)
Daman & Diu	0	45	45	(100)							45	(100)
Gujarat	145635	17678	163313	(50.7)	15402	2281	17683	140920	158603	(49.3)	321916	(100)
Goa	379	296	675	(18.9)				2891	2891	(81.1)	3566	(100)
Maharashtra	222898	104222	327120	(65.7)	7007	4513	11520	159576	171096	(34.3)	498216	(100)
<b>Southern Region</b>	<b>497977</b>	<b>92971</b>	<b>590948</b>	<b>(33.8)</b>	<b>189335</b>	<b>22182</b>	<b>211517</b>	<b>945552</b>	<b>1157069</b>	<b>(66.2)</b>	<b>1748017</b>	<b>(100)</b>
Andhra Pradesh	193785	25528	219313	(35.8)	82340	9620	91960	301256	393216	(64.2)	612529	(100)
Karnataka	102995	19722	122717	(31.8)	52083	8524	60607	202981	263588	(68.2)	386305	(100)
Kerala	77915	17077	94992	(39.5)	39590	2591	42181	103515	145696	(60.5)	240688	(100)
Lakshadweep								29	29	(100.0)	29	(100)
Pondicherry	532	141	673	(16.5)				3418	3418	(83.5)	4091	(100)
Tamil Nadu	122750	30503	153253	(30.4)	15322	1447	16769	334353	351122	(69.6)	504375	(100)
<b>All-India Total</b>	<b>1658263</b>	<b>421825</b>	<b>2080088</b>	<b>(43.8)</b>	<b>324546</b>	<b>97437</b>	<b>421983</b>	<b>2249286</b>	<b>2671269</b>	<b>(56.2)</b>	<b>4751357</b>	<b>(100)</b>
Private Sector CBs *								315231	315231		315231	
Other Bonds								18800	18800		18800	
RIDF *								197354	197354		197354	
<b>Grand Total</b>	<b>1658263</b>	<b>421825</b>	<b>2080088</b>		<b>324546</b>	<b>97437</b>	<b>421983</b>	<b>2780671</b>	<b>3202654</b>		<b>5282742</b>	

\$ Separate break up for Production Credit and Investment Credit in respect of CBs is not available.

\* State-wise data is not available.

Source : (i) Commercial Banks - Reported by RPCD , RBI and Complied by NABARD

(ii) Cooperatives Banks and RRBs - Reported and Complied by NABARD ROs/SO

(contd.)

**Annexure V: State-wise/Agency-wise Ground Level Credit (GLC) disbursements for Production Credit and Investment Credit under Agriculture and Allied Activities**

2001-02										(Rs.lakh)	
Name of the State/Region/Uts (1)	Cooperatives Banks				RRBs			CBs \$ Agriculture & Allied Activities (8)	Per cent to RRBs + CBs (9=7+8) Col 10	Aggregate Credit for Agriculture & Allied Activities (10)	
	Production Credit (2)	Investment Credit (3)	Total Credit (4=2+3)	Per cent to Col 10 (48.1)	Production Credit (5)	Investment Credit (6)	Total Credit (7=5+6)				
<b>Northern Region</b>	<b>608780</b>	<b>103493</b>	<b>712273</b>	<b>(48.1)</b>	<b>53280</b>	<b>16635</b>	<b>69915</b>	<b>699344</b>	<b>769259</b>	<b>(51.9)</b>	<b>1481532 (100)</b>
Chandigarh		1	1	(0.0)				38768	38768	(100.0)	38769 (100)
New Delhi	159	31	190	(0.1)				141391	141391	(99.9)	141581 (100)
Haryana	243504	34501	278005	(69.3)	19557	3383	22940	99963	122903	(30.7)	400908 (100)
Himachal Pradesh	1348	5626	6974	(27.2)	188	1176	1364	17320	18684	(72.8)	25658 (100)
Jammu & Kashmir	1185	1483	2668	(53.8)	734	411	1145	1147	2292	(46.2)	4960 (100)
Punjab	254409	35494	289903	(47.4)	16515	1589	18104	303302	321406	(52.6)	611309 (100)
Rajasthan	108175	26357	134532	(52.1)	16286	10076	26362	97453	123815	(47.9)	258347 (100)
<b>North Eastern Region</b>	<b>351</b>	<b>670</b>	<b>1021</b>	<b>(8.8)</b>	<b>466</b>	<b>794</b>	<b>1260</b>	<b>9364</b>	<b>10624</b>	<b>(91.2)</b>	<b>11645 (100)</b>
Arunachal Pradesh	2	27	29	(5.4)	6	58	64	446	510	(94.6)	539 (100)
Assam	8	24	32	(0.4)	337	302	639	6647	7286	(99.6)	7318 (100)
Manipur	0	12	12	(8.5)	0	36	36	94	130	(91.5)	142 (100)
Meghalaya	137	29	166	(25.9)	114	71	185	291	476	(74.1)	642 (100)
Mizoram	12	65	77	(21.6)	8	86	94	186	280	(78.4)	357 (100)
Nagaland	142	19	161	(29.8)	1	1	2	377	379	(70.2)	540 (100)
Tripura		482	482	(27.7)	0	240	240	1017	1257	(72.3)	1739 (100)
Sikkim	50	12	62	(16.8)	0	0	0	306	306	(83.2)	368 (100)
<b>Eastern Region</b>	<b>93257</b>	<b>15839</b>	<b>109096</b>	<b>(33.1)</b>	<b>16234</b>	<b>13518</b>	<b>29752</b>	<b>190383</b>	<b>220135</b>	<b>(66.9)</b>	<b>329231 (100)</b>
Bihar	8278	0	8278	(11.7)	2475	7518	9993	52475	62468	(88.3)	70746 (100)
Jharkhand	0	5989	5989	(37.2)	701	1084	1785	8327	10112	(62.8)	16101 (100)
Orissa	50989	2289	53278	(55.0)	9558	3423	12981	30666	43647	(45.0)	96925 (100)
West Bengal	33957	7085	41042	(28.3)	3500	1493	4993	98846	103839	(71.7)	144881 (100)
Andaman & Nicobar	33	476	509	(88.1)	0	0	0	69	69	(11.9)	578 (100)
<b>Central Region</b>	<b>230445</b>	<b>103678</b>	<b>334123</b>	<b>(39.5)</b>	<b>81220</b>	<b>43727</b>	<b>124947</b>	<b>387074</b>	<b>512021</b>	<b>(60.5)</b>	<b>846144 (100)</b>
Madhya Pradesh	83193	24161	107354	(46.7)	12302	10025	22327	100390	122717	(53.3)	230071 (100)
Chhattisgarh	16965	3769	20734	(73.4)	2181	1621	3802	3701	7503	(26.6)	28237 (100)
Uttar Pradesh	118342	72741	191083	(34.1)	64806	31130	95936	273648	369584	(65.9)	560667 (100)
Uttaranchal	11945	3007	14952	(55.0)	1931	951	2882	9335	12217	(45.0)	27169 (100)
<b>Western Region</b>	<b>401853</b>	<b>146849</b>	<b>548702</b>	<b>(56.8)</b>	<b>27750</b>	<b>6519</b>	<b>34269</b>	<b>383858</b>	<b>418127</b>	<b>(43.2)</b>	<b>966829 (100)</b>
Dadra & Nagar Haveli	54	17	71	(64.5)				39	39	(35.5)	110 (100)
Daman & Diu	0	33	33	(100)							33 (100)
Gujarat	170859	21474	192333	(51.8)	18543	2253	20796	158122	178918	(48.2)	371251 (100)
Goa	90	475	565	(23.1)				1879	1879	(76.9)	2444 (100)
Maharashtra	230850	124850	355700	(60.0)	9207	4266	13473	223818	237291	(40.0)	592991 (100)
<b>Southern Region</b>	<b>548191</b>	<b>107128</b>	<b>655319</b>	<b>(33.2)</b>	<b>198729</b>	<b>26487</b>	<b>225216</b>	<b>1094334</b>	<b>1319550</b>	<b>(66.8)</b>	<b>1974869 (100)</b>
Andhra Pradesh	216600	37800	254400	(34.0)	81800	13600	95400	398487	493887	(66.0)	748287 (100)
Karnataka	123536	16915	140451	(32.4)	60808	8356	69164	224137	293301	(67.6)	433752 (100)
Kerala	79827	18771	98598	(37.8)	38593	2668	41261	120760	162021	(62.2)	260619 (100)
Lakshadweep								33	33	(100.0)	33 (100)
Pondicherry	385	74	459	(11.3)				3614	3614	(88.7)	4073 (100)
Tamil Nadu	127843	33568	161411	(30.6)	17528	1863	19391	347303	366694	(69.4)	528105 (100)
<b>All-India Total</b>	<b>1882877</b>	<b>477657</b>	<b>2360534</b>	<b>(42.1)</b>	<b>377679</b>	<b>107680</b>	<b>485359</b>	<b>2764357</b>	<b>3249716</b>	<b>(57.9)</b>	<b>5610250 (100)</b>
Private Sector CBs *								425412	425412		425412
Other Bonds								5700	5700		5700
RIDF *								163182	163182		163182
<b>Grand Total</b>	<b>1882877</b>	<b>477657</b>	<b>2360534</b>		<b>377679</b>	<b>107680</b>	<b>485359</b>	<b>3358651</b>	<b>3844010</b>		<b>6204544</b>

\$ Separate break up for Production Credit and Investment Credit in respect of CBs is not available.

\* State-wise data is not available.

Source : (i) Commercial Banks - Reported by RPCD, RBI and Compiled by NABARD

(ii) Cooperatives Banks and RRBs - Reported and Compiled by NABARD ROs/SO

(contd.)

**Annexure V: State-wise/Agency-wise Ground Level Credit (GLC) disbursements for Production Credit and Investment Credit under Agriculture and Allied Activities**

2002-03											(Rs.lakh)
Name of the State/Region/Uts (1)	Cooperatives Banks				RRBs			CBs \$ Agriculture & Allied Activities (8)	RRBs + CBs (9=7+8)	Per cent to Col 10 (10)	Aggregate Credit for Agriculture & Allied Activities (10)
	Production Credit (2)	Investment Credit (3)	Total Credit (4=2+3)	Per cent to Col 10 (4.3)	Production Credit (5)	Investment Credit (6)	Total Credit (7=5+6)				
<b>Northern Region</b>	<b>672249</b>	<b>101277</b>	<b>773526</b>	<b>(44.3)</b>	<b>70985</b>	<b>14607</b>	<b>85592</b>	<b>886370</b>	<b>971962</b>	<b>(55.7)</b>	<b>1745488 (100)</b>
Chandigarh		8	8	(0.0)				17840	17840	(100.0)	17848 (100)
New Delhi	107	232	339	(0.2)				182201	182201	(99.8)	182540 (100)
Haryana	264460	38815	303275	(65.4)	25010	2483	27493	132937	160430	(34.6)	463705 (100)
Himachal Pradesh	1651	5958	7609	(24.3)	785	1422	2207	21542	23749	(75.7)	31358 (100)
Jammu & Kashmir	581	1962	2543	(44.3)	113	1595	1708	1495	3203	(55.7)	5746 (100)
Punjab	290541	30862	321403	(42.2)	20789	2319	23108	417869	440977	(57.8)	762380 (100)
Rajasthan	114909	23440	138349	(49.1)	24288	6788	31076	112486	143562	(50.9)	281911 (100)
<b>North Eastern Region</b>	<b>454</b>	<b>1009</b>	<b>1463</b>	<b>(9.5)</b>	<b>1130</b>	<b>1422</b>	<b>2552</b>	<b>11371</b>	<b>13923</b>	<b>(90.5)</b>	<b>15386 (100)</b>
Arunachal Pradesh	92	372	464	(46.7)			0	530	530	(53.3)	994 (100)
Assam	18	92	110	(1.1)	895	685	1580	8437	10017	(98.9)	10127 (100)
Manipur	47	140	187	(46.2)	17	18	35	183	218	(53.8)	405 (100)
Meghalaya	74	13	87	(15.8)	25	136	161	304	465	(84.2)	552 (100)
Mizoram	53	98	151	(22.1)	43	228	271	262	533	(77.9)	684 (100)
Nagaland		189	189	(35.0)		8	8	343	351	(65.0)	540 (100)
Tripura	136	101	237	(13.5)	150	347	497	1025	1522	(86.5)	1759 (100)
Sikkim	34	4	38	(11.7)			0	287	287	(88.3)	325 (100)
<b>Eastern Region</b>	<b>105139</b>	<b>15999</b>	<b>121138</b>	<b>(31.3)</b>	<b>19576</b>	<b>20492</b>	<b>40068</b>	<b>225683</b>	<b>265751</b>	<b>(68.7)</b>	<b>386889 (100)</b>
Bihar	10160		10160	(14.1)	2445	12939	15384	46716	62100	(85.9)	72260 (100)
Jharkhand	58	5783	5841		731	1601	2332	12142	14474	(71.2)	20315 (100)
Orissa	58573	2396	60969	(55.6)	12366	3544	15910	32809	48719	(44.4)	109688 (100)
West Bengal	36313	7528	43841	(23.8)	4034	2408	6442	133961	140403	(76.2)	184244 (100)
Andaman & Nicobar	35	292	327	(85.6)			0	55	55	(14.4)	382 (100)
<b>Central Region</b>	<b>267430</b>	<b>137305</b>	<b>404735</b>	<b>(40.4)</b>	<b>115905</b>	<b>59132</b>	<b>175037</b>	<b>423185</b>	<b>598222</b>	<b>(59.6)</b>	<b>1002957 (100)</b>
Madhya Pradesh	114192	28233	142425	(49.1)	19474	10542	30016	117844	147860	(50.9)	290285 (100)
Chhattisgarh	27127	4809	31936	(69.2)	2942	2544	5486	8711	14197	(30.8)	46133 (100)
Uttar Pradesh	113848	101029	214877	(34.8)	90799	44901	135700	267546	403246	(65.2)	618123 (100)
Uttaranchal	12263	3234	15497	(32.0)	2690	1145	3835	29084	32919	(68.0)	48416 (100)
<b>Western Region</b>	<b>403562</b>	<b>54326</b>	<b>457888</b>	<b>(50.1)</b>	<b>40482</b>	<b>9952</b>	<b>50434</b>	<b>405901</b>	<b>456335</b>	<b>(49.9)</b>	<b>914223 (100)</b>
Dadra & Nagar Haveli	29	18	47	(79.7)				12	12	(20.3)	59 (100)
Daman & Diu		24	24	(100)							24 (100)
Gujarat	187518	19227	206745	(50.6)	21174	2303	23477	178519	201996	(49.4)	408741 (100)
Goa	118	306	424	(20.0)				1700	1700	(80.0)	2124 (100)
Maharashtra	215897	34751	250648	(49.8)	19308	7649	26957	225670	252627	(50.2)	503275 (100)
<b>Southern Region</b>	<b>521833</b>	<b>91055</b>	<b>612888</b>	<b>(28.4)</b>	<b>229401</b>	<b>23895</b>	<b>253296</b>	<b>1289610</b>	<b>1542906</b>	<b>(71.6)</b>	<b>2155794 (100)</b>
Andhra Pradesh	184781	14944	199725	(26.5)	94595	7300	101895	452439	554334	(73.5)	754059 (100)
Karnataka	102167	24069	126236	(27.1)	61944	10745	72689	267436	340125	(72.9)	466361 (100)
Kerala	87918	18184	106102	(35.0)	50854	3317	54171	142688	196859	(65.0)	302961 (100)
Lakshadweep								26	26	(100.0)	26 (100)
Pondicherry	781	698	1479	(27.7)				3862	3862	(72.3)	5341 (100)
Tamil Nadu	146186	33160	179346	(28.6)	22008	2533	24541	423159	447700	(71.4)	627046 (100)
<b>All-India Total</b>	<b>1970667</b>	<b>400971</b>	<b>2371638</b>	<b>(38.1)</b>	<b>477479</b>	<b>129500</b>	<b>606979</b>	<b>3242120</b>	<b>3849099</b>	<b>(61.9)</b>	<b>6220737 (100)</b>
Private Sector CBs *								585255	585255		585255
RIDF *								149985	149985		149985
<b>Grand Total</b>	<b>1970667</b>	<b>400971</b>	<b>2371638</b>		<b>477479</b>	<b>129500</b>	<b>606979</b>	<b>3977360</b>	<b>4584339</b>		<b>6955977</b>

\$ Separate break up for Production Credit and Investment Credit in respect of CBs is not available.

\* State-wise data is not available.

Source : (i) Commercial Banks - Reported by RPCD, RBI and Complied by NABARD

(ii) Cooperatives Banks and RRBs - Reported and Complied by NABARD ROs/SO

(contd.)

**Annexure V: State-wise/Agency-wise Ground Level Credit (GLC) disbursements for Production Credit and Investment Credit under Agriculture and Allied Activities**

2003-04											(Rs.lakh)
Cooperatives Banks					RRBs			CBs \$ Agriculture & Allied Activities	RRBs + CBs (9=7+8)	Per cent to Col 10	Aggregate Credit for Agriculture & Allied Activities (10)
Name of the State/Region/Uts (1)	Production Credit (2)	Investment Credit (3)	Total Credit (4=2+3)	Per cent to Col 10	Production Credit (5)	Investment Credit (6)	Total Credit (7=5+6)				
<b>Northern Region</b>	<b>760177</b>	<b>116607</b>	<b>876784</b>	<b>(40.2)</b>	<b>101026</b>	<b>16594</b>	<b>117620</b>	<b>1187465</b>	<b>1305085</b>	<b>(59.8)</b>	<b>2181869 (100)</b>
Chandigarh		5	5	(0.0)			0	37240	37240	(100.0)	37245 (100)
New Delhi	228	66	294	(0.1)			0	242073	242073	(99.9)	242367 (100)
Haryana	315703	41234	356937	(56.8)	39063	2816	41879	229804	271683	(43.2)	628620 (100)
Himachal Pradesh	2133	6748	8881	(23.2)	1138	2488	3626	25725	29351	(76.8)	38232 (100)
Jammu & Kashmir	1387	881	2268	(34.3)	927	846	1773	2578	4351	(65.7)	6619 (100)
Punjab	331675	48362	380037	(41.5)	26976	2688	29664	505089	534753	(58.5)	914790 (100)
Rajasthan	109051	19311	128362	(40.9)	32922	7756	40678	144956	185634	(59.1)	313996 (100)
<b>North Eastern Region</b>	<b>618</b>	<b>795</b>	<b>1413</b>	<b>(4.7)</b>	<b>1609</b>	<b>2309</b>	<b>3918</b>	<b>24663</b>	<b>28581</b>	<b>(95.3)</b>	<b>29994 (100)</b>
Arunachal Pradesh	13	112	125	(32.1)	31		31	234	265	(67.9)	390 (100)
Assam	70	240	310	(1.6)	1147	1470	2617	16202	18819	(98.4)	19129 (100)
Manipur	47	186	233	(40.2)	88	107	195	152	347	(59.8)	580 (100)
Meghalaya	155	18	173	(3.3)	176	36	212	4799	5011	(96.7)	5184 (100)
Mizoram	16	64	80	(14.7)	24	98	122	342	464	(85.3)	544 (100)
Nagaland	209	14	223	(30.1)	32	11	43	476	519	(69.9)	742 (100)
Tripura	74	151	225	(7.5)	111	587	698	2077	2775	(92.5)	3000 (100)
Sikkim	34	10	44	(10.4)			0	381	381	(89.6)	425 (100)
<b>Eastern Region</b>	<b>162227</b>	<b>13645</b>	<b>175872</b>	<b>(34.8)</b>	<b>24346</b>	<b>24935</b>	<b>49281</b>	<b>279587</b>	<b>328868</b>	<b>(65.2)</b>	<b>504740 (100)</b>
Bihar	55104	1007	56111	(39.5)	2768	17719	20487	65574	86061	(60.5)	142172 (100)
Jharkhand					1860	1414	3274	18187	21461	(100.0)	21461 (100)
Orissa	69490	2944	72434	(56.7)	13354	3411	16765	38579	55344	(43.3)	127778 (100)
West Bengal	37599	9573	47172	(22.2)	6364	2391	8755	157017	165772	(77.8)	212944 (100)
Andaman & Nicobar	34	121	155	(40.3)			0	230	230	(59.7)	385 (100)
<b>Central Region</b>	<b>318902</b>	<b>157950</b>	<b>476852</b>	<b>(38.2)</b>	<b>157673</b>	<b>67656</b>	<b>225329</b>	<b>546553</b>	<b>771882</b>	<b>(61.8)</b>	<b>1248734 (100)</b>
Madhya Pradesh	126167	22142	148309	(43.2)	32882	10678	43560	151066	194626	(56.8)	342935 (100)
Chhattisgarh	23500	6536	30036	(57.3)	1850	3150	5000	17341	22341	(42.7)	52377 (100)
Uttar Pradesh	152622	128195	280817	(34.6)	120096	53075	173171	356845	530016	(65.4)	810833 (100)
Uttaranchal	16613	1077	17690	(41.5)	2845	753	3598	21301	24899	(58.5)	42589 (100)
<b>Western Region</b>	<b>421121</b>	<b>36217</b>	<b>457338</b>	<b>(45.2)</b>	<b>31515</b>	<b>4969</b>	<b>36484</b>	<b>518425</b>	<b>554909</b>	<b>(54.8)</b>	<b>1012247 (100)</b>
Dadra & Nagar Haveli											
Daman & Diu											
Gujarat	212441	10453	222894	(46.5)	24081	2880	26961	229967	256928	(53.5)	479822 (100)
Goa	266	387	653	(16.6)				3285	3285	(83.4)	3938 (100)
Maharashtra	208414	25377	233791	(44.2)	7434	2089	9523	285173	294696	(55.8)	528487 (100)
<b>Southern Region</b>	<b>606624</b>	<b>100996</b>	<b>707620</b>	<b>(27.1)</b>	<b>292599</b>	<b>32884</b>	<b>325483</b>	<b>1580637</b>	<b>1906120</b>	<b>(72.9)</b>	<b>2613740 (100)</b>
Andhra Pradesh	250375	33225	283600	(28.3)	121843	15041	136884	580940	717824	(71.7)	1001424 (100)
Karnataka	111082	11948	123030	(23.1)	69144	10756	79900	329670	409570	(76.9)	532600 (100)
Kerala	98120	23571	121691	(32.2)	72537	2961	75498	180313	255811	(67.8)	377502 (100)
Lakshadweep			0	(0.0)			0	78	78	(100.0)	78 (100)
Pondicherry	729	142	871	(12.5)			0	6099	6099	(87.5)	6970 (100)
Tamil Nadu	146318	32110	178428	(25.7)	29075	4126	33201	483537	516738	(74.3)	695166 (100)
<b>All-India Total</b>	<b>2269669</b>	<b>426210</b>	<b>2695879</b>	<b>(35.5)</b>	<b>608768</b>	<b>149347</b>	<b>758115</b>	<b>4137330</b>	<b>4895445</b>	<b>(64.5)</b>	<b>7591324 (100)</b>
Private Sector CBs *								1023008	1023008		1023008
RIDF *								83747	83747		83747
<b>Grand Total</b>	<b>2269669</b>	<b>426210</b>	<b>2695879</b>		<b>608768</b>	<b>149347</b>	<b>758115</b>	<b>5244085</b>	<b>6002200</b>		<b>8698079</b>

\$ Separate break up for Production Credit and Investment Credit in respect of CBs is not available.

\* State-wise data is not available.

Source : (i) Commercial Banks - Reported by RPCD, RBI and Complied by NABARD

(ii) Cooperatives Banks and RRBs - Reported and Complied by NABARD ROs/SO

(contd.)



**Annexure V: State-wise/Agency-wise Ground Level Credit (GLC) disbursements for Production Credit and Investment Credit under Agriculture and Allied Activities**

2004-05											(Rs.lakh)	
Cooperatives Banks					RRBs			CBs \$		Per Cent to Col 10	Aggregate Credit for Agriculture & Allied Activities	
Name of the State/Region/Uts	Production Credit	Investment Credit	Total Credit	Per Cent to Col 10	Production Credit	Investment Credit	Total Credit	Agriculture & Allied Activities	RRBs + CBs			
(1)	(2)	(3)	(4=2+3)	Col 10	(5)	(6)	(7=5+6)	(8)	(9=7+8)	(10)		
<b>Northern Region</b>	<b>979604</b>	<b>151223</b>	<b>1130827</b>	<b>(35.2)</b>	<b>156378</b>	<b>23540</b>	<b>179918</b>	<b>1901719</b>	<b>2081637</b>	<b>(64.8)</b>	<b>3212464</b>	<b>(100)</b>
Chandigarh	0	5	5	(0.0)				90798	90798	(100.0)	90803	(100)
New Delhi	74	196	270	(0.1)				387957	387957	(99.9)	388227	(100)
Haryana	385056	47041	432097	(50.0)	57692	2669	60361	371570	431931	(50.0)	864028	(100)
Himachal Pradesh	2692	12350	15042	(24.4)	1960	1914	3874	42665	46539	(75.6)	61581	(100)
Jammu & Kashmir	1444	928	2372	(21.2)	1302	1195	2497	6316	8813	(78.8)	11185	(100)
Punjab	404058	64066	468124	(36.6)	37193	4505	41698	769593	811291	(63.4)	1279415	(100)
Rajasthan	186280	26637	212917	(41.2)	58231	13257	71488	232820	304308	(58.8)	517225	(100)
<b>North Eastern Region</b>	<b>741</b>	<b>745</b>	<b>1486</b>	<b>(3.6)</b>	<b>4856</b>	<b>4117</b>	<b>8973</b>	<b>30277</b>	<b>39250</b>	<b>(96.4)</b>	<b>40736</b>	<b>(100)</b>
Arunachal Pradesh	19	50	69	(5.5)	7	2	9	1179	1188	(94.5)	1257	(100)
Assam	104	217	321	(1.2)	3001	3313	6314	20089	26403	(98.8)	26724	(100)
Manipur	7	142	149	(7.7)	96	117	213	1562	1775	(92.3)	1924	(100)
Meghalaya	129	45	174	(7.0)	290	105	395	1905	2300	(93.0)	2474	(100)
Mizoram	56	224	280	(13.9)	304	566	870	869	1739	(86.1)	2019	(100)
Nagaland	182	33	215	(10.9)	53	14	67	1697	1764	(89.1)	1979	(100)
Tripura	199	0	199	(5.2)	1105	0	1105	2514	3619	(94.8)	3818	(100)
Sikkim	45	34	79	(14.6)				462	462	(85.4)	541	(100)
<b>Eastern Region</b>	<b>166019</b>	<b>18031</b>	<b>184050</b>	<b>(25.4)</b>	<b>57503</b>	<b>42236</b>	<b>99739</b>	<b>439981</b>	<b>539720</b>	<b>(74.6)</b>	<b>723770</b>	<b>(100)</b>
Bihar	27375	2000	29375	(16.2)	15140	27990	43130	109221	152351	(83.8)	181726	(100)
Jharkhand	0	0			9705	0	9705	31034	40739	(100.0)	40739	(100)
Orissa	94680	2446	97126	(48.9)	21412	9054	30466	70957	101423	(51.1)	198549	(100)
West Bengal	43868	13350	57218	(18.9)	11246	5192	16438	228513	244951	(81.1)	302169	(100)
Andaman & Nicobar	96	235	331	(56.4)				256	256	(43.6)	587	(100)
<b>Central Region</b>	<b>374259</b>	<b>99551</b>	<b>473810</b>	<b>(27.6)</b>	<b>290352</b>	<b>58568</b>	<b>348920</b>	<b>891449</b>	<b>1240369</b>	<b>(72.4)</b>	<b>1714179</b>	<b>(100)</b>
Madhya Pradesh	167622	30839	198461	(37.5)	57502	10492	67994	262889	330883	(62.5)	529344	(100)
Chhattisgarh	33889	4932	38821	(49.3)	9638	3647	13285	26634	39919	(50.7)	78740	(100)
Uttar Pradesh	151442	62063	213505	(20.5)	219793	42137	261930	567429	829359	(79.5)	1042864	(100)
Uttaranchal	21306	1717	23023	(36.4)	3419	2292	5711	34497	40208	(63.6)	63231	(100)
<b>Western Region</b>	<b>523188</b>	<b>58984</b>	<b>582172</b>	<b>(41.3)</b>	<b>45536</b>	<b>9640</b>	<b>55176</b>	<b>773753</b>	<b>828929</b>	<b>(58.7)</b>	<b>1411101</b>	<b>(100)</b>
Dadra & Nagar Haveli								76	76	(100.0)	76	(100)
Daman & Diu								5	5	(100.0)	5	(100)
Gujarat	243242	19110	262352	(39.7)	30664	5375	36039	362539	398578	(60.3)	660930	(100)
Goa	117	838	955	(11.9)				7053	7053	(88.1)	8008	(100)
Maharashtra	279829	39036	318865	(43.0)	14872	4265	19137	404080	423217	(57.0)	742082	(100)
<b>Southern Region</b>	<b>671899</b>	<b>78900</b>	<b>750799</b>	<b>(20.4)</b>	<b>446333</b>	<b>101341</b>	<b>547674</b>	<b>2383379</b>	<b>2931053</b>	<b>(79.6)</b>	<b>3681852</b>	<b>(100)</b>
Andhra Pradesh	193200	14497	207697	(15.4)	195100	73600	268700	872650	1141350	(84.6)	1349047	(100)
Karnataka	111993	12620	124613	(17.1)	101083	19454	120537	482977	603514	(82.9)	728127	(100)
Kerala	168329	24902	193231	(33.8)	104555	3104	107659	270340	377999	(66.2)	571230	(100)
Lakshadweep								62	62	(100.0)	62	(100)
Pondicherry	1216	52	1268	(10.0)				11448	11448	(90.0)	12716	(100)
Tamil Nadu	197161	26829	223990	(21.9)	45595	5183	50778	745902	796680	(78.1)	1020670	(100)
Unclassified								1224	1224	(100.0)	1224	(100)
<b>All-India Total</b>	<b>2715710</b>	<b>407434</b>	<b>3123144</b>	<b>(29.0)</b>	<b>1000958</b>	<b>239442</b>	<b>1240400</b>	<b>6421782</b>	<b>7662182</b>	<b>(71.1)</b>	<b>10784102</b>	<b>(100)</b>
Private Sector CBs *								1626342	1626342		1626342	
Other Bonds								5867	5867		5867	
RIDF *								94123	94123		94123	
Other Agencies											19279	
<b>Grand Total</b>	<b>2715710</b>	<b>407434</b>	<b>3123144</b>		<b>1000958</b>	<b>239442</b>	<b>1240400</b>	<b>8148114</b>	<b>9388514</b>		<b>12529713</b>	

\$ Separate break up for Production Credit and Investment Credit in respect of CBs is not available.

\* State-wise data is not available.

Source : (i) Commercial Banks - Reported by RPCD, RBI and Complied by NABARD;

(ii) Cooperatives Banks and RRBs - Reported and Complied by NABARD ROs/SO



**Annexure w(i): Special Agricultural Credit Plans for  
Private Sector Banks: Annual Disbursements**

(Rs. crore)				
REGION / STATE / UNION TERRITORY	2005-06		2006-07	
<b>NORTHERN REGION</b>	<b>4829.57</b>	<b>(20.1)</b>	<b>10801.39</b>	<b>(24.9)</b>
Haryana	387.64	(1.6)	674.80	(1.6)
Himachal Pradesh	8.35	(0.0)	9.78	(0.0)
Jammu & Kashmir	326.11	(1.4)	235.64	(0.5)
Punjab	797.8	(3.3)	1130.41	(2.6)
Rajasthan	403.75	(1.7)	1527.17	(3.5)
Chandigarh	38.98	(0.2)	1435.69	(3.3)
Delhi	2866.94	(11.9)	5787.90	(13.3)
<b>NORTH-EASTERN REGION</b>	<b>321.66</b>	<b>(1.3)</b>	<b>183.75</b>	<b>(0.4)</b>
Arunachal Pradesh	0.00	(0.0)	5.34	(0.0)
Assam	284.16	(1.2)	150.78	(0.3)
Manipur	0.00	(0.0)	0.00	(0.0)
Meghalaya	22.50	(0.1)	12.32	(0.0)
Mizoram	0.00	(0.0)	0.02	(0.0)
Nagaland	0.00	(0.0)	15.29	(0.0)
Tripura	15.00	(0.1)	0.00	(0.0)
<b>EASTERN REGION</b>	<b>1166.92</b>	<b>(4.8)</b>	<b>2696.73</b>	<b>(6.2)</b>
Bihar	14.14	(0.1)	19.14	(0.0)
Jharkhand	11.49	(0.0)	18.21	(0.0)
Orissa	239.34	(1.0)	454.47	(1.0)
Sikkim	0.08	(0.0)	0.71	(0.0)
West Bengal	901.62	(3.7)	2204.20	(5.1)
Andaman & Nicobar	0.25	(0.0)	0.00	(0.0)
<b>CENTRAL REGION</b>	<b>1184.17</b>	<b>(4.9)</b>	<b>2816.37</b>	<b>(6.5)</b>
Chhattisgarh	97.16	(0.4)	104.79	(0.2)
Madhya Pradesh	484.26	(2.0)	980.71	(2.3)
Uttar Pradesh	567.21	(2.4)	1610.23	(3.7)
Uttaranchal	35.54	(0.1)	120.64	(0.3)
<b>WESTERN REGION</b>	<b>6279.47</b>	<b>(26.1)</b>	<b>9633.95</b>	<b>(22.2)</b>
Goa	7.21	(0.0)	12.92	(0.0)
Gujarat	1557.8	(6.5)	2141.85	(4.9)
Maharashtra	4714.46	(19.6)	7478.66	(17.2)
Dadra Nagar Haveli	0	(0.0)	0.27	(0.0)
Daman & Diu	0	(0.0)	0.25	(0.0)
<b>SOUTHERN REGION</b>	<b>10178.17</b>	<b>(42.3)</b>	<b>17121.06</b>	<b>(39.5)</b>
Andhra Pradesh	3298.97	(13.7)	4369.43	(10.1)
Karnataka	949.16	(3.9)	1414.04	(3.3)
Kerala	1897.88	(7.9)	2275.86	(5.2)
Tamil Nadu	4020.28	(16.7)	8999.58	(20.7)
Lakshadweep	0.00	(0.0)	0.00	(0.0)
Pondicherry	11.88	(0.0)	62.15	(0.1)
States not specified	100.25	(0.4)	125.18	<b>(0.3)</b>
<b>Total<sup>@</sup></b>	<b>24060.21</b>	<b>(100.0)</b>	<b>43378.43</b>	<b>(100.0)</b>
<p>Note: i ) @ Total excludes RIDF            ii ) Figures in bracket are percentages to total            Source: Special Tabulations by the RBI for the Project</p>				

**Annexure X : Agency-wise / Sub-Sector-Wise Ground Level Credit Flow for Agriculture and Allied Activities (contd.)**

1998-99								
(Rs. crore)								
No.	Sector/Sub-Sector					<i>As percentage to Total</i>		
		Co-operative Banks	RRBs	CBs	Total	Co-operative Banks	RRBs	CBs
<b>I</b>	<b>Crop Loan (Production Credit)</b>	<b>12,571</b>	<b>1,710</b>	<b>9,622</b>	<b>23,903</b>	<b>52.6</b>	<b>7.2</b>	<b>40.3</b>
	<b>Sub-total (I)</b>	<b>12,571</b>	<b>1,710</b>	<b>9,622</b>	<b>23,903</b>	<b>52.6</b>	<b>7.2</b>	<b>40.3</b>
<b>II</b>	<b>Investment Credit/Term Loan (MT+LT)</b>	<b>1,912</b>	<b>474</b>	<b>3,557</b>	<b>5,943</b>	<b>32.2</b>	<b>8.0</b>	<b>59.9</b>
i.	Minor Irrigation (MI)	748	53	989	1,790	41.8	3.0	55.3
ii.	Land Development (LD)	80	9	128	217	36.9	4.1	59.0
iii.	Farm Mechanisation (FM)	1,084	412	2,440	3,936	27.5	10.5	62.0
	<b>Allied Activities (iv to ix)</b>	<b>1,474</b>	<b>276</b>	<b>5,264</b>	<b>7,014</b>	<b>21.0</b>	<b>3.9</b>	<b>75.0</b>
iv.	Plantation & Horticulture	265	25	477	767	34.6	3.3	62.2
v.	Dairy Development	510	88	1101	1,699	30.0	5.2	64.8
vi.	Poultry / Sheep / Goat /Piggery	257	40	393	690	37.2	5.8	57.0
vii.	Fisheries	46	9	1339	1,394	3.3	0.6	96.1
viii.	Hi-tech agriculture							
ix.	Others	396	114	1954	2,464	16.1	4.6	79.3
	<b>Sub-total (II)</b>	<b>3,386</b>	<b>750</b>	<b>8,821</b>	<b>12,957</b>	<b>26.1</b>	<b>5.8</b>	<b>68.1</b>
	<b>Grand Total (I + II)</b>	<b>15,957</b>	<b>2,460</b>	<b>18,443</b>	<b>36,860</b>	<b>43.3</b>	<b>6.7</b>	<b>50.0</b>
1999-2000								
<b>I</b>	<b>Crop Loan (Production Credit)</b>							
	<b>Sub-total (I)</b>	<b>14,845</b>	<b>2,423</b>	<b>11,697</b>	<b>28,965</b>	<b>51.3</b>	<b>8.4</b>	<b>40.4</b>
<b>II</b>	<b>Investment Credit/Term Loan (MT+LT)</b>	<b>2,118</b>	<b>432</b>	<b>4,002</b>	<b>6,552</b>	<b>32.3</b>	<b>6.6</b>	<b>61.1</b>
i.	Minor Irrigation (MI)	979	86	1,280	2,345	41.7	3.7	54.6
ii.	Land Development (LD)	102	9	207	318	32.1	2.8	65.1
iii.	Farm Mechanisation (FM)	1,037	337	2,515	3,889	26.7	8.7	64.7
	<b>Allied Activities (iv to ix)</b>	<b>1,400</b>	<b>317</b>	<b>9,034</b>	<b>10,751</b>	<b>13.0</b>	<b>2.9</b>	<b>84.0</b>
iv.	Plantation & Horticulture	228	58	491	777	29.3	7.5	63.2
v.	Dairy, Poultry Sheep / Goat	806	157	1,155	2,118	38.1	7.4	54.5
vi.	Fisheries	49	12	343	404	12.1	3.0	84.9
vii.	Hi-tech agriculture (Only CBs)			1,360	1,360	0.0	0.0	100.0
viii.	RIDF (Only CBs)			1,879	1,879	0.0	0.0	100.0
ix.	Private Sector Bank	317	90	3,806	4,213	7.5	2.1	90.3
	<b>Sub-total (II)</b>	<b>3518</b>	<b>749</b>	<b>13036</b>	<b>17303</b>	<b>20.3</b>	<b>4.3</b>	<b>75.3</b>
	<b>Grand Total (I + II)</b>	<b>18363</b>	<b>3172</b>	<b>24733</b>	<b>46268</b>	<b>39.7</b>	<b>6.9</b>	<b>53.5</b>

## Annexure X : Agency-wise / Sub-Sector-Wise Ground Level Credit Flow for Agriculture and Allied Activities (contd.)

		2000-01				(Rs. crore)		
No.	Sector/Sub-Sector					As percentage to Total		
		Co-operative Banks	RRBs	CBs	Total	Co-operative Banks	RRBs	CBs
<b>I</b>	<b>Crop Loan (Production Credit)</b>	<b>16,583</b>	<b>3,245</b>	<b>12,730</b>	<b>32,558</b>	<b>50.9</b>	<b>10.0</b>	<b>39.1</b>
	Private Sector Banks			756	756			100.0
	<b>Sub-total (I)</b>	<b>16,583</b>	<b>3,245</b>	<b>13,486</b>	<b>33,314</b>	<b>49.8</b>	<b>9.7</b>	<b>40.5</b>
<b>II</b>	<b>Investment Credit/Term Loan (MT+LT)</b>	<b>2,357</b>	<b>486</b>	<b>3,392</b>	<b>6,235</b>	<b>37.8</b>	<b>7.8</b>	<b>54.4</b>
i.	Minor Irrigation (MI)	1,026	85	709	1,820	56.4	4.7	39.0
ii.	Land Development (LD)	143	17	130	290	49.3	5.9	44.8
iii.	Farm Mechanisation (FM)	1,188	384	2,553	4,125	28.8	9.3	61.9
	<b>Allied Activities (iv to ix)</b>	<b>1,861</b>	<b>488</b>	<b>10,929</b>	<b>13,278</b>	<b>14.0</b>	<b>3.7</b>	<b>82.3</b>
iv.	Plantation & Horticulture	319	47	389	755	42.3	6.2	51.5
v.	Dairy, Poultry Sheep / Goat	909	214	1065	2,188	41.5	9.8	48.7
vi.	Fisheries	52	13	253	318	16.4	4.1	79.6
vii.	Others	581	214	2764	3,559	16.3	6.0	77.7
viii.	Hi-tech agriculture (Only CBs)			2088	2088			100.0
ix.	RIDF (Only CBs)			1974	1,974			100.0
	Private Sector Bank			2,396	2,396			100.0
	<b>Sub-total (II)</b>	<b>4,218</b>	<b>974</b>	<b>14,321</b>	<b>19,513</b>	<b>21.6</b>	<b>5.0</b>	<b>73.4</b>
	<b>Grand Total (I + II)</b>	<b>20801</b>	<b>4219</b>	<b>27807</b>	<b>52827</b>	<b>39.4</b>	<b>8.0</b>	<b>52.6</b>
		2001-02						
<b>I</b>	<b>Crop Loan (Production Credit)</b>	<b>18,828</b>	<b>3,777</b>	<b>16,916</b>	<b>39,521</b>	<b>47.6</b>	<b>9.6</b>	<b>42.8</b>
	Private Sector Banks			988	988			100.0
	<b>Sub-total (I)</b>	<b>18,828</b>	<b>3,777</b>	<b>17,904</b>	<b>40,509</b>	<b>46.5</b>	<b>9.3</b>	<b>44.2</b>
<b>II</b>	<b>Investment Credit/Term Loan (MT+LT)</b>	<b>2,143</b>	<b>563</b>	<b>3,293</b>	<b>5,999</b>	<b>35.7</b>	<b>9.4</b>	<b>54.9</b>
i.	Minor Irrigation (MI)	987	155	703	1,845	53.5	8.4	38.1
ii.	Land Development (LD)	161	20	126	307	52.4	6.5	41.0
iii.	Farm Mechanisation (FM)	995	388	2,464	3,847	25.9	10.1	64.0
	<b>Allied Activities (iv to ix)</b>	<b>2,633</b>	<b>514</b>	<b>12,390</b>	<b>15,537</b>	<b>16.9</b>	<b>3.3</b>	<b>79.7</b>
iv.	Plantation & Horticulture	298	53	414	765	39.0	6.9	54.1
v.	Dairy, Poultry Sheep / Goat	880	266	1,075	2,221	39.6	12.0	48.4
vi.	Fisheries	57	18	433	508	11.2	3.5	85.2
vii.	Others	1,398	177	3,313	4,888	28.6	3.6	67.8
viii.	Hi-tech agriculture (Only CBs)	-	-	2,257	2,257	-	-	100.0
ix.	RIDF (Only CBs)	-	-	1,632	1,632	-	-	100.0
x.	Private Sector Bank	-	-	3266	3266	-	-	100
	<b>Sub-total (II)</b>	<b>4776</b>	<b>1077</b>	<b>15683</b>	<b>21536</b>	<b>22.2</b>	<b>5.0</b>	<b>72.8</b>
	<b>Grand Total (I + II)</b>	<b>23604</b>	<b>4854</b>	<b>33587</b>	<b>62045</b>	<b>38.0</b>	<b>7.8</b>	<b>54.1</b>

**Annexure X : Agency-wise / Sub-Sector-Wise Ground Level Credit Flow for Agriculture and Allied Activities (contd.)**

		2002-03				(Rs. crore)		
No.	Sector/Sub-Sector					As percentage to Total		
		Co-operative Banks	RRBs	CBs	Total	Co-operative Banks	RRBs	CBs
<b>I</b>	<b>Crop Loan (Production Credit)</b>							
	Public Sector Banks	19,707	4,775	20,171	44,653	44.1	10.7	45.2
	Private Sector Banks	-	-	933	933	-	-	100.0
	<b>Sub-total (I)</b>	<b>19,707</b>	<b>4,775</b>	<b>21,104</b>	<b>45,586</b>	<b>43.2</b>	<b>10.5</b>	<b>46.3</b>
<b>II</b>	<b>Investment Credit/Term Loan (MT+LT)</b>	<b>1,891</b>	<b>626</b>	<b>3,452</b>	<b>5,969</b>	<b>31.7</b>	<b>10.5</b>	<b>57.8</b>
i.	Minor Irrigation (MI)	840	169	967	1,976	42.5	8.6	48.9
ii.	Land Development (LD)	184	26	183	393	46.8	6.6	46.6
iii.	Farm Mechanisation (FM)	867	431	2,302	3,600	24.1	12.0	63.9
	<b>Allied Activities (iv to ix)</b>	<b>2,118</b>	<b>669</b>	<b>15,218</b>	<b>18,005</b>	<b>11.8</b>	<b>3.7</b>	<b>84.5</b>
iv.	Plantation & Horticulture	354	85	756	1,195	29.6	7.1	63.3
v.	Dairy, Poultry Sheep / Goat	987	349	1301	2,637	37.4	13.2	49.3
vi.	Fisheries	48	23	468	539	8.9	4.3	86.8
vii.	Others	729	212	4006	4,947	14.7	4.3	81.0
viii.	Hi-tech agriculture (Only CBs)	-	-	2268	2268	-	-	100.0
ix.	RIDF (Only CBs)	-	-	1500	1,500	-	-	100.0
	Private Sector Bank	-	-	4,919	4,919	-	-	100.0
	<b>Sub-total (II)</b>	<b>4,009</b>	<b>1,295</b>	<b>18,670</b>	<b>23,974</b>	<b>16.7</b>	<b>5.4</b>	<b>77.9</b>
	<b>Grand Total (I + II)</b>	<b>23716</b>	<b>6070</b>	<b>39774</b>	<b>69560</b>	<b>34.1</b>	<b>8.7</b>	<b>57.2</b>
		<b>2003-04</b>						
<b>I</b>	<b>Crop Loan (Production Credit)</b>							
	Public Sector Banks	22,697	6,088	24,642	53,427	42.5	11.4	46.1
	Private Sector Banks	-	-	1,550	1,550	-	-	100.0
	<b>Sub-total (I)</b>	<b>22,697</b>	<b>6,088</b>	<b>26,192</b>	<b>54,977</b>	<b>41.3</b>	<b>11.1</b>	<b>47.6</b>
<b>II</b>	<b>Investment Credit/Term Loan (MT+LT)</b>	<b>2,102</b>	<b>742</b>	<b>4,451</b>	<b>7,295</b>	<b>28.8</b>	<b>10.2</b>	<b>61.0</b>
i.	Minor Irrigation (MI)	942	187	1,601	2,730	34.5	6.8	58.6
ii.	Land Development (LD)	205	60	314	579	35.4	10.4	54.2
iii.	Farm Mechanisation (FM)	955	495	2,536	3,986	24.0	12.4	63.6
	<b>Allied Activities (iv to ix)</b>	<b>2,160</b>	<b>751</b>	<b>21,798</b>	<b>24,709</b>	<b>8.7</b>	<b>3.0</b>	<b>88.2</b>
iv.	Plantation & Horticulture	391	99	946	1,436	27.2	6.9	65.9
v.	Dairy, Poultry Sheep / Goat	1,116	413	1,399	2,928	38.1	14.1	47.8
vi.	Fisheries	57	32	1,053	1,142	5.0	2.8	92.2
vii.	Others	596	207	4,865	5,668	10.5	3.7	85.8
viii.	Hi-tech agriculture (Only CBs)	-	-	4,017	4,017	-	-	100.0
ix.	RIDF (Only CBs)	-	-	837	837	-	-	100.0
x.	Private Sector Bank	-	-	8681	8681	-	-	100
	<b>Sub-total (II)</b>	<b>4262</b>	<b>1493</b>	<b>26249</b>	<b>32004</b>	<b>13.3</b>	<b>4.7</b>	<b>82.0</b>
	<b>Grand Total (I + II)</b>	<b>26959</b>	<b>7581</b>	<b>52441</b>	<b>86981</b>	<b>31.0</b>	<b>8.7</b>	<b>60.3</b>

## Annexure X : Agency-wise / Sub-Sector-Wise Ground Level Credit Flow for Agriculture and Allied Activities (concluded)

		2004-05				(Rs. crore)		
No.	Sector/Sub-Sector	Co-operative Banks <sup>\$</sup>	RRBs	CBs*	Total	As percentage to Total Co-operative Banks RRBs CBs		
<b>I</b>	<b>Crop Loan (Production Credit)</b>							
	Sub-total (I)	27,261	10,010	36,793	74,064	36.8	13.5	49.7
<b>II</b>	<b>Investment Credit/Term Loan (MT+LT)</b>	1,730	828	7,736	10,294	16.8	8.0	75.2
i.	Minor Irrigation (MI)	815	352	3,047	4,214	19.3	8.4	72.3
ii.	Land Development (LD)	288	115	580	983	29.3	11.7	59.0
iii.	Farm Mechanisation (FM)	627	361	4,109	5,097	12.3	7.1	80.6
	<b>Allied Activities (iv to ix)</b>	<b>2,344</b>	<b>1,566</b>	<b>36,952</b>	<b>40,862</b>	<b>5.7</b>	<b>3.8</b>	<b>90.4</b>
iv.	Plantation & Horticulture	450	108	1,320	1,878	24.0	5.8	70.3
v.	Dairy, Poultry Sheep / Goat	983	379	2412	3,774	26.0	10.0	63.9
vi.	Fisheries	52	115	935	1,102	4.7	10.4	84.8
vii.	Others	859	964	9708	11,531	7.4	8.4	84.2
viii.	Hi-tech agriculture (Only CBs)	-	-	7486	7486	-	-	100.0
ix.	RIDF (Only CBs)	-	-	941	941	-	-	100.0
	Private Sector Bank	-	-	14,150	14,150	-	-	100.0
	<b>Sub-total (II)</b>	<b>4,163</b>	<b>2,394</b>	<b>44,688</b>	<b>51,245</b>	<b>8.1</b>	<b>4.7</b>	<b>87.2</b>
	<b>Grand Total (I + II)</b>	<b>31424</b>	<b>12404</b>	<b>81481</b>	<b>125309</b>	<b>25.1</b>	<b>9.9</b>	<b>65.0</b>

## Note:

- (i) Dairy Development / Poultry / Sheep / Goat etc. reported together in case of CBs.
- (ii) Others include disbursements under Storage/Market Yards through CBs, Forestry / WLD, Bullock and Bullock Carts Bio-Gas, RIDF etc. through all agencies.
- (iii) SCB / CCBs, LDB and Other Agencies Included in Co-operative Banks
- (iv) \$ Co-operative Banks include other agencies
- (iv) \* In the year 2004-05 crop loan of Commercial Banks including Private Sector Banks (Rs. 2113 Cr.)

## Source:

- (i) Commercial Banks - RPCD, RBI.
- (ii) Co-operatives and RRBs - Regional Offices, NABARD.

# EXHIBIT – A

## AGRICULTURAL CREDIT IN INDIA: CHANGING PROFILE AND REGIONAL IMBALANCES

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### **A Research Study by EPW Research Foundation Cooperative Credit Institutions**

The *EPW Research Foundation* (EPWRF) began with an ambitious goal of compiling time series data on the flow and outstandings of agricultural credit from all short-term and long-term tiers of the cooperative sector for the research project. We have faced a number of problems in this respect. First, it is found that the official agencies compile the cooperative credit data for agriculture and allied activities only from two tiers, namely, state cooperative banks and central cooperative banks on the assumption that primary agricultural credit societies (PACS) predominantly depend on refinance from upper tiers and they hardly have resources of their own, which is by and large true. But, there are considerable leads and lags in the ebb and flow of funds between PACS and higher tiers of the cooperative sector and for want of details, we have not been able to arrive at the concrete differences.

Secondly, the well-known publication *Statistical Tables Relating to Cooperative Movement in India (Part I: Credit Societies)* is dated; what is available in the public domain is almost a decade old, that is, for 1998-99.

Thirdly, there are two cooperative federations, which are primarily sector supported (but also supported by the Government of India, through some grants-in-aid), namely, National Federation of State Cooperative Banks (NAFSCOB) and National Cooperative Federation of Agriculture and Rural Development Banks (NCARDB Federation) do provide through their websites stand alone data on different tiers of the cooperative sector.

EPWRF has collated these data with the initial objective of reconciling the official series on crop loans issued in respect of agriculture, but we have failed to achieve as yet this reconciliation. The data are presented in the following sets of tables for ready reference as an academic interest.



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**Table 1:** Select Indicators of Primary Agricultural Credit Societies – State-wise (continued)  
(As at March 31, 2005)

<i>State/Region</i>	<i>No. of PACS</i>	<i>No. of Villages Covered</i>	<i>Ratio of Villages to PACS</i>	<i>Population (in '000)</i>	<i>Members (in '000)</i>	<i>Borrowing Members (in '000)</i>	<i>Total Staff</i>	<i>Deposits (Rs. lakh)</i>	<i>Borrowings (Rs. lakh)</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>
<b>Northern Region</b>	<b>14,997</b>	<b>91,238</b>	<b>6</b>	<b>1,32,983</b>	<b>12,239</b>	<b>5,901</b>	<b>1,00,220</b>	<b>1,60,891</b>	<b>7,48,020</b>
Chandigarh	32	22	1	901	2	1	11	6	2
Delhi	–	–	–	13,851	–	–	–	–	–
Haryana	2,433	7,093	3	21,145	2,658	1,703	77,414	26,998	3,34,108
Himachal Pradesh	2,089	19,388	9	6,078	1,050	127	3,862	57,712	7,879
Jammu & Kashmir	807	7,146	9	10,114	83	8	873	97	4,523
Punjab	3,985	12,428	3	24,359	2,115	1,920	10,501	61,507	2,30,023
Rajasthan	5,651	45,161	8	56,507	6,331	2,142	7,559	14,571	1,71,485
<b>North-Eastern Region</b>	<b>3,628</b>	<b>32,045</b>	<b>9</b>	<b>38,858</b>	<b>3,836</b>	<b>330</b>	<b>7,552</b>	<b>7,816</b>	<b>14,082</b>
Arunachal Pradesh	31	3,649	118	1,098	18	–	597	156	–
Assam	809	23,422	29	26,656	3,094	82	6,172	888	508
Manipur	186	N.A.	N.A.	2,167	128	200	–	178	6,500
Meghalaya	179	2,458	14	2,319	103	34	20	64	671
Mizoram	165	660	4	889	120	–	85	16	29
Nagaland	1,719	969	1	1,990	14	14	13	6,419	904
Sikkim	–	–	–	541	–	–	–	–	–
Tripura	539	887	2	3,199	359	–	665	95	5,470
<b>Eastern Region</b>	<b>29,182</b>	<b>2,70,859</b>	<b>9</b>	<b>2,27,281</b>	<b>39,085</b>	<b>12,019</b>	<b>50,226</b>	<b>3,23,289</b>	<b>3,69,561</b>
Andaman & Nicobar Isl.	46	204	4	356	11	8	16	20	46
Bihar	5,936	45,097	8	82,999	3,668	246	2,538	4,992	49,383
Jharkhand	208	3,611	17	26,946	121	22	538	1,268	349
Orissa	4,036	44,811	11	36,805	17,390	6,567	11,059	2,27,248	1,55,276
West Bengal	18,956	1,77,136	9	80,176	17,895	5,176	36,075	89,761	1,64,507
<b>Central Region</b>	<b>15,329</b>	<b>1,95,555</b>	<b>13</b>	<b>2,55,869</b>	<b>13,071</b>	<b>8,077</b>	<b>31,371</b>	<b>58,344</b>	<b>4,98,441</b>
Chhattisgarh	1,368	21,546	16	20,834	2,121	1,118	5,082	9,270	45,463
Madhya Pradesh	4,586	55,305	12	60,348	5,454	2,710	17,306	39,329	3,49,715
Uttarakhand	446	5,900	13	8,489	2,748	171	938	2,925	6,187
Uttar Pradesh	8,929	1,12,804	13	1,66,198	2,748	4,078	8,045	6,820	97,076
<b>Western Region</b>	<b>30,332</b>	<b>57,907</b>	<b>2</b>	<b>1,48,897</b>	<b>13,378</b>	<b>4,266</b>	<b>31,016</b>	<b>31,145</b>	<b>10,05,128</b>
Goa	255	1,123	4	1,348	312	8	831	2,865	7,316
Gujarat	9,093	17,478	2	50,671	2,493	1,241	15,384	15,279	2,92,190
Maharashtra	20,984	39,306	2	<b>96,879</b>	10,574	3,017	14,801	13,001	7,05,622
<b>Southern Region</b>	<b>15,303</b>	<b>80,306</b>	<b>5</b>	<b>2,24,282</b>	<b>45,821</b>	<b>14,476</b>	<b>1,67,730</b>	<b>13,10,333</b>	<b>13,57,269</b>
Andhra Pradesh	4,512	30,715	7	76,210	21,947	2,830	14,105	76,288	5,52,171
Karnataka	4,051	28,513	7	52,851	4,487	1,203	11,270	77,187	1,73,941
Kerala	1,796	1,714	1	31,841	11,069	6,294	18,968	8,33,941	1,68,195
Puducherry	52	264	5	974	83	31	429	4,315	1,131
Tamil Nadu	4,892	19,100	4	62,406	8,236	4,118	1,22,958	3,18,602	4,61,831
<b>All India Total</b>	<b>1,08,779</b>	<b>7,27,911</b>	<b>7</b>	<b>10,28,171</b>	<b>1,27,406</b>	<b>45,070</b>	<b>3,88,118</b>	<b>18,97,604</b>	<b>40,24,949</b>

Source: RBI, Report on Trend and Progress of Banking in India, 2005-06, p. 335

**Table 1: Select Indicators of Primary Agricultural Credit Societies – State-wise (concluded)**  
(As at March 31, 2005)

State/Region	Working Capital (Rs. Lakh)	Loans and Advances Issued (Rs. Lakh)		Loans and Advances Outstanding (Rs. Lakh)		Average Deposits (Rs. Lakh)	Societies in Profit	
		Short- term	Medium- term	Agriculture	Non- Agriculture		No.	Amount
1	11	12	13	14	15	16	17	18
<b>Northern Region</b>	<b>11,10,885</b>	<b>9,09,870</b>	<b>69,553</b>	<b>6,96,859</b>	<b>39,825</b>	<b>10.7</b>	<b>8,334</b>	<b>17,915</b>
Chandigarh	18	3	3	–	–	0.2	15	–
Delhi	–	–	–	–	–	–	–	–
Haryana	4,26,334	3,84,584	27,963	3,01,693	22,877	11.1	1,517	8,219
Himachal Pradesh	83,883	966	14,492	22,797	–	27.6	449	980
Jammu & Kashmir	7,178	797	652	1,961	–	0.1	173	40
Punjab	3,51,688	3,71,135	7,813	2,22,832	11,261	15.4	2,256	4,236
Rajasthan	2,41,784	1,52,385	18,629	1,47,576	5,687	2.6	3,924	4,440
<b>North-Eastern Region</b>	<b>79,413</b>	<b>34,520</b>	<b>2,539</b>	<b>47,886</b>	<b>1,290</b>	<b>2.2</b>	<b>490</b>	<b>8,081</b>
Arunachal Pradesh	1,636	–	77	87	–	5	20	25
Assam	7,533	278	350	1,086	464	1.1	309	7,639
Manipur	45,904	33,859	2,078	41,639	–	1	–	–
Meghalaya	780	181	34	753	–	0.4	70	7
Mizoram	175	–	–	67	–	0.1	20	70
Nagaland	11,246	157	–	197	357	3.7	–	–
Sikkim	–	–	–	–	–	–	–	–
Tripura	12,139	45	–	4,057	469	0.2	71	341
<b>Eastern Region</b>	<b>9,13,314</b>	<b>3,62,302</b>	<b>87,065</b>	<b>3,74,619</b>	<b>23,788</b>	<b>11.1</b>	<b>14,634</b>	<b>2,788</b>
Andaman & Nicobar Isl.	195	46	–	330	–	0.4	9	3
Bihar	47,655	27,375	–	42,331	–	0.8	1,120	507
Jharkhand	1,523	–	–	5	–	6.1	60	91
Orissa	4,94,987	2,30,793	58,019	2,39,373	5,189	56.3	1,380	853
West Bengal	3,68,954	1,04,088	29,046	92,580	18,599	4.7	12,065	1,335
<b>Central Region</b>	<b>5,50,813</b>	<b>2,53,147</b>	<b>27,531</b>	<b>2,27,318</b>	<b>13,934</b>	<b>3.8</b>	<b>7,425</b>	<b>9,406</b>
Chhattisgarh	64,924	23,308	13,459	–	–	6.8	805	1,081
Madhya Pradesh	3,48,132	1,46,563	12,301	1,45,987	13,517	8.6	1,873	6,445
Uttarakhand	11,830	4,696	604	1,300	416	6.6	211	107
Uttar Pradesh	1,25,927	78,580	1,167	80,031	–	0.8	4,536	1,774
<b>Western Region</b>	<b>13,25,382</b>	<b>5,68,837</b>	<b>1,15,700</b>	<b>8,05,895</b>	<b>1,16,556</b>	<b>1</b>	<b>12,138</b>	<b>20,817</b>
Goa	14,176	7,995	–	10,059	2,160	11.2	60	32
Gujarat	3,98,475	2,45,506	36,130	3,10,948	5,792	1.7	4,983	9,191
Maharashtra	9,12,731	3,15,336	79,570	4,84,889	1,08,604	0.6	7,095	11,593
<b>Southern Region</b>	<b>35,60,870</b>	<b>8,60,043</b>	<b>4,27,760</b>	<b>10,22,799</b>	<b>4,91,636</b>	<b>85.6</b>	<b>3,994</b>	<b>13,794</b>
Andhra Pradesh	5,56,967	1,86,272	38,300	3,13,306	79,852	16.9	1,103	3,686
Karnataka	3,17,783	1,32,572	28,321	1,33,911	22,010	19.1	1,227	2,688
Kerala	10,53,498	1,92,763	1,93,666	2,44,971	1,57,390	464.3	728	3,321
Puducherry	6,435	3,266	2,711	1,811	2,320	83	17	1
Tamil Nadu	16,26,187	3,45,170	1,64,763	3,28,801	2,30,063	65.1	919	4,099
<b>All India Total</b>	<b>75,40,741</b>	<b>31,88,709</b>	<b>7,32,463</b>	<b>32,14,672</b>	<b>6,29,941</b>	<b>17.4</b>	<b>47,015</b>	<b>72,802</b>

Source: RBI, Report on Trend and Progress of Banking in India, 2005-06, p. 336

**Table 2:** Select Indicators of Primary Agricultural Credit Societies – State-wise (continued)  
(As at March 31, 2006)

<i>State/Region</i>	<i>No. of PACS</i>	<i>No. of Villages Covered</i>	<i>Ratio of Villages to PACS</i>	<i>Population (in '000)</i>	<i>Members (in '000)</i>	<i>Borrowing Members (in '000)</i>	<i>Total Staff</i>	<i>Deposits (Rs. lakh)</i>	<i>Borrowings (Rs. lakh)</i>
1	2	3	4	5	6	7	8	9	10
<b>Northern Region</b>	<b>13,480</b>	<b>74,988</b>	<b>6</b>	<b>97,659</b>	<b>10,034</b>	<b>5,094.00</b>	<b>28,294</b>	<b>177,355</b>	<b>802,169</b>
Chandigarh	16	22	1	800	3	1	3	3	11
Delhi	–	–	–	–	–	–	–	–	–
Haryana	2,441	7,132	3	21,083	2,748	1,737.00	7,248	31,961	391,210
Himachal Pradesh	2,086	19,388	9	6,077	1,030	145	3,932	65,434	8,085
Jammu & Kashmir	187	2,950	16	1,884	328	39	342	919	5,576
Punjab	3,978	12,428	3	27,808	2,137	1,665.00	10,485	59,605	263,063
Rajasthan	4,772	33,068	7	40,007	3,788	1,507.00	6,284	19,433	134,224
<b>North-Eastern Region</b>	<b>3,535</b>	<b>35,546</b>	<b>10</b>	<b>29,842</b>	<b>3,985</b>	<b>315</b>	<b>7,889</b>	<b>13,628</b>	<b>45,069</b>
Arunachal Pradesh	31	3,649	118	435	18	–	597	–	411
Assam	809	23,422	29	22,414	3,094	82	6,172	508	1,888
Manipur	186	–	–	–	128	200	–	6,500	37,157
Meghalaya	179	5,780	32	2,305	96	19	84	96	649
Mizoram	175	660	4	–	120	–	85	16	29
Nagaland	1,719	969	1	1,215	14	14	13	6,419	904
Sikkim	166	166	1	41	30	–	145	–	–
Tripura	270	900	3	3,432	486	–	793	89	4,031
<b>Eastern Region</b>	<b>28,830</b>	<b>271,438</b>	<b>9</b>	<b>420,100</b>	<b>38,891</b>	<b>12,068.20</b>	<b>49,835</b>	<b>323,106</b>	<b>379,204</b>
Andaman & Nicobar Isl.	46	204	4	280	11	8.2	20	20	569
Bihar	5,936	45,098	8	82,999	3,671	211	2,538	5,986	49,975
Jharkhand	208	5,185	25	10,050	121	22	587	1,268	349
Orissa	3,860	43,303	11	63,799	17,216	6,441.00	10,417	226,859	159,120
West Bengal	18,780	177,648	9	262,972	17,872	5,386.00	36,273	88,973	169,191
<b>Central Region</b>	<b>15,381</b>	<b>193,562</b>	<b>13</b>	<b>216,061</b>	<b>9,906</b>	<b>7,718.00</b>	<b>30,455</b>	<b>69,060</b>	<b>370,612</b>
Chhattisgarh	1,373	20,841	15	20,905	1,922	936	4,995	16,879	50,072
Madhya Pradesh	4,633	54,017	12	52,564	5,108	2,533.00	16,477	42,436	217,277
Uttarakhand	446	5,900	13	3,480	127	171	938	2,925	6,187
Uttar Pradesh	8,929	112,804	13	139,112	2,748	4,078.00	8,045	6,820	97,076
<b>Western Region</b>	<b>29,607</b>	<b>54,701</b>	<b>2</b>	<b>144,028</b>	<b>13,397</b>	<b>5,083.00</b>	<b>51,349</b>	<b>33,651</b>	<b>1,153,175</b>
Goa	75	242	3	1,344	82	4	331	2,170	1,071
Gujarat	8,487	16,997	2	45,805	2,613	1,244.00	21,845	17,838	368,668
Maharashtra	21,045	37,462	2	96,879	10,702	3,835.00	29,173	13,643	783,436
<b>Southern Region</b>	<b>15,543</b>	<b>84,938</b>	<b>5</b>	<b>5,017,906</b>	<b>46,351</b>	<b>15,797.00</b>	<b>73,784</b>	<b>1,339,319</b>	<b>1,351,531</b>
Andhra Pradesh	4,491	30,715	7	4,876,884	22,010	2,836.00	14,036	77,040	565,913
Karnataka	4,911	34,069	7	49,222	4,715	1,107.00	12,157	102,685	196,363
Kerala	1,600	1,556	1	33,039	11,054	7,844.00	17,754	900,644	146,313
Puducherry	52	287	6	1,040	116	21	394	4,714	1,706
Tamil Nadu	4,489	18,311	4	57,721	8,455	3,989.00	29,443	254,236	441,236
<b>All India Total</b>	<b>106,376</b>	<b>715,173</b>	<b>7</b>	<b>5,925,596</b>	<b>122,564</b>	<b>46,075.20</b>	<b>241,606</b>	<b>1,956,119</b>	<b>4,101,760</b>

Source: RBI, Report on Trend and Progress of Banking in India, 2006-07, p. 385

**Table 2:** Select Indicators of Primary Agricultural Credit Societies – State-wise (concluded)  
(As at March 31, 2006)

State/Region	Working Capital (Rs. Lakh)	Loans and Advances Issued (Rs. Lakh)		Loans and Advances Outstanding (Rs. Lakh)		Average Deposits (Rs. Lakh)	Societies in Profit	
		Short-term	Medium-term	Agriculture	Non-Agriculture		No.	Amount
1	11	12	13	14	15	16	17	18
<b>Northern Region</b>	<b>1,234,264</b>	<b>1,040,243</b>	<b>57,673</b>	<b>786,874</b>	<b>43,541</b>	<b>13.16</b>	<b>8,398</b>	<b>2,008,551</b>
Chandigarh	23	3	11	5	11	0.19	14	498
Delhi	–	–	–	–	–	–	–	–
Haryana	503,523	458,525	17,431	360,287	27,455	13.09	1,198	370,898
Himachal Pradesh	93,743	967	15,507	26,493	–	31.37	1,701	93,744
Jammu & Kashmir	9,976	1,103	2	1,645	–	4.91	22	1,470
Punjab	416,652	440,896	14,295	265,723	10,697	14.98	2,403	359,486
Rajasthan	210,347	138,749	10,427	132,722	5,379	4.07	3,060	1,182,455
<b>North-Eastern Region</b>	<b>640,096</b>	<b>34,563</b>	<b>2,514</b>	<b>46,431</b>	<b>1,431</b>	<b>3.86</b>	<b>600</b>	<b>784,110</b>
Arunachal Pradesh	564,249	–	77	87	–	–	20	2,456
Assam	7,533	278	350	1,086	464	0.63	309	763,889
Manipur	45,904	33,859	2,078	41,639	–	34.95	–	–
Meghalaya	1,283	138	9	330	–	0.54	60	2,688
Mizoram	175	–	–	67	–	0.09	59	6,997
Nagaland	11,246	157	–	197	357	3.73	–	–
Sikkim	146	54	–	19	–	–	56	579
Tripura	9,560	77	–	3,005	610	0.33	96	7,501
<b>Eastern Region</b>	<b>910,708</b>	<b>369,068</b>	<b>80,914</b>	<b>370,967</b>	<b>31,820</b>	<b>11.21</b>	<b>10,971</b>	<b>351,712</b>
Andaman & Nicobar Isl.	638	123	–	569	–	0.43	7	109
Bihar	44,337	23,448	–	35,116	–	1.01	1,168	52,012
Jharkhand	1,523	100	–	264	723	6.1	203	9,100
Orissa	496,403	236,139	56,720	243,361	5,306	58.77	1,415	129,023
West Bengal	367,807	109,258	24,193	91,657	25,791	4.74	8,178	161,468
<b>Central Region</b>	<b>572,972</b>	<b>262,705</b>	<b>17,555</b>	<b>271,352</b>	<b>16,771</b>	<b>4.49</b>	<b>7,401</b>	<b>904,093</b>
Chhattisgarh	87,193	25,778	5,201	35,733	2,856	12.29	811	115,273
Madhya Pradesh	348,022	153,651	10,583	154,289	13,499	9.16	1,792	600,771
Uttarakhand	11,830	4,696	604	1,300	416	6.56	262	10,667
Uttar Pradesh	125,927	78,580	1,167	80,031	–	0.76	4,536	177,382
<b>Western Region</b>	<b>1,557,894</b>	<b>636,203</b>	<b>197,819</b>	<b>779,293</b>	<b>321,930</b>	<b>1.14</b>	<b>12,588</b>	<b>2,121,902</b>
Goa	5,203	752	1,465	550	953	28.93	54	11,528
Gujarat	529,421	322,813	34,235	372,631	8,172	2.1	5,027	376,251
Maharashtra	1,023,270	312,638	162,119	406,112	312,805	0.65	7,507	1,734,123
<b>Southern Region</b>	<b>2,985,282</b>	<b>1,219,571</b>	<b>472,874</b>	<b>1,097,977</b>	<b>571,016</b>	<b>86.17</b>	<b>4,357</b>	<b>1,807,364</b>
Andhra Pradesh	564,249	200,065	40,304	312,471	28,662	17.15	1,002	401,524
Karnataka	470,393	190,716	40,134	169,519	47,301	20.91	1,732	462,110
Kerala	1,131,095	533,308	225,109	250,241	313,077	562.9	772	480,739
Puducherry	7,671	4,317	2,565	4,355	957	90.65	21	75
Tamil Nadu	811,874	291,165	164,763	361,391	181,020	56.64	830	462,916
<b>All India Total</b>	<b>7,338,667</b>	<b>3,562,354</b>	<b>729,605</b>	<b>3,214,672</b>	<b>629,941</b>	<b>18.39</b>	<b>44,321</b>	<b>7,193,622</b>

Source: RBI, Report on Trend and Progress of Banking in India, 2006-07, p. 386

**Table 3:** Trends in Working Results of the Three Tiers of the Co-operative Credit Institutions

(Rs crore)										
Year	Total Membership	Total Reserves	Total Deposits	Total Borrowings	Loans Issued	Loans Outstanding	of which		Total Demand	percentage of overdues to demand
							Short Term	Medium Term & Others		
<b>State Co-operative Banks at a Glance</b>										
1993-94	187001	1393	11721	5494	22399	10927	8007	2919	9151	11.2
1994-95	139676	1671	11817	5517	22145	12986	9971	3015	10875	10.7
1995-96	135364	1913	13470	6500	30819	14739	11558	3181	11303	11.4
1996-97	147229	1978	17282	6847	33751	17775	13043	4732	14097	13.0
1997-98	151058	2244	21919	8788	34095	19395	11633	7761	14862	13.5
1998-99	144477	2741	25309	9934	35801	21700	14424	7276	14487	13.3
1999-00	136856	3149	29279	10935	39893	25357	16621	8736	15740	12.7
2000-01	122464	3712	32613	11983	33613	25483	18638	6845	16887	14.9
2001-02	104607	4178	36170	11683	34065	32554	22920	9634	19581	13.9
2002-03	133688	5002	39112	11985	39203	35052	22049	13003	22413	17.7
2003-04	150975	5572	42863	13523	34864	35637	22809	12828	22038	16.8
2004-05	156623	6590	44068	14671	44325	35307	21336	13970	23294	15.3
2005-06	153697	7343	47672	16872	48804	38961	23376	15585	24390	13.8
<b>District Central Co-op Banks at a Glance</b>										
1993-94	1328028	1258	17636	6883	28491	16775	10774	3372	13387	34.1
1994-95	1679894	1526	20342	9029	32699	20195	13033	13033	16008	31.5
1995-96	1701487	1901	24248	10061	36375	24218	15715	4482	18841	31.9
1996-97	1797587	5018	32009	11179	40781	29243	18301	5962	21829	35.8
1997-98	1742213	4091	36263	12028	39778	32595	20727	7142	24584	37.0
1998-99	1839147	4709	45538	13710	42905	38856	23629	9158	27558	32.5
1999-00	2281449	5284	53827	14384	41270	44698	28245	9108	32599	35.7
2000-01	1986370	6750	62070	16567	45951	50570	31449	10695	36089	35.4
2001-02	1837433	7930	66797	18276	61302	60166	35639	14864	41666	35.1
2002-03	2183731	9676	72394	19238	59034	62050	36713	16107	46143	37.4
2003-04	2149071	11208	76885	21128	57529	63620	38966	15885	50151	37.0
2004-05	2145876	12673	80494	21557	65356	72090	40840	20715	54858	32.9
2005-06	2267850	14083	86652	23202	69318	76737	43412	21975	57227	31.7
<b>PACS at a glance</b>										
(in 000)										
1993-94	88989	792	2102	9117	7511	10535	8397	2137		
1994-95	90621	1414	2962	10177	10795	12141	9482	2659	12491	33.9
1995-96	90472	1839	3790	11381	12732	14463	11331	3132	14141	34.7
1996-97	80258	1985	5108	12106	13606	16008	12433	3575	17608	34.9
1997-98	80205	2169	5279	12164	13724	17122	14184	2938	17846	35.3
1998-99	89568	2094	7062	17326	17768	21301	15452	5849	20935	35.0
1999-00	108627	1705	12459	22350	23662	28546	20610	7936	26798	35.4
2000-01	99918	1710	13481	25890	25698	34522	24032	10490	28764	34.9
2001-02	102141	2466	14846	29475	30770	40779	27666	13113	34077	32.5
2002-03	123552	3245	19120	30278	33996	42411	29107	13305	40341	37.9
2003-04	135411	3231	18143	34257	35119	43873	30808	13065	44237	36.8
2004-05	127406	3626	18976	40249	39212	48785	32481	16304	47785	33.6
2005-06	125197	3648	19561	41018	42920	51779	34140	17639	50979	30.4

Source: National Federation of State Co-operative Banks Ltd. (NAFSCOB) website

Table 4: State-wise Loans Issued by PACS for Agriculture

(Amount in Rupees Lakh)										
Region/State/ Union Territory	2001-02		2002-03		2003-04		2004-05		2005-06	
	Agriculture	Per Cent to Total	Agriculture	Per Cent to Total	Agriculture	Per Cent to Total	Agriculture	Per Cent to Total	Agriculture	Per Cent to Total
<b>Northern Region</b>	<b>509258</b>	<b>30.7</b>	<b>662975</b>	<b>32.4</b>	<b>747572</b>	<b>33.9</b>	<b>897973</b>	<b>33.8</b>	<b>1042428</b>	<b>36.0</b>
Haryana	227362	13.7	264297	12.9	318299	14.5	367855	13.9	452666	15.6
Himachal Pradesh	7410	0.4	10135	0.5	12148	0.6	15458	0.6	16474	0.6
Jammu & Kashmir	730	0.0	610	0.0	589	0.0	1303	0.0	1105	0.0
Punjab	190116	11.5	258048	12.6	317415	14.4	359505	13.5	431513	14.9
Rajasthan	83641	5.0	129885	6.3	99121	4.5	153851	5.8	140668	4.9
Chandigarh									3	0.0
Delhi										
<b>North-Eastern Region</b>	<b>36680</b>	<b>2.2</b>	<b>36981</b>	<b>1.8</b>	<b>36978</b>	<b>1.7</b>	<b>36633</b>	<b>1.4</b>	<b>36614</b>	<b>1.3</b>
Arunachal Pradesh	77	0.0	77	0.0	77	0.0	77	0.0	77	0.0
Assam			369	0.0	369	0.0	369	0.0	369	0.0
Manipur	35937	2.2	35937	1.8	35937	1.6	35937	1.4	35937	1.2
Meghalaya	83	0.0	70	0.0	73	0.0	198	0.0	148	0.0
Mizoram	113	0.0								
Nagaland	7	0.0	7	0.0	7	0.0	7	0.0	7	0.0
Tripura	464	0.0	522	0.0	515	0.0	45	0.0	77	0.0
<b>Eastern Region</b>	<b>136375</b>	<b>8.2</b>	<b>202398</b>	<b>9.9</b>	<b>226449</b>	<b>10.3</b>	<b>257218</b>	<b>9.7</b>	<b>274373</b>	<b>9.5</b>
Bihar	1060	0.1	77	0.0	14159	0.6	27375	1.0	23448	0.8
Jharkhand				0.0		0.0	0	0.0	100	0.0
Orissa	106011	6.4	115475	5.6	127368	5.8	143545	5.4	153556	5.3
Sikkim				0.0		0.0	0	0.0	54	0.0
West Bengal	29264	1.8	86801	4.2	84877	3.9	86253	3.2	97091	3.4
Andaman&Nicobar Isl.	40	0.0	45	0.0	45	0.0	46	0.0	123	0.0
<b>Central Region</b>	<b>156546</b>	<b>9.4</b>	<b>213818</b>	<b>10.4</b>	<b>211906</b>	<b>9.6</b>	<b>242923</b>	<b>9.1</b>	<b>252954</b>	<b>8.7</b>
Chhattisgarh	7940	0.5	47841	2.3	27891	1.3	26156	1.0	30833	1.1
Madhya Pradesh	83608	5.0	97106	4.7	115144	5.2	147896	5.6	153250	5.3
Uttar Pradesh	64268	3.9	64268	3.1	64268	2.9	64268	2.4	64268	2.2
Uttaranchal	730	0.0	4603	0.2	4603	0.2	4603	0.2	4603	0.2
<b>Western Region</b>	<b>369582</b>	<b>22.3</b>	<b>448001</b>	<b>21.9</b>	<b>528971</b>	<b>24.0</b>	<b>618872</b>	<b>23.3</b>	<b>654649</b>	<b>22.6</b>
Goa	624	0.0	380	0.0	217	0.0	7290	0.3	400	0.0
Gujarat	120408	7.3	210761	10.3	210545	9.6	272693	10.3	341611	11.8
Maharashtra	248550	15.0	236860	11.6	318209	14.4	338889	12.8	312638	10.8
Dadra & Nagar Haveli										
Daman & Diu										
<b>Southern Region</b>	<b>451825</b>	<b>27.2</b>	<b>483512</b>	<b>23.6</b>	<b>450651</b>	<b>20.5</b>	<b>602138</b>	<b>22.7</b>	<b>634452</b>	<b>21.9</b>
Andhra Pradesh	141673	8.5	160530	7.8	162489	7.4	185392	7.0	200595	6.9
Karnataka	76130	4.6	121802	5.9	95332	4.3	112301	4.2	154137	5.3
Kerala	113466	6.8	96616	4.7	118367	5.4	124688	4.7	154537	5.3
Tamil Nadu	120146	7.2	103845	5.1	73635	3.3	178301	6.7	122431	4.2
Lakshadweep										0.0
Pondicherry	410	0.0	718	0.0	829	0.0	1456	0.1	2753	0.1
<b>All-India</b>	<b>1660266</b>	<b>100</b>	<b>2047686</b>	<b>100</b>	<b>2202527</b>	<b>100</b>	<b>2655756</b>	<b>100</b>	<b>2895470</b>	<b>100</b>

Source: NAFSCOB

**Table 5:** Region-wise Major Indicators of PACS

Region	2002-03				2003-04			
	Number of villages covered by PACS	Number of Borrowers (in '000)	Total Loans & Advances Issued (Rs Lakh)	Total Loans & Advances Outstanding (Rs Lakh)	Number of villages covered by PACS	Number of Borrowers (in '000)	Total Loans & Advances Issued (Rs Lakh)	Total Loans & Advances Outstanding (Rs Lakh)
Northern	120394 (15.5)	7939 (12.4)	779841 (22.9)	664323 (15.7)	111648 (16.1)	6530 (12.7)	853225 (24.3)	773646 (17.6)
North-Eastern	32045 (4.1)	311 (0.5)	37667 (1.1)	54751 (1.3)	32045 (4.6)	313 (0.6)	37689 (1.1)	55021 (1.3)
Eastern	300091 (38.7)	11484 (18.0)	389133 (11.4)	454013 (10.7)	264052 (38.1)	11492 (22.4)	418281 (11.9)	437322 (10.0)
Central	171121 (22.1)	7086 (11.1)	198714 (5.8)	332418 (7.8)	171223 (24.7)	6915 (13.5)	205999 (5.9)	345762 (7.9)
Western	77127 (10.0)	13120 (20.5)	558439 (16.4)	808625 (19.1)	40917 (5.9)	4619 (9.0)	612363 (17.4)	897409 (20.5)
Southern	73750 (9.5)	23940 (37.5)	1435792 (42.2)	1926995 (45.4)	73278 (10.6)	21396 (41.7)	1384367 (39.4)	1878123 (42.8)
All-India	774528 (100)	63880 (100)	3399586 (100)	4241124 (100)	693163 (100)	51265 (100)	3511924 (100)	4387282 (100)

*Notes:* Figures in brackets are percentages to Total  
*Source:* NAFSCOB



Table 6: Regional Distribution of Farm Households and PACS

	As of January-December 2003				As of March 1999				
	Estimated Number of Farmer Households ('00)		Estimated Number of Indebted Farmer Households ('00)		Percentage of Indebted Farmer Households	Number of PACS*		Membership of PACS* ('000)	
<b>NORTHERN REGION</b>	<b>109460</b>	<b>(12.3)</b>	<b>56260</b>	<b>(13.0)</b>	<b>51.40</b>	<b>13510</b>	<b>(14.5)</b>	<b>10715</b>	<b>(11.1)</b>
Haryana	19445	(2.2)	10330	(2.4)	53.12	2337	(2.5)	2144	(2.2)
Himachal Pradesh	9061	(1.0)	3030	(0.7)	33.44	2116	(2.3)	934	(1.0)
Jammu & Kashmir	9432	(1.1)	3003	(0.7)	31.84				
Punjab	18442	(2.1)	12069	(2.8)	65.44	3586	(3.9)	2169	(2.3)
Rajasthan	53080	(5.9)	27828	(6.4)	52.43	5240	(5.6)	5418	(5.6)
Chandigarh						33	(0.0)	4	(0.0)
Delhi						198	(0.2)	47	(0.0)
<b>NORTH-EASTERN REGION</b>	<b>34874</b>	<b>(3.9)</b>	<b>6870</b>	<b>(1.6)</b>	<b>19.70</b>	<b>2720</b>	<b>(2.9)</b>	<b>2805</b>	<b>(2.9)</b>
Arunachal Pradesh	1227	(0.1)	72	(0.0)	5.87	32	(0.0)	16	(0.0)
Assam	25040	(2.8)	4536	(1.0)	18.12	1482	(1.6)	2223	(2.3)
Manipur	2146	(0.2)	533	(0.1)	24.84	191	(0.2)	129	(0.1)
Meghalaya	2543	(0.3)	103	(0.0)	4.05	152	(0.2)	83	(0.1)
Mizoram	780	(0.1)	184	(0.0)	23.59	115	(0.1)	4	(0.0)
Nagaland	805	(0.1)	294	(0.1)	36.52	364	(0.4)	15	(0.0)
Tripura	2333	(0.3)	1148	(0.3)	49.21	384	(0.4)	335	(0.3)
<b>EASTERN REGION</b>	<b>211140</b>	<b>(23.6)</b>	<b>84396</b>	<b>(19.4)</b>	<b>39.97</b>	<b>17607</b>	<b>(18.9)</b>	<b>6527</b>	<b>(6.8)</b>
Bihar	70804	(7.9)	23383	(5.4)	33.02	7057	(7.6)	7	(0.0)
Jharkhand	28238	(3.2)	5893	(1.4)	20.87				
Orissa	42341	(4.7)	20250	(4.7)	47.83	2758	(3.0)	3723	(3.9)
Sikkim	531	(0.1)	174	(0.0)	32.77				
West Bengal	69226	(7.7)	34696	(8.0)	50.12	7748	(8.3)	2796	(2.9)
Andaman & Nicobar Islands						44	(0.0)	1	(0.0)
<b>CENTRAL REGION</b>	<b>271341</b>	<b>(30.4)</b>	<b>113045</b>	<b>(26.0)</b>	<b>41.66</b>	<b>15228</b>	<b>(16.4)</b>	<b>21222</b>	<b>(22.0)</b>
Chhattisgarh	27598	(3.1)	11092	(2.6)	40.19				
Madhya Pradesh	63206	(7.1)	32110	(7.4)	50.80	6751	(7.3)	7486	(7.8)
Uttar Pradesh	171575	(19.2)	69199	(15.9)	40.33	8477	(9.1)	13736	(14.3)
Uttaranchal	8962	(1.0)	644	(0.1)	7.19				
<b>WESTERN REGION</b>	<b>103662</b>	<b>(11.6)</b>	<b>55742</b>	<b>(12.8)</b>	<b>53.77</b>	<b>27865</b>	<b>(29.9)</b>	<b>12561</b>	<b>(13.0)</b>
Goa						88	(0.1)	91	(0.1)
Gujarat	37845	(4.2)	19644	(4.5)	51.91	7430	(8.0)	2880	(3.0)
Maharashtra	65817	(7.4)	36098	(8.3)	54.85	20326	(21.8)	9540	(9.9)
Dadra & Nagar Haveli						8	(0.0)	36	(0.0)
Daman & Diu						13	(0.0)	13	(0.0)
<b>SOUTHERN REGION</b>	<b>161578</b>	<b>(18.1)</b>	<b>117470</b>	<b>(27.1)</b>	<b>72.70</b>	<b>16085</b>	<b>(17.3)</b>	<b>42391</b>	<b>(44.0)</b>
Andhra Pradesh	60339	(6.8)	49493	(11.4)	82.02	4678	(5.0)	16026	(16.6)
Karnataka	40413	(4.5)	24897	(5.7)	61.61	4437	(4.8)	4821	(5.0)
Kerala	21946	(2.5)	14126	(3.3)	64.37	2398	(2.6)	12177	(12.6)
Tamil Nadu	38880	(4.4)	28954	(6.7)	74.47	4572	(4.9)	9368	(9.7)
Lakshadweep									
Pondicherry									
<b>ALL-INDIA</b>	<b>893504</b>	<b>(100.0)</b>	<b>434242</b>	<b>(100.0)</b>	<b>48.60</b>	<b>93071</b>	<b>(100.0)</b>	<b>96289</b>	<b>(100.0)</b>

\* Includes Farmers services societies and LAMPS Figures in brackets are percentage to All-India total as of March 1999.

Source: NSSO (2005), Indebtedness of Farmer Households, Report No. 498(59/33/1), NSS 59th Round (January-December 2003)

NABARD (2003), Statistical Statements Relating to The Co-operative Movement in India 1998-99, Part-1 Credit Societies

**Table 7:** State-wise Population as per census 2001 (in millions)

State/Uts	2001						Share of	
	Rural		Urban		Total	Rural	Urban	
<b>Northern Region</b>	<b>88.38</b>	<b>(11.9)</b>	<b>44.29</b>	<b>(15.5)</b>	<b>132.98</b>	<b>(12.9)</b>	<b>66.5</b>	<b>33.3</b>
Haryana	14.97	(2.0)	6.11	(2.1)	21.14	(2.1)	70.8	28.9
Himachal Pradesh	5.48	(0.7)	0.60	(0.2)	6.08	(0.6)	90.2	9.8
Jammu and Kashmir	7.57	(1.0)	2.51	(0.9)	10.14	(1.0)	74.6	24.7
Punjab	16.04	(2.2)	8.25	(2.9)	24.36	(2.4)	65.9	33.9
Rajasthan	43.27	(5.8)	13.21	(4.6)	56.51	(5.5)	76.6	23.4
Chandigarh	0.09	(0.0)	0.81	(0.3)	0.90	(0.1)	10.2	89.9
Delhi	0.96	(0.1)	12.82	(4.5)	13.85	(1.3)	7.0	92.6
<b>North-Eastern Region</b>	<b>32.13</b>	<b>(4.3)</b>	<b>5.81</b>	<b>(2.0)</b>	<b>38.33</b>	<b>(3.7)</b>	<b>83.8</b>	<b>15.2</b>
Arunachal Pradesh	0.48	(0.1)	0.06	(0.0)	1.10	(0.1)	43.6	5.5
Assam	23.25	(3.1)	3.39	(1.2)	26.66	(2.6)	87.2	12.7
Manipur	1.82	(0.2)	0.57	(0.2)	2.17	(0.2)	83.8	26.3
Meghalaya	1.85	(0.2)	0.45	(0.2)	2.32	(0.2)	79.9	19.5
Mizoram	0.45	(0.1)	0.44	(0.2)	0.89	(0.1)	50.6	49.6
Nagaland	1.64	(0.2)	0.35	(0.1)	1.99	(0.2)	82.2	17.7
Tripura	2.65	(0.4)	0.54	(0.2)	3.20	(0.3)	82.8	17.0
<b>Eastern Region</b>	<b>184.79</b>	<b>(24.9)</b>	<b>42.82</b>	<b>(15.0)</b>	<b>227.83</b>	<b>(22.1)</b>	<b>81.1</b>	<b>18.8</b>
Bihar	74.20	(10.0)	8.68	(3.0)	83.00	(8.1)	89.4	10.5
Jharkhand	20.92	(2.8)	5.99	(2.1)	26.95	(2.6)	77.6	22.2
Orissa	31.21	(4.2)	5.50	(1.9)	36.80	(3.6)	84.8	14.9
Sikkim	0.48	(0.1)	0.06	(0.0)	0.54	(0.1)	88.9	11.1
West Bengal	57.74	(7.8)	22.49	(7.9)	80.18	(7.8)	72.0	28.0
Andaman & Nicobar	0.24	(0.0)	0.12	(0.0)	0.36	(0.0)	66.7	32.2
<b>Central Region</b>	<b>198.75</b>	<b>(26.8)</b>	<b>56.96</b>	<b>(20.0)</b>	<b>255.87</b>	<b>(24.9)</b>	<b>77.7</b>	<b>22.3</b>
Chhattisgarh	16.62	(2.2)	4.18	(1.5)	20.83	(2.0)	79.8	20.0
Madhya Pradesh	44.28	(6.0)	16.10	(5.6)	60.35	(5.9)	73.4	26.7
Uttar Pradesh	131.54	(17.7)	34.51	(12.1)	166.20	(16.2)	79.1	20.8
Uttaranchal	6.31	(0.9)	2.17	(0.8)	8.49	(0.8)	74.3	25.6
<b>Western Region</b>	<b>88.38</b>	<b>(11.9)</b>	<b>60.70</b>	<b>(21.3)</b>	<b>149.28</b>	<b>(14.5)</b>	<b>59.2</b>	<b>40.7</b>
Goa	0.68	(0.1)	0.67	(0.2)	1.35	(0.1)	50.0	49.6
Gujarat	31.70	(4.3)	18.90	(6.6)	50.67	(4.9)	62.6	37.3
Maharashtra	55.73	(7.5)	41.02	(14.4)	96.88	(9.4)	57.5	42.3
Dadra & Nagar Haveli	0.17	(0.0)	0.05	(0.0)	0.22	(0.0)	77.3	22.7
Daman and Diu	0.10	(0.0)	0.06	(0.0)	0.16	(0.0)	63.9	36.1
<b>Southern Region</b>	<b>148.84</b>	<b>(20.1)</b>	<b>74.60</b>	<b>(26.1)</b>	<b>224.34</b>	<b>(21.8)</b>	<b>66.3</b>	<b>33.3</b>
Andhra Pradesh	55.22	(7.4)	20.50	(7.2)	76.21	(7.4)	72.5	26.9
Karnataka	34.81	(4.7)	17.92	(6.3)	52.85	(5.1)	65.9	33.9
Kerala	23.57	(3.2)	8.27	(2.9)	31.84	(3.1)	74.0	26.0
Tamil Nadu	34.87	(4.7)	27.24	(9.5)	62.41	(6.1)	55.9	43.7
Lakshadweep	0.03	(0.0)	0.03	(0.0)	0.06	(0.0)	56.7	45.0
Pondicherry	0.33	(0.0)	0.65	(0.2)	0.97	(0.1)	33.5	66.5
<b>India</b>	<b>741.66</b>	<b>(100.0)</b>	<b>285.36</b>	<b>(100.0)</b>	<b>1028.61</b>	<b>(100.0)</b>	<b>72.1</b>	<b>27.7</b>

Note: Figures within brackets represents percentage to respective all-India total.

Source: Census of India 2001

**Table 8: Central Co-operative Banks**  
Purpose-wise Classification of Loans & Advances Issued

(Amount Rs. in Thousands)						
Name of the State/Union Territory	During 1997-98			During 1998-99		
	Short Term	Medium Term	Total ST & MT Loans Issued	Short Term	Medium Term	Total ST & MT Loans Issued
	1	2	(1+2)	1	2	(1+2)
Andhra Pradesh	10,971,199	6,733,984	17,705,183	13,125,015	8,257,718	21,382,733
Assam	3,490	-	3,490	3,490	-	3,490
Bihar	1,131,832	117,413	1,249,245	1,225,400	70,078	1,295,478
Gujarat	50,604,409	2,357,925	52,962,334	44,160,514	2,581,759	46,742,273
Haryana	17,157,515	770,337	17,927,852	20,570,392	1,036,045	21,606,437
Himachal Pradesh	1,165,916	339,377	1,505,293	1,464,959	422,148	1,887,107
Jammu & Kashmir	1,451,354	176,823	1,628,177	1,527,726	294,629	1,822,355
Karnataka	19,987,000	1,876,759	21,863,759	21,052,771	2,133,245	23,186,016
Kerala	16,249,596	3,150,171	19,399,767	16,760,944	4,050,902	20,811,846
Madhya Pradesh	26,622,863	3,435,865	30,058,728	26,065,847	2,293,026	28,358,873
Maharashtra	116,834,316	7,113,271	123,947,587	126,094,567	9,391,052	135,485,619
Orissa	4,942,442	1,954,582	6,897,024	6,525,449	1,356,681	7,882,130
Punjab	22,668,180	1,184,100	23,852,280	31,653,195	930,383	32,583,578
Rajasthan	9,392,813	908,566	10,301,379	11,143,190	1,050,224	12,193,414
Tamil Nadu	46,282,359	6,557,013	52,839,372	60,531,078	9,386,444	69,917,522
Uttar Pradesh	27,686,995	1,411,413	29,098,408	29,016,057	1,630,683	30,646,740
West Bengal	2,522,869	1,469,122	3,991,991	2,748,867	1,484,720	4,233,587
<b>Total</b>	<b>375,675,148</b>	<b>39,556,721</b>	<b>415,231,869</b>	<b>413,669,461</b>	<b>46,369,737</b>	<b>460,039,198</b>

Source: NABARD, Statistical Statements Relating to the Co-operative Movement in India, Part-I Credit Societies, 1998-99

**Table 8: Central Co-operative Banks**  
Purpose-wise Classification of Loans & Advances Issued

Short Term  
Agricultural

(Amount Rs. in Thousands)								
During 1997-98					During 1998-99			
Name of the State/Union Territory	Societies	Individuals	IRDP	Total	Societies	Individuals	IRDP	Total
	1	2	3	(1+2+3)	1	2	3	(1+2+3)
Andhra Pradesh	6,108,070	27,104	-	6,135,174	9,516,348	-	-	9,516,348
Assam	3,490	-	-	3,490	3,490	-	-	3,490
Bihar	664,821	-	-	664,821	645,635	4,451	-	650,086
Gujarat	17,011,804	38,681	-	17,050,485	16,239,161	49,826	-	16,288,987
Haryana	13,406,905	-	-	13,406,905	17,493,061	-	-	17,493,061
Himachal Pradesh	78,924	-	-	78,924	20,849	5,055	-	25,904
Jammu & Kashmir	514,918	-	-	514,918	543,495	-	-	543,495
Karnataka	9,598,607	40,517	-	9,639,124	10,762,272	38,266	-	10,800,538
Kerala	3,214,470	-	-	3,214,470	3,683,158	-	-	3,683,158
Madhya Pradesh	13,526,235	681	-	13,526,916	15,229,932	136	-	15,230,068
Maharashtra	56,078,865	-	-	56,078,865	57,159,415	2,119	-	57,161,534
Orissa	2,369,834	-	-	2,369,834	3,572,707	-	-	3,572,707
Punjab	17,996,358	22,226	-	18,018,584	22,538,348	159,303	-	22,697,651
Rajasthan	6,505,979	88,533	-	6,594,512	8,094,182	200,438	-	8,294,620
Tamil Nadu	11,151,484	293,372	-	11,444,856	17,444,678	334,823	-	17,779,501
Uttar Pradesh	21,199,907	673,600	-	21,873,507	20,720,846	852,579	-	21,573,425
West Bengal	1,425,646	18,409	-	1,444,055	1,449,158	-	-	1,449,158
<b>Total</b>	<b>180,856,317</b>	<b>1,203,123</b>	<b>-</b>	<b>182,059,440</b>	<b>205,116,735</b>	<b>1,646,996</b>	<b>-</b>	<b>206,763,731</b>

Source: NABARD, *Statistical Statements Relating to the Co-operative Movement in India, Part-I Credit Societies, 1998-99*

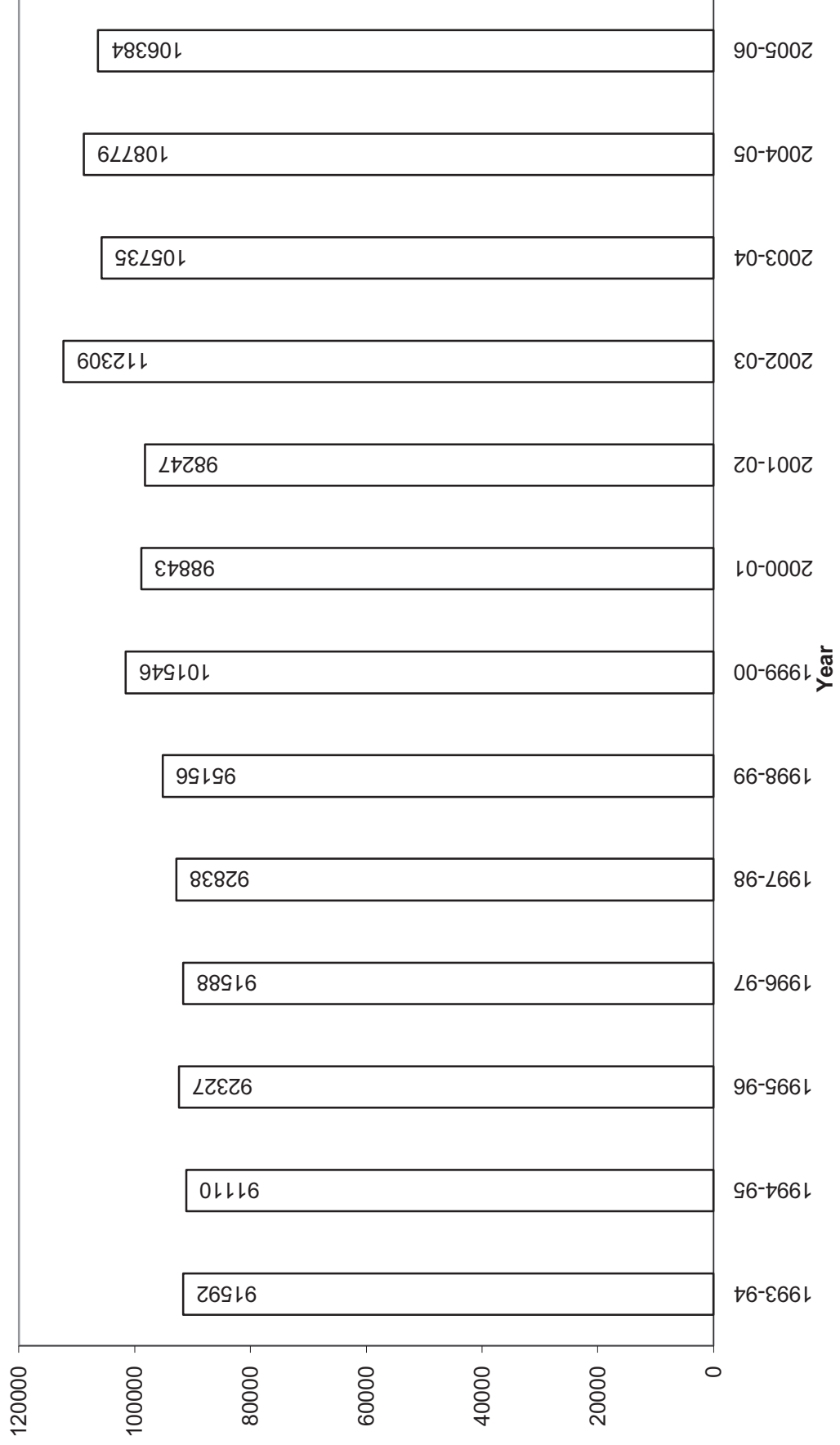
**Table 9: Primary Agricultural Credit Societies**  
Liabilities, Assets & Operations at the end of March 1998

(Amount Rs. in Thousands)							
Loans Advanced							
	Short Term	Medium Term	Long Term	of which Under IRDP	Actual Total	Book Total	Difference
	1	2	3	4	(1+2+3+4)		
Andaman & Nicobar Is. @@@	843	2,192	-	-	3,035	3,035	-
Andhra Pradesh	13,588,259	2,659,631	4,448,722	361,730	21,058,342	20,696,612	361,730
Arunachal Pradesh @	45	880	-	45	970	925	45
Assam @@@	42,442	8,012	364	-	50,818	50,818	-
Bihar @	794,172	-	-	-	794,172	794,172	-
Chandigarh @@@	785	-	-	-	785	785	-
Dadra & Nagar Haveli	17,720	-	-	-	17,720	17,720	-
Daman & Diu @	115	2,835	506	-	3,456	3,456	-
Delhi @@@	13,655	6,419	-	-	20,074	20,074	-
Goa	26,372	27,648	-	18,820	72,840	54,020	18,820
Gujarat	8,545,144	1,046,953	4,331	7,726	9,604,154	9,596,428	7,726
Haryana @	13,529,845	515,534	-	-	14,045,379	14,045,379	-
Himachal Pradesh	56,426	395,029	-	22,232	473,687	451,455	22,232
Karnataka	9,785,551	833,447	136,768	925,533	11,681,299	10,755,766	925,533
Kerala	22,470,564	6,548,720	1,254,123	149,284	30,422,691	30,273,407	149,284
Madhya Pradesh @@@	2,687,817	669,827	3,831	-	3,361,475	3,361,475	-
Maharashtra	14,966,970	4,147,170	459,991	1,181,142	20,755,273	19,574,131	1,181,142
Manipur	29,011	6,925	-	-	35,936	35,936	-
Meghalaya @@	57,418	39,575	68,690	81,410	247,093	165,683	81,410
Mizoram @@@	114,006	32,129	-	-	146,135	146,135	-
Nagaland @@@	419	115	-	-	534	534	-
Orissa	1,978,985	267,788	-	51,107	2,297,880	2,246,773	51,107
Pondicherry	100,522	21,668	4,414	-	126,604	126,604	-
Punjab	14,591,091	1,055,993	-	-	15,647,084	15,647,084	-
Rajasthan	6,315,150	58,905	2,033	24,515	6,400,603	6,376,088	24,515
Tamil Nadu	16,029,495	4,209,515	752,130	1,955,543	22,946,683	20,991,140	1,955,543
Tripura	37,708	19,689	-	15,256	72,653	57,397	15,256
Uttar Pradesh @@@	2,087,271	1,451,243	-	-	3,538,514	3,538,514	-
West Bengal @@@	463,406	11,965	-	-	475,371	475,371	-
<b>Total of 1997-98</b>	<b>128,331,207</b>	<b>24,039,807</b>	<b>7,135,903</b>	<b>4,794,343</b>	<b>164,301,260</b>	<b>159,506,917</b>	<b>4,794,343</b>
@ Data pertains to 1996-97 @@ Data pertains to 1995-96 @@@ Data prior to 1995-96 Source: NABARD, Statistical Statements Relating to the Co-operative Movement in India, Part-I Credit Societies, 1998-99							

**Table 9: Primary Agricultural Credit Societies**  
Liabilities, Assets & Operations at the end of March 1999

(Amount Rs. in Thousands)							
Loans Advanced							
	Short Term	Medium Term	Long Term	of which Under IRDP	Actual Total	Book Total	Difference
	1	2	3	4	(1+2+3+4)		
Andaman & Nicobar Is. @@@	843	2,192	-	-	3,035	3,035	-
Andhra Pradesh @	13,588,259	2,659,631	4,448,722	361,730	21,058,342	20,696,612	361,730
Arunachal Pradesh @@	45	880	-	45	970	925	45
Assam @@@	42,442	8,012	364	-	50,818	50,818	-
Bihar	411,495	-	-	-	411,495	411,495	-
Chandigarh @@@	785	-	-	-	785	785	-
Dadra & Nagar Haveli	24,020	-	-	-	24,020	24,020	-
Daman & Diu @@	115	2,835	506	-	3,456	3,456	-
Delhi @@@	13,655	6,419	-	-	20,074	20,074	-
Goa	31,977	25,040	-	17,250	74,267	57,017	17,250
Gujarat	10,039,409	1,353,362	-	6,301	11,399,072	11,392,771	6,301
Haryana @@	13,529,845	515,534	-	-	14,045,379	14,045,379	-
Himachal Pradesh	63,876	513,390	-	22,364	599,630	577,266	22,364
Karnataka	11,774,872	1,488,584	113,750	87,356	13,464,562	13,377,206	87,356
Kerala @	22,470,564	6,548,720	1,254,123	149,284	30,422,691	30,273,407	149,284
Madhya Pradesh @@@	2,687,817	669,827	3,831	-	3,361,475	3,361,475	-
Maharashtra	19,084,579	5,531,332	583,325	365,139	25,564,375	25,199,236	365,139
Manipur @	29,011	6,925	-	-	35,936	35,936	-
Meghalaya @@@	57,418	39,575	68,690	81,410	247,093	165,683	81,410
Mizoram	16,155	70,142	420,817	-	507,114	507,114	-
Nagaland @@@	419	115	-	-	534	534	-
Orissa	3,139,900	182,347	-	50,682	3,372,929	3,322,247	50,682
Pondicherry	113,178	49	-	-	113,227	113,227	-
Punjab	17,044,919	116,395	-	-	17,161,314	17,161,314	-
Rajasthan	7,964,660	78,822	1,518	40,600	8,085,600	8,045,000	40,600
Tamil Nadu	19,951,256	4,653,544	915,774	1,535,831	27,056,405	25,520,574	1,535,831
Tripura	18,125	18,196	-	16,767	364,323	36321	328,002
Uttar Pradesh @@@	6,716,850	173,099	-	173,099	6,728,815	6889949	(161,134)
West Bengal @@@	463,406	11,965	-	-	35,859,616	475371	35,384,245
<b>Total of 1998-99</b>	149,279,895	24,676,932	7,811,420	2,907,858	184,676,105	181,768,247	2,907,858
@ Data pertains to 1997-98 @@ Data pertains to 1996-97 @@@ Data prior to 1996-97 Source: NABARD, Statistical Statements Relating to the Co-operative Movement in India, Part-I Credit Societies, 1998-99							

Chart 1: Number of Primary Agricultural Credit Societies (PACS)



# EXHIBIT – B

## AGRICULTURAL CREDIT IN INDIA: CHANGING PROFILE AND REGIONAL IMBALANCES

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### **A Research Study by EPW Research Foundation**

State-Wise Agricultural Credit Outstandings for 27 years 1980 to 2006

(Data for Scheduled Commercial Banks)

State-wise data on agricultural credit outstandings in respect of 14 major states and three newly created ones have been analysed for all the years 1980 to 2006 in the body of the study report. The time series so prepared could not be reviewed for these individual states separately through the essential results have been discerned and presented in the study.

These individual state's data have a mine of information revealing inter-state differences in each state's two-way classification: (i) agricultural credit as percentage of respective state's own total bank credit; and (ii) each state's share in agricultural credit in the form of percentage of all-India agriculture credit. These proportions are done separately for agricultural loan accounts and amounts of loans outstanding.

While the essential results have been analysed and presented in the research study, there are a number of details which could be further studied. The relevant statistical series are presented in the enclosed 15 statements for the following states:

### **List of Statements:**

Direct and Indirect Credit of Scheduled Commercial Banks to Agriculture for the State of *Punjab*

1. --- Rajasthan
2. --- Assam
3. --- Bihar
4. --- Orissa
5. --- West Bengal
6. --- Madhya Pradesh
7. --- Uttar Pradesh
8. --- Jharkhand, Chhattisgarh and Uttaranchal
9. --- Gujarat
10. --- Maharashtra
11. --- Andhra Pradesh
12. --- Karnataka
13. --- Tamil Nadu
14. --- Kerala



**1. Punjab**  
**Direct and Indirect Credit of Scheduled Commercial Banks to Agriculture for the state of Punjab**

Year	I) AGRICULTURE TOTAL					A) DIRECT FINANCE					B) INDIRECT FINANCE				
	No. of Accounts	Per Cent to State	Per Cent to All India	Amount Outstanding	Per Cent to State Credit	Per Cent to All India Agriculture	No. of Accounts	Per Cent to State Agriculture	Per Cent to All India Direct	Amount Outstanding	Per Cent to State Agriculture	Per Cent to All India Direct	No. of Accounts	Per Cent to State Agriculture	Per Cent to All India Direct
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Jun-80	231450	48.5	(2.6)	23035	20.2	(7.3)	227216	98.2	(2.6)	18338	79.6	(7.6)	4234	1.8	(1.0)
Jun-81	313881	52.3	(3.0)	33288	30.2	(8.0)	306026	97.5	(3.0)	27034	81.2	(8.9)	7855	2.5	(2.3)
Jun-82	388586	53.3	(3.3)	39798	28.5	(7.8)	378388	97.4	(3.3)	32518	81.7	(8.6)	10198	2.6	(2.8)
Jun-83	427576	53.9	(3.3)	44352	28.0	(7.7)	419006	98.0	(3.4)	37297	84.1	(8.8)	8570	2.0	(2.3)
Jun-84	492051	54.3	(3.4)	121850	47.5	(15.9)	486839	98.9	(3.4)	86970	71.4	(14.2)	5212	1.1	(1.5)
Jun-85	516250	53.5	(3.1)	157218	48.0	(17.8)	509688	98.7	(3.1)	118213	75.2	(16.1)	6562	1.3	(2.0)
Jun-86	567540	52.1	(3.0)	106744	36.2	(10.9)	560369	98.7	(3.0)	90571	84.8	(10.9)	7171	1.3	(2.1)
Jun-87	646719	52.0	(3.1)	80908	29.3	(7.3)	636815	98.5	(3.1)	65631	81.1	(7.0)	9904	1.5	(2.9)
Jun-88	686203	51.1	(3.1)	83511	29.5	(6.7)	676538	98.6	(3.1)	74466	89.2	(6.9)	9665	1.4	(2.8)
Jun-89	689856	48.5	(2.9)	93963	27.9	(6.2)	681724	98.8	(2.9)	84291	89.7	(6.3)	8132	1.2	(2.4)
Mar-90	671477	46.8	(2.7)	100941	25.2	(6.1)	650496	96.9	(2.7)	91218	90.4	(6.3)	20981	3.1	(4.8)
Mar-91	792634	47.6	(2.9)	121379	24.4	(6.5)	767271	96.8	(2.9)	109520	90.2	(6.9)	25363	3.2	(5.5)
Mar-92	780249	46.3	(2.8)	129269	24.6	(6.4)	767484	98.4	(2.8)	119484	92.4	(6.7)	12765	1.6	(3.3)
Mar-93	680206	43.2	(2.6)	129118	22.7	(5.9)	671770	98.8	(2.6)	121554	94.1	(6.2)	8436	1.2	(2.0)
Mar-94	635494	42.2	(2.5)	141097	22.7	(6.2)	627727	98.8	(2.5)	131246	93.0	(6.7)	7767	1.2	(1.8)
Mar-95	507419	46.8	(2.0)	93994	22.5	(3.8)	501752	98.9	(2.1)	87049	92.6	(3.6)	5667	1.1	(1.5)
Mar-96	588607	43.7	(2.4)	167021	19.0	(5.8)	580750	98.7	(2.4)	150617	90.2	(6.1)	7857	1.3	(2.5)
Mar-97	596139	42.6	(2.6)	182526	18.9	(5.8)	583813	97.9	(2.6)	164261	90.0	(6.0)	12326	2.1	(4.1)
Mar-98	508926	40.8	(2.3)	178465	16.5	(5.1)	496708	97.6	(2.3)	156865	87.9	(5.1)	12218	2.4	(3.9)
Mar-99	545332	39.4	(2.8)	252258	18.8	(6.2)	535141	98.1	(2.7)	211683	83.9	(6.2)	10191	1.9	(3.8)
Mar-00	603642	38.7	(2.9)	309681	19.6	(6.8)	589118	97.6	(2.9)	269344	87.0	(7.0)	14524	2.4	(4.6)
Mar-01	727414	44.8	(3.7)	354616	18.9	(6.9)	711588	97.8	(3.6)	284115	80.1	(6.5)	15826	2.2	(5.7)
Mar-02	682223	40.7	(3.4)	402270	17.9	(6.3)	668137	97.9	(3.4)	330337	82.1	(7.0)	14086	2.1	(2.3)
Mar-03	583807	40.8	(2.8)	473625	19.2	(6.2)	571452	97.9	(2.8)	406332	85.8	(6.9)	12355	2.1	(1.9)
Mar-04	618459	40.1	(2.9)	559254	19.9	(5.8)	604957	97.8	(2.9)	481007	86.0	(6.9)	13502	2.2	(2.3)
Mar-05	696882	40.5	(2.6)	730769	22.4	(5.9)	683345	98.1	(2.6)	616014	84.3	(6.5)	13537	1.9	(2.1)
Mar-06	734502	39.7	(2.5)	880983	21.5	(5.1)	773268	98.1	(2.5)	773268	87.8	(6.2)	14033	1.9	(2.2)

Source: RBI, Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006 (Vol.35) and earlier issues

**2. Rajasthan**  
Direct and Indirect Credit of Scheduled Commercial Banks to Agriculture for the state of Rajasthan

Year	I) AGRICULTURE TOTAL			A) DIRECT FINANCE				B) INDIRECT FINANCE				(Amount in Rupees Lakh)						
	No. of Accounts	Per Cent to State Credit Total	Per Cent to All India Agriculture Credit Total	No. of Accounts	Per Cent to State Agriculture Total	Per Cent to All-India Direct Agr.Crd.	Per Cent to State Agriculture Total	No. of Accounts	Per Cent to State Agriculture Total	Per Cent to All-India Direct Agr.Crd.	Per Cent to State Agriculture Total	No. of Accounts	Per Cent to State Agriculture Total	Per Cent to All-India Direct Agr.Crd.				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15				
Jun-80	246121	48.3	(2.7)	12757	24.6	(4.0)	242415	98.5	(2.8)	10893	85.4	(4.5)	3706	1.5	(0.9)	1864	14.6	(2.5)
Jun-81	287135	49.4	(2.7)	17580	25.8	(4.2)	282021	98.2	(2.7)	14055	79.9	(4.6)	5114	1.8	(1.5)	3526	20.1	(3.1)
Jun-82	391074	51.5	(3.3)	21610	27.6	(4.3)	383620	98.1	(3.3)	17970	83.2	(4.7)	7454	1.9	(2.0)	3639	16.8	(2.9)
Jun-83	460911	52.9	(3.6)	26954	27.9	(4.7)	452428	98.2	(3.6)	22028	81.7	(5.2)	8483	1.8	(2.3)	4926	18.3	(3.2)
Jun-84	513087	52.0	(3.5)	33463	27.3	(4.4)	507288	98.9	(3.6)	28131	84.1	(4.6)	5799	1.1	(1.7)	5333	15.9	(3.5)
Jun-85	578730	51.8	(3.5)	38184	26.9	(4.3)	575658	99.5	(3.5)	32385	84.8	(4.4)	3072	0.5	(0.9)	5799	15.2	(3.9)
Jun-86	716792	52.0	(3.8)	47840	30.0	(4.9)	712697	99.4	(3.8)	39039	81.6	(4.7)	4095	0.6	(1.2)	8801	18.4	(6.0)
Jun-87	760299	50.7	(3.7)	52054	29.7	(4.7)	753888	99.2	(3.7)	43631	83.8	(4.7)	6411	0.8	(1.8)	8423	16.2	(5.0)
Jun-88	884146	50.5	(3.9)	60553	31.2	(4.8)	877808	99.3	(4.0)	51795	85.5	(4.8)	6338	0.7	(1.8)	8758	14.5	(5.1)
Jun-89	957409	49.5	(4.1)	75093	30.1	(4.9)	948530	99.1	(4.1)	66217	88.2	(4.9)	8879	0.9	(2.6)	8876	11.8	(4.7)
Mar-90	1057793	50.1	(4.3)	82178	28.8	(4.9)	1048565	99.1	(4.4)	71802	87.4	(5.0)	9228	0.9	(2.1)	10376	12.6	(4.7)
Mar-91	1050228	46.8	(3.9)	86755	25.7	(4.7)	1038165	98.9	(3.9)	74490	85.9	(4.7)	12063	1.1	(2.6)	12265	14.1	(4.7)
Mar-92	1056764	46.5	(3.8)	101329	26.9	(5.0)	1048404	99.2	(3.8)	88728	87.6	(5.0)	8360	0.8	(2.1)	12601	12.4	(5.2)
Mar-93	1038878	46.0	(4.0)	114525	25.8	(5.2)	1029209	99.1	(4.0)	99150	86.6	(5.1)	9689	0.9	(2.3)	15375	13.4	(6.0)
Mar-94	1016225	46.0	(4.0)	110685	24.2	(4.8)	1006153	99.0	(4.0)	95425	86.2	(4.9)	10072	1.0	(2.3)	15260	13.8	(4.8)
Mar-95	1009341	46.8	(4.1)	126489	23.3	(5.1)	997843	98.9	(4.1)	108859	86.1	(4.5)	11498	1.1	(3.1)	17630	13.9	(5.0)
Mar-96	956583	47.4	(4.0)	114721	20.8	(4.0)	942712	98.5	(3.9)	103617	90.3	(4.2)	13871	1.5	(4.3)	11104	9.7	(2.6)
Mar-97	959281	44.0	(4.3)	151894	21.0	(4.8)	944570	98.5	(4.3)	135594	89.3	(5.0)	14711	1.5	(4.9)	16300	10.7	(3.7)
Mar-98	913954	44.4	(4.2)	177359	19.9	(5.0)	898094	98.3	(4.2)	159157	89.7	(5.2)	15860	1.7	(5.1)	18202	10.3	(3.8)
Mar-99	872319	43.5	(4.4)	214379	21.2	(5.2)	861050	98.7	(4.4)	182223	85.0	(5.4)	11269	1.3	(4.2)	32156	15.0	(4.6)
Mar-00	893250	42.5	(4.4)	270584	22.7	(5.9)	883767	98.9	(4.4)	209805	77.5	(5.4)	9483	1.1	(3.0)	60779	22.5	(8.6)
Mar-01	965873	45.8	(4.9)	317371	23.2	(6.1)	953468	98.7	(4.9)	245140	77.2	(5.6)	12405	1.3	(4.4)	72231	22.8	(8.7)
Mar-02	934949	42.0	(4.6)	409025	23.4	(6.4)	902862	96.6	(4.6)	301349	73.7	(6.4)	32087	3.4	(5.3)	107676	26.3	(6.5)
Mar-03	956756	43.1	(4.6)	485372	25.1	(6.4)	922058	96.4	(4.6)	359567	74.1	(6.1)	34698	3.6	(5.4)	125805	25.9	(7.5)
Mar-04	1005997	43.8	(4.7)	547827	22.5	(5.7)	975705	97.0	(4.7)	434417	79.3	(6.2)	30292	3.0	(5.2)	113411	20.7	(4.3)
Mar-05	1247277	46.5	(4.7)	704974	21.5	(5.7)	1214639	97.4	(4.7)	601185	85.3	(6.4)	32638	2.6	(5.1)	103789	14.7	(3.5)
Mar-06	1400578	47.4	(4.8)	936417	22.3	(5.4)	1382627	98.7	(4.9)	819902	87.6	(6.6)	17951	1.3	(2.8)	116515	12.4	(2.4)

Source: RBI, Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006 (Vol.35) and earlier issues

3. Assam

Direct and Indirect Credit of Scheduled Commercial Banks to Agriculture for the state of Assam

Year	I) AGRICULTURE TOTAL						A) DIRECT FINANCE						B) INDIRECT FINANCE					
	No. of Accounts	Per Cent to State Credit Total	All India Agriculture Credit Total	Per Cent to State Credit Total	Per Cent to State Agriculture Credit	All-India Direct Agr.Crd.	No. of Accounts	Per Cent to State Agriculture Total	All-India Direct Agr.Crd.	Per Cent to State Agriculture Total	Per Cent to State Agriculture Total	All-India Direct Agr.Crd.	No. of Accounts	Per Cent to State Agriculture Total	All-India Direct Agr.Crd.	Per Cent to State Agriculture Total		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		
Jun-80	40029	34.0	(0.4)	4569	24.3	(1.4)	36784	91.9	(0.4)	3904	85.4	(1.6)	3245	8.1	(0.8)	665	14.6	(0.9)
Jun-81	47575	36.3	(0.4)	6221	28.3	(1.5)	43727	91.9	(0.4)	4517	72.6	(1.5)	3848	8.1	(1.1)	1704	27.4	(1.5)
Jun-82	63362	37.5	(0.5)	6770	19.4	(1.3)	60120	94.9	(0.5)	6044	89.3	(1.6)	3242	5.1	(0.9)	726	10.7	(0.6)
Jun-83	67588	38.0	(0.5)	5786	18.1	(1.0)	64949	96.1	(0.5)	4652	80.4	(1.1)	2639	3.9	(0.7)	1133	19.6	(0.7)
Jun-84	102413	38.1	(0.7)	8270	13.5	(1.1)	98145	95.8	(0.7)	5000	60.5	(0.8)	4268	4.2	(1.3)	3270	39.5	(2.2)
Jun-85	138431	39.1	(0.8)	8531	12.4	(1.0)	134232	97.0	(0.8)	5196	60.9	(0.7)	4199	3.0	(1.3)	3336	39.1	(2.3)
Jun-86	173074	39.1	(0.9)	8836	14.0	(0.9)	167003	96.5	(0.9)	7531	85.2	(0.9)	6071	3.5	(1.7)	1305	14.8	(0.9)
Jun-87	208515	39.1	(1.0)	15356	19.0	(1.4)	203950	97.8	(1.0)	12972	84.5	(1.4)	4565	2.2	(1.3)	2384	15.5	(1.4)
Jun-88	232584	38.8	(1.0)	17770	17.4	(1.4)	228228	98.1	(1.0)	15363	86.5	(1.4)	4356	1.9	(1.3)	2406	13.5	(1.4)
Jun-89	258333	39.3	(1.1)	21724	16.5	(1.4)	254077	98.4	(1.1)	18609	85.7	(1.4)	4256	1.6	(1.2)	3115	14.3	(1.7)
Mar-90	230758	40.1	(0.9)	26401	17.7	(1.6)	228428	99.0	(0.9)	22807	86.4	(1.6)	2330	1.0	(0.5)	3594	13.6	(1.6)
Mar-91	308644	37.0	(1.1)	25068	16.3	(1.3)	305784	99.1	(1.1)	18224	72.7	(1.1)	2860	0.9	(0.6)	6844	27.3	(2.6)
Mar-92	339325	31.9	(1.2)	29103	14.9	(1.4)	337131	99.4	(1.2)	21280	73.1	(1.2)	2194	0.6	(0.6)	7823	26.9	(3.3)
Mar-93	328220	29.9	(1.3)	26991	13.2	(1.2)	325345	99.1	(1.3)	21648	80.2	(1.1)	2875	0.9	(0.7)	5343	19.8	(2.1)
Mar-94	319930	32.3	(1.3)	27592	15.7	(1.2)	316671	99.0	(1.3)	22340	81.0	(1.1)	3259	1.0	(0.7)	5251	19.0	(1.6)
Mar-95	325059	31.9	(1.3)	31944	17.0	(1.3)	322418	99.2	(1.3)	23375	73.2	(1.0)	2641	0.8	(0.7)	8569	26.8	(2.4)
Mar-96	339839	33.4	(1.4)	31901	16.1	(1.1)	337671	99.4	(1.4)	24056	75.4	(1.0)	2168	0.6	(0.7)	7846	24.6	(1.8)
Mar-97	305032	30.0	(1.4)	33595	15.9	(1.1)	302824	99.3	(1.4)	24307	72.4	(0.9)	2208	0.7	(0.7)	9288	27.6	(2.1)
Mar-98	268161	27.8	(1.2)	30708	13.3	(0.9)	265581	99.0	(1.2)	25874	84.3	(0.8)	2580	1.0	(0.8)	4834	15.7	(1.0)
Mar-99	180886	23.7	(0.9)	26622	9.7	(0.7)	178818	98.9	(0.9)	23275	87.4	(0.7)	2068	1.1	(0.8)	3347	12.6	(0.5)
Mar-00	170307	23.4	(0.8)	28931	9.7	(0.6)	167558	98.4	(0.8)	21428	74.1	(0.6)	2749	1.6	(0.9)	7503	25.9	(1.1)
Mar-01	126815	19.8	(0.6)	27790	7.4	(0.5)	125691	99.1	(0.6)	24507	88.2	(0.6)	1124	0.9	(0.4)	3283	11.8	(0.4)
Mar-02	130790	20.0	(0.6)	38690	4.8	(0.6)	126966	97.1	(0.6)	20362	52.6	(0.4)	3824	2.9	(0.6)	18327	47.4	(1.1)
Mar-03	135547	19.2	(0.7)	46950	5.9	(0.6)	131544	97.0	(0.7)	31317	66.7	(0.5)	4003	3.0	(0.6)	15633	33.3	(0.9)
Mar-04	144423	19.3	(0.7)	52574	10.1	(0.5)	139327	96.5	(0.7)	39544	75.2	(0.6)	5096	3.5	(0.9)	13030	24.8	(0.5)
Mar-05	194682	22.5	(0.7)	54921	7.4	(0.4)	190357	97.8	(0.7)	43762	79.7	(0.5)	4325	2.2	(0.7)	11159	20.3	(0.4)
Mar-06	259293	24.9	(0.9)	87036	8.5	(0.5)	254214	98.0	(0.9)	71957	82.7	(0.6)	5079	2.0	(0.8)	15079	17.3	(0.3)

Source: RBI, Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India.

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4. Bihar

Direct and Indirect Credit of Scheduled Commercial Banks to Agriculture for the state of Bihar

Year	I) AGRICULTURE TOTAL			A) DIRECT FINANCE			B) INDIRECT FINANCE			(Amount in Rupees Lakh)								
	No. of Accounts	Per Cent to State Credit Total	Per Cent to All India Agriculture Credit	No. of Accounts	Per Cent to State Agriculture Total	Per Cent to All-India Direct Agr.Crd.	No. of Accounts	Per Cent to State Agriculture Total	Per Cent to All-India Direct Agr.Crd.	Amount Outstanding	Per Cent to State Agriculture Total	Per Cent to All-India Direct Agr.Crd.						
1	2	3	4	5	6	7	8	9	10	11	12	13						
Jun-80	504595	60.0	(5.6)	12801	22.2	(4.1)	490909	97.3	(5.7)	9212	72.0	(3.8)	13686	2.7	(3.4)	3589	28.0	(4.9)
Jun-81	571666	58.9	(5.4)	17310	26.7	(4.2)	557564	97.5	(5.4)	11591	67.0	(3.8)	14102	2.5	(4.1)	5719	33.0	(5.1)
Jun-82	750136	58.6	(6.3)	26288	28.5	(5.2)	794293	97.9	(6.4)	16137	61.4	(4.2)	15843	2.1	(4.3)	10151	38.6	(8.0)
Jun-83	902130	58.6	(7.0)	24778	24.1	(4.3)	883965	98.0	(7.1)	18903	76.3	(4.4)	18165	2.0	(5.0)	5875	23.7	(3.8)
Jun-84	909541	55.8	(6.2)	24582	24.5	(3.2)	901277	99.1	(6.3)	21875	89.0	(3.6)	8264	0.9	(2.5)	2708	11.0	(1.8)
Jun-85	1060083	52.4	(6.4)	28466	24.3	(3.2)	1050166	99.1	(6.4)	25000	87.8	(3.4)	9917	0.9	(3.0)	3466	12.2	(2.3)
Jun-86	1278696	49.3	(6.7)	35826	25.2	(3.7)	1265926	99.0	(6.8)	30836	86.1	(3.7)	12770	1.0	(3.7)	4990	13.9	(3.4)
Jun-87	1432799	48.3	(6.9)	44133	26.8	(4.0)	1420008	99.1	(6.9)	37953	86.0	(4.1)	12791	0.9	(3.7)	6180	14.0	(3.6)
Jun-88	1574603	46.4	(7.0)	53048	26.5	(4.2)	1560330	99.1	(7.1)	46534	87.7	(4.3)	14273	0.9	(4.2)	6514	12.3	(3.8)
Jun-89	1723440	44.8	(7.3)	62644	26.7	(4.1)	1706655	99.0	(7.3)	56815	90.7	(4.2)	16785	1.0	(4.9)	5829	9.3	(3.1)
Mar-90	1870356	44.5	(7.6)	80031	24.6	(4.8)	1854001	99.1	(7.7)	73285	91.6	(5.1)	16355	0.9	(3.7)	6746	8.4	(3.1)
Mar-91	2137705	42.6	(7.8)	94961	25.6	(5.1)	2113033	98.8	(7.9)	84565	89.1	(5.3)	24672	1.2	(5.4)	10396	10.9	(4.0)
Mar-92	2228371	42.4	(8.0)	98662	25.2	(4.9)	2201409	98.8	(8.1)	89586	90.8	(5.0)	26962	1.2	(6.9)	9076	9.2	(3.8)
Mar-93	2417742	43.0	(9.2)	114577	24.7	(5.2)	2383423	98.6	(9.2)	103372	90.2	(5.3)	34319	1.4	(8.2)	11205	9.8	(4.4)
Mar-94	2296364	42.7	(9.0)	123453	26.1	(5.4)	2251541	98.0	(9.0)	106497	86.3	(5.4)	44823	2.0	(10.3)	16956	13.7	(5.3)
Mar-95	2216098	42.8	(8.9)	138166	26.7	(5.5)	2178751	98.3	(8.9)	112546	81.5	(4.7)	37347	1.7	(9.9)	25620	18.5	(7.3)
Mar-96	2155389	42.6	(8.9)	142703	25.5	(5.0)	2138161	99.2	(9.0)	118587	83.1	(4.8)	17228	0.8	(5.4)	24116	16.9	(5.7)
Mar-97	1806402	39.5	(8.0)	149253	23.4	(4.7)	1790584	99.1	(8.1)	122822	82.3	(4.5)	15818	0.9	(5.3)	26431	17.7	(6.0)
Mar-98	1661610	37.5	(7.7)	139459	18.8	(4.0)	1644303	99.0	(7.7)	126569	90.8	(4.1)	17307	1.0	(5.5)	12890	9.2	(2.7)
Mar-99	1311929	36.2	(6.6)	148203	17.4	(3.6)	1295552	98.8	(6.6)	141643	95.6	(4.2)	16377	1.2	(6.1)	6560	4.4	(0.9)
Mar-00	1231445	36.1	(6.0)	142275	16.4	(3.1)	1204100	97.8	(6.0)	135977	95.6	(3.5)	27345	2.2	(8.6)	6299	4.4	(0.9)
Mar-01	730156	35.3	(3.7)	133830	24.1	(2.6)	720493	98.7	(3.7)	123985	92.6	(2.9)	9663	1.3	(3.5)	9846	7.4	(1.2)
Mar-02	711830	32.2	(3.5)	148708	22.7	(2.3)	659085	92.6	(3.3)	120979	81.4	(2.6)	52745	7.4	(8.6)	27729	18.6	(1.7)
Mar-03	754322	32.9	(3.6)	163193	20.9	(2.1)	696171	92.3	(3.4)	144514	88.6	(2.4)	58151	7.7	(9.0)	18679	11.4	(1.1)
Mar-04	778016	33.3	(3.7)	192638	19.9	(2.0)	716231	92.1	(3.5)	169768	88.1	(2.4)	61785	7.9	(10.6)	22871	11.9	(0.9)
Mar-05	1091110	40.3	(4.1)	297352	23.1	(2.4)	1014364	93.0	(3.9)	263449	88.6	(2.8)	76746	7.0	(11.9)	33903	11.4	(1.1)
Mar-06	1288697	44.3	(4.4)	415987	22.7	(2.4)	1195016	92.7	(4.2)	352231	84.7	(2.8)	93681	7.3	(14.4)	63756	15.3	(1.3)

Source: RBI, Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006 (Vol.35) and earlier issues

5. Orissa

Direct and Indirect Credit of Scheduled Commercial Banks to Agriculture for the state of Orissa

Year	I) AGRICULTURE TOTAL					A) DIRECT FINANCE					B) INDIRECT FINANCE				
	No. of Accounts	Per Cent to State Credit Total	Per Cent to All India Agriculture Credit	Per Cent to State Credit Total	Per Cent to All India Agriculture Credit	No. of Accounts	Per Cent to State Agriculture Total	Per Cent to All-India Direct Agr.Crd.	Per Cent to State Agriculture Total	Per Cent to All-India Direct Agr.Crd.	No. of Accounts	Per Cent to State Agriculture Total	Per Cent to All-India Direct Agr.Crd.	Per Cent to State Agriculture Total	Per Cent to All-India Direct Agr.Crd.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Jun-80	556182	64.0	(6.2)	8151	36.5	(2.6)	493499	88.7	(5.7)	6152	75.5	(2.5)	62683	11.3	(15.4)
Jun-81	599445	63.9	(5.6)	9175	27.8	(2.2)	565854	94.4	(5.5)	6889	75.1	(2.3)	33591	5.6	(9.7)
Jun-82	710998	60.2	(6.0)	12509	29.3	(2.5)	670893	94.4	(5.8)	10000	79.9	(2.6)	40105	5.6	(10.9)
Jun-83	827560	59.2	(6.4)	16581	33.2	(2.9)	791193	95.6	(6.3)	12244	73.8	(2.9)	36367	4.4	(9.9)
Jun-84	854084	55.2	(5.8)	19961	31.1	(2.6)	832324	97.5	(5.8)	16127	80.8	(2.6)	21760	2.5	(6.5)
Jun-85	947242	54.7	(5.7)	23441	31.1	(2.7)	923575	97.5	(5.7)	18213	77.7	(2.5)	23667	2.5	(7.2)
Jun-86	1022072	52.4	(5.4)	26664	27.9	(2.7)	993927	97.2	(5.3)	21619	81.1	(2.6)	28145	2.8	(8.0)
Jun-87	1060836	50.3	(5.1)	32870	26.7	(3.0)	1031568	97.2	(5.0)	25292	76.9	(2.7)	29268	2.8	(8.4)
Jun-88	1150491	47.5	(5.1)	37381	23.5	(3.0)	1123855	97.7	(5.1)	32346	86.5	(3.0)	26636	2.3	(7.8)
Jun-89	1074895	45.9	(4.6)	52961	26.0	(3.5)	1044247	97.1	(4.5)	45710	86.3	(3.4)	30648	2.9	(8.9)
Mar-90	1197226	44.3	(4.9)	46839	21.4	(2.8)	1168514	97.6	(4.9)	39331	84.0	(2.7)	28712	2.4	(6.5)
Mar-91	1357693	43.4	(5.0)	44192	22.1	(2.4)	1323915	97.5	(4.9)	36223	82.0	(2.3)	33778	2.5	(7.4)
Mar-92	1330820	43.5	(4.8)	44929	20.0	(2.2)	1305502	98.1	(4.8)	40432	90.0	(2.3)	25318	1.9	(6.5)
Mar-93	1221326	40.6	(4.7)	49695	19.8	(2.3)	1195905	97.9	(4.6)	46131	92.8	(2.4)	25421	2.1	(6.1)
Mar-94	1199643	40.8	(4.7)	55144	21.4	(2.4)	1180155	98.4	(4.7)	48546	88.0	(2.5)	19488	1.6	(4.5)
Mar-95	1136726	39.9	(4.6)	59766	20.3	(2.4)	1120755	98.6	(4.6)	51937	86.9	(2.2)	15971	1.4	(4.2)
Mar-96	1135978	40.3	(4.7)	68433	19.5	(2.4)	1124391	99.0	(4.7)	59584	87.1	(2.4)	11587	1.0	(3.6)
Mar-97	929550	38.7	(4.1)	71892	20.5	(2.3)	921053	99.1	(4.1)	64031	89.1	(2.4)	8497	0.9	(2.8)
Mar-98	916600	37.4	(4.2)	89335	20.8	(2.5)	910579	99.3	(4.3)	71667	80.2	(2.3)	6021	0.7	(1.9)
Mar-99	820237	37.6	(4.1)	83201	18.2	(2.0)	813517	99.2	(4.2)	76102	91.5	(2.2)	6720	0.8	(2.5)
Mar-00	890421	37.5	(4.3)	93801	17.2	(2.1)	872522	98.0	(4.3)	87122	92.9	(2.3)	17899	2.0	(5.6)
Mar-01	749994	37.5	(3.8)	102362	16.3	(2.0)	742515	99.0	(3.8)	96219	94.0	(2.2)	7479	1.0	(2.7)
Mar-02	804128	34.3	(4.0)	124439	13.2	(1.9)	770558	95.8	(3.9)	109907	88.3	(2.3)	33570	4.2	(5.5)
Mar-03	764727	32.6	(3.7)	128825	11.3	(1.7)	724652	94.8	(3.6)	113367	88.0	(1.9)	40075	5.2	(6.2)
Mar-04	699736	29.9	(3.3)	143531	10.8	(1.5)	667156	95.3	(3.2)	128395	89.5	(1.8)	32580	4.7	(5.6)
Mar-05	908176	34.9	(3.4)	209274	10.5	(1.7)	869933	95.8	(3.3)	190945	91.2	(2.0)	38243	4.2	(5.9)
Mar-06	1043766	36.1	(3.6)	293991	11.4	(1.7)	1001177	95.9	(3.5)	270021	91.8	(2.2)	42589	4.1	(6.6)

Source: RBI, Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006 (Vol.35) and earlier issues

**6. West Bengal**  
Direct and Indirect Credit of Scheduled Commercial Banks to Agriculture for the state of West Bengal

Year	I) AGRICULTURE TOTAL			A) DIRECT FINANCE			B) INDIRECT FINANCE											
	No. of Accounts	Per Cent to State Credit Total	Per Cent to All India Agriculture Credit	No. of Accounts	Per Cent to State Agriculture Total	Per Cent to All-India Direct Agr.Crd.	No. of Accounts	Per Cent to State Agriculture Total	Per Cent to All-India Direct Agr.Crd.									
1	2	3	4	5	6	7	8	9	10									
Jun-80	514022	57.4	(5.7)	14212	8.3	(4.5)	493533	96.0	(5.7)	11645	81.9	(4.8)	20489	4.0	(5.0)	2567	18.1	(3.5)
Jun-81	556977	57.9	(5.2)	19527	9.7	(4.7)	539358	96.8	(5.3)	16081	82.4	(5.3)	17619	3.2	(5.1)	3446	17.6	(3.1)
Jun-82	689285	56.9	(5.8)	21985	8.0	(4.3)	662283	96.1	(5.8)	15773	71.7	(4.1)	27002	3.9	(7.4)	6212	28.3	(4.9)
Jun-83	790670	57.0	(6.1)	20606	6.3	(3.6)	764979	96.8	(6.1)	15140	73.5	(3.6)	25891	3.2	(7.0)	5466	26.5	(3.6)
Jun-84	877717	54.9	(6.0)	19090	6.3	(2.5)	861479	98.1	(6.0)	17064	89.4	(2.8)	16238	1.9	(4.8)	2026	10.6	(1.3)
Jun-85	992138	52.4	(6.0)	25351	7.2	(2.9)	976599	98.4	(6.0)	21665	85.5	(3.0)	15539	1.6	(4.7)	3686	14.5	(2.5)
Jun-86	1154344	50.3	(6.1)	31787	8.2	(3.3)	1134609	98.3	(6.1)	26782	84.3	(3.2)	19735	1.7	(5.6)	5006	15.7	(3.4)
Jun-87	1297084	47.5	(6.2)	33900	7.3	(3.1)	1278029	98.5	(6.3)	28820	85.0	(3.1)	19055	1.5	(5.5)	5080	15.0	(3.0)
Jun-88	1415170	44.5	(6.3)	47993	8.7	(3.8)	1392759	98.4	(6.3)	41797	87.1	(3.9)	22411	1.6	(6.5)	6195	12.9	(3.6)
Jun-89	1464226	42.4	(6.2)	118774	15.6	(7.8)	1437286	98.2	(6.2)	112390	94.6	(8.4)	26940	1.8	(7.9)	6384	5.4	(3.4)
Mar-90	1579168	44.0	(6.4)	69051	8.3	(4.2)	1556823	98.6	(6.5)	59171	85.7	(4.1)	22945	1.4	(5.1)	9880	14.3	(4.5)
Mar-91	1543071	36.5	(5.7)	61089	6.4	(3.3)	1527969	99.0	(5.7)	47989	78.6	(3.0)	15102	1.0	(3.3)	13100	21.4	(5.0)
Mar-92	1594939	35.4	(5.8)	83502	7.8	(4.1)	1573344	98.6	(5.8)	68187	81.7	(3.8)	21595	1.4	(5.5)	15315	18.3	(6.4)
Mar-93	1512472	32.9	(5.8)	91254	7.2	(4.1)	1498828	99.1	(5.8)	77920	85.4	(4.0)	13644	0.9	(3.3)	13334	14.6	(5.2)
Mar-94	1435397	31.9	(5.6)	76289	6.1	(3.3)	1418882	98.8	(5.7)	63511	83.3	(3.2)	16515	1.2	(3.8)	12778	16.7	(4.0)
Mar-95	1365544	31.0	(5.5)	78400	5.4	(3.1)	1350656	98.9	(5.5)	65592	83.7	(2.7)	14888	1.1	(4.0)	12808	16.3	(3.6)
Mar-96	1367306	29.2	(5.7)	90787	5.5	(3.2)	1350643	98.8	(5.7)	71892	79.2	(2.9)	16663	1.2	(5.2)	18895	20.8	(4.4)
Mar-97	1095013	25.2	(4.9)	95065	5.4	(3.0)	1082543	98.9	(4.9)	77350	81.4	(2.8)	12470	1.1	(4.2)	17715	18.6	(4.0)
Mar-98	1111502	25.7	(5.1)	93026	4.6	(2.6)	1100614	99.0	(5.1)	79609	85.6	(2.6)	10888	1.0	(3.5)	13417	14.4	(2.8)
Mar-99	869349	24.1	(4.4)	104451	4.7	(2.6)	859075	98.8	(4.4)	86127	82.5	(2.5)	10274	1.2	(3.8)	18324	17.5	(2.6)
Mar-00	937119	23.4	(4.6)	109631	4.1	(2.4)	923864	98.6	(4.6)	87112	79.5	(2.3)	13255	1.4	(4.2)	22519	20.5	(3.2)
Mar-01	752261	21.9	(3.8)	135176	4.6	(2.6)	742621	98.7	(3.8)	116205	86.0	(2.7)	9640	1.3	(3.5)	18971	14.0	(2.3)
Mar-02	861559	23.4	(4.2)	187709	5.0	(2.9)	841077	97.6	(4.3)	138840	74.0	(2.9)	20482	2.4	(3.4)	48869	26.0	(2.9)
Mar-03	862614	22.5	(4.1)	218090	5.1	(2.9)	839980	97.4	(4.2)	188310	86.3	(3.2)	22634	2.6	(3.5)	29780	13.7	(1.8)
Mar-04	766284	21.9	(3.6)	383250	7.4	(4.0)	742547	96.9	(3.6)	189269	49.4	(2.7)	23737	3.1	(4.1)	193981	50.6	(7.4)
Mar-05	946929	25.0	(3.6)	385580	6.1	(3.1)	916797	96.8	(3.5)	267016	69.3	(2.8)	30132	3.2	(4.7)	118564	30.7	(4.0)
Mar-06	1106962	27.7	(3.8)	595673	7.7	(3.4)	1081425	97.7	(3.8)	395698	66.4	(3.2)	25537	2.3	(3.9)	199975	33.6	(4.2)

Source: RBI, Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006 (Vol.35) and earlier issues

**7. Madhya Pradesh**  
**Direct and Indirect Credit of Scheduled Commercial Banks to Agriculture for the state of Madhya Pradesh**

Year	I) AGRICULTURE TOTAL						A) DIRECT FINANCE						B) INDIRECT FINANCE					
	No. of Accounts	Per Cent to State Credit	Per Cent to All India Agriculture Credit	Amount Outstanding	Per Cent to State Credit	Per Cent to All India Agriculture Credit	No. of Accounts	Per Cent to State Agriculture Total	Per Cent to All-India Direct Agr.Crd.	Amount Outstanding	Per Cent to State Agriculture Total	Per Cent to All-India Direct Agr.Crd.	No. of Accounts	Per Cent to State Agriculture Total	Per Cent to All-India Direct Agr.Crd.	Amount Outstanding	Per Cent to State Agriculture Total	Per Cent to All-India Direct Agr.Crd.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Jun-80	388428	50.6	(4.3)	14331	26.3	(4.5)	373891	96.3	(4.3)	12620	88.1	(5.2)	14537	3.7	(3.6)	1711	11.9	(2.3)
Jun-81	449588	50.8	(4.2)	19303	26.4	(4.6)	429015	95.4	(4.2)	15971	82.7	(5.3)	20573	4.6	(5.9)	3332	17.3	(3.0)
Jun-82	588555	49.9	(5.0)	24126	27.2	(4.8)	570853	97.0	(5.0)	19885	82.4	(5.2)	17702	3.0	(4.8)	4241	17.6	(3.3)
Jun-83	601753	49.9	(4.7)	27506	25.5	(4.8)	575102	95.6	(4.6)	21231	77.2	(5.0)	26651	4.4	(7.3)	6276	22.8	(4.1)
Jun-84	697296	47.2	(4.8)	33597	24.8	(4.4)	684654	98.2	(4.8)	28777	85.7	(4.7)	12642	1.8	(3.8)	4820	14.3	(3.2)
Jun-85	810929	46.7	(4.9)	40507	25.5	(4.6)	796056	98.2	(4.9)	34188	84.4	(4.7)	14873	1.8	(4.5)	6319	15.6	(4.3)
Jun-86	956442	46.0	(5.0)	50462	26.0	(5.2)	942460	98.5	(5.1)	43942	87.1	(5.3)	13982	1.5	(4.0)	6520	12.9	(4.5)
Jun-87	1082272	44.6	(5.2)	63413	25.4	(5.8)	1068797	98.8	(5.2)	54320	85.7	(5.8)	13475	1.2	(3.9)	9093	14.3	(5.3)
Jun-88	1158195	43.4	(5.2)	73769	25.3	(5.9)	1144058	98.8	(5.2)	63523	86.1	(5.9)	14137	1.2	(4.1)	10247	13.9	(5.9)
Jun-89	1303030	42.4	(5.5)	92238	24.4	(6.0)	1289508	99.0	(5.6)	79744	86.5	(6.0)	13522	1.0	(3.9)	12494	13.5	(6.7)
Mar-90	1362077	41.2	(5.6)	109802	24.3	(6.6)	1344212	98.7	(5.6)	95018	86.5	(6.6)	17865	1.3	(4.1)	14784	13.5	(6.7)
Mar-91	1528082	41.3	(5.6)	119704	23.1	(6.4)	1509140	98.8	(5.6)	103732	86.7	(6.5)	18942	1.2	(4.1)	15972	13.3	(6.1)
Mar-92	1561002	41.4	(5.6)	127381	23.2	(6.3)	1540841	98.7	(5.6)	113273	88.9	(6.4)	20161	1.3	(5.1)	14108	11.1	(5.9)
Mar-93	1489043	41.7	(5.7)	143610	23.5	(6.5)	1472329	98.9	(5.7)	122019	85.0	(6.3)	16714	1.1	(4.0)	21591	15.0	(8.4)
Mar-94	1476834	43.2	(5.8)	147339	23.0	(6.4)	1459428	98.8	(5.8)	132665	90.0	(6.7)	17406	1.2	(4.0)	14674	10.0	(4.6)
Mar-95	1419027	43.5	(5.7)	139836	20.2	(5.6)	1405627	99.1	(5.8)	127955	91.5	(5.3)	13400	0.9	(3.6)	11881	8.5	(3.4)
Mar-96	1396961	44.2	(5.8)	174391	18.2	(6.1)	1363675	99.0	(5.8)	160937	92.3	(6.6)	13286	1.0	(4.2)	13454	7.7	(3.2)
Mar-97	1328365	42.7	(5.9)	203892	19.3	(6.4)	1309902	98.6	(5.9)	187033	91.7	(6.9)	18463	1.4	(6.2)	16859	8.3	(3.8)
Mar-98	1211272	42.7	(5.6)	246543	19.6	(7.0)	1190183	98.3	(5.6)	213664	86.7	(7.0)	21089	1.7	(6.8)	32879	13.3	(6.9)
Mar-99	1078071	41.6	(5.4)	275566	20.1	(6.7)	1059755	98.3	(5.4)	248946	90.3	(7.3)	18316	1.7	(6.8)	26620	9.7	(3.8)
Mar-00	1059823	39.4	(5.2)	319845	19.7	(7.0)	1043476	98.5	(5.2)	286341	89.5	(7.4)	16347	1.5	(5.1)	33504	10.5	(4.7)

Source: RBI, Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006 (Vol.35) and earlier issues

**8. Uttar Pradesh**  
Direct and Indirect Credit of Scheduled Commercial Banks to Agriculture for the state of Uttar Pradesh

Year	I) AGRICULTURE TOTAL				A) DIRECT FINANCE				B) INDIRECT FINANCE									
	No. of Accounts	Per Cent to State Credit Total	Per Cent to All India Agriculture Credit Total	Per Cent to State Credit	No. of Accounts	Per Cent to State Agriculture Total	Per Cent to All-India Direct Agr.Crd.	Per Cent to State Agriculture Total	No. of Accounts	Per Cent to State Agriculture Total	Per Cent to All-India Direct Agr.Crd.	Per Cent to State Agriculture Total						
1	2	3	4	5	6	7	8	9	10	11	12	13						
Jun-80	972569	59.1	(10.8)	33140	24.0	(10.5)	937309	96.4	(10.9)	25772	77.8	(10.7)	35260	3.6	(8.7)	7368	22.2	(10.0)
Jun-81	1076216	59.5	(10.1)	44507	25.1	(10.7)	1039300	96.6	(10.1)	33185	74.6	(10.9)	36916	3.4	(10.6)	11322	25.4	(10.0)
Jun-82	1219321	57.7	(10.3)	53368	24.8	(10.5)	1170677	96.0	(10.2)	42595	79.8	(11.2)	48644	4.0	(13.3)	10773	20.2	(8.5)
Jun-83	1422805	55.7	(11.1)	64390	24.0	(11.1)	1374106	96.6	(11.0)	48780	75.8	(11.5)	48699	3.4	(13.3)	15609	24.2	(10.2)
Jun-84	1607170	54.0	(11.0)	64960	21.0	(8.5)	1565341	97.4	(11.0)	57968	89.2	(9.4)	41829	2.6	(12.4)	6992	10.8	(4.6)
Jun-85	1836218	52.8	(11.0)	72695	23.2	(8.2)	1798261	97.9	(11.0)	64838	89.2	(8.8)	37957	2.1	(11.5)	7857	10.8	(5.3)
Jun-86	2218325	52.0	(11.7)	90803	22.7	(9.3)	2181847	98.4	(11.7)	81281	89.5	(9.8)	36478	1.6	(10.4)	9522	10.5	(6.5)
Jun-87	2282104	50.6	(11.0)	97830	21.2	(8.9)	2246281	98.4	(11.0)	86997	88.9	(9.3)	35823	1.6	(10.3)	10833	11.1	(6.4)
Jun-88	2529139	48.7	(11.3)	112891	21.5	(9.0)	2498262	98.8	(11.3)	103817	92.0	(9.6)	30877	1.2	(9.0)	9074	8.0	(5.3)
Jun-89	2769086	49.1	(11.7)	141334	22.0	(9.3)	2739491	98.9	(11.8)	123177	87.2	(9.2)	29595	1.1	(8.6)	18157	12.8	(9.7)
Mar-90	2854110	48.7	(11.6)	170309	22.1	(10.2)	2819135	98.8	(11.7)	155686	91.4	(10.8)	34975	1.2	(7.9)	14623	8.6	(6.7)
Mar-91	3679532	48.0	(13.5)	220114	22.6	(11.9)	3631392	98.7	(13.6)	202778	92.1	(12.7)	48140	1.3	(10.5)	17336	7.9	(6.7)
Mar-92	3548725	41.2	(12.8)	232585	22.2	(11.5)	3508394	98.9	(12.8)	217730	93.6	(12.2)	40331	1.1	(10.3)	14855	6.4	(6.2)
Mar-93	3446186	46.4	(13.1)	246694	21.2	(11.2)	3401676	98.7	(13.2)	232394	94.2	(11.9)	44510	1.3	(10.6)	14360	5.8	(5.6)
Mar-94	3306758	46.5	(12.9)	259177	21.7	(11.3)	3255514	98.5	(13.0)	238152	91.9	(12.1)	51244	1.5	(11.7)	21025	8.1	(6.6)
Mar-95	3385272	46.6	(13.6)	291460	21.7	(11.7)	3338197	98.6	(13.7)	271076	93.0	(11.2)	47075	1.4	(12.5)	20384	7.0	(5.8)
Mar-96	3152993	46.9	(13.0)	288122	19.7	(10.0)	3114409	98.8	(13.0)	269727	93.6	(11.0)	38584	1.2	(12.1)	18395	6.4	(4.3)
Mar-97	3031263	45.1	(13.5)	326345	19.1	(10.3)	2989996	98.6	(13.5)	303963	93.1	(11.2)	41267	1.4	(13.8)	22382	6.9	(5.1)
Mar-98	2899794	45.0	(13.4)	376709	19.2	(10.7)	2856399	98.5	(13.3)	347228	92.2	(11.4)	43395	1.5	(13.9)	29481	7.8	(6.2)
Mar-99	2738249	44.0	(13.8)	430440	19.7	(10.5)	2700952	98.6	(13.8)	398974	92.7	(11.8)	37297	1.4	(13.9)	31466	7.3	(4.5)
Mar-00	2706921	43.4	(13.2)	502451	19.7	(11.0)	2663713	98.4	(13.2)	465116	92.6	(12.1)	43208	1.6	(13.6)	37335	7.4	(5.3)

Source: RBI, Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006 (Vol.35) and earlier issues



**9. Jharkhand, Chhattisgarh and Uttaranchal**  
**Direct and Indirect Credit of Scheduled Commercial Banks to Agriculture for the states of Jharkhand, Chhattisgarh and Uttaranchal**

(Amount in Rupees Lakh)																		
Year	I) AGRICULTURE TOTAL				A) DIRECT FINANCE				B) INDIRECT FINANCE									
	No. of Accounts	State Credit	All India Credit	Per Cent to State Credit	No. of Accounts	State	All-India	Per Cent to State	No. of Accounts	State	All-India	Per Cent to State	No. of Accounts	State	All-India	Per Cent to State		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		
<b>JHARKHAND</b>																		
Mar-01	324842	37.0	(1.6)	39573	8.4	(0.8)	320336	98.6	(1.6)	37675	95.2	(0.9)	4506	1.4	(1.6)	1898	4.8	(0.2)
Mar-02	366158	35.1	(1.8)	63677	10.8	(1.0)	332586	90.8	(1.7)	36102	56.7	(0.8)	33572	9.2	(5.5)	27575	43.3	(1.7)
Mar-03	351641	33.4	(1.7)	40821	6.1	(0.5)	313187	89.1	(1.6)	35826	87.8	(0.6)	38454	10.9	(6.0)	4995	12.2	(0.3)
Mar-04	274421	28.0	(1.3)	51466	8.0	(0.5)	249972	91.1	(1.2)	44395	86.3	(0.6)	24449	8.9	(4.2)	7071	13.7	(0.3)
Mar-05	431683	38.5	(1.6)	84277	10.0	(0.7)	417284	96.7	(1.6)	73183	86.8	(0.8)	14399	3.3	(2.2)	11094	13.2	(0.4)
Mar-06	485829	37.9	(1.7)	93712	9.5	(0.5)	467583	96.2	(1.6)	87782	93.7	(0.7)	18246	3.8	(2.8)	5930	6.3	(0.1)
<b>CHHATTISGARH</b>																		
Mar-01	211327	38.7	(1.1)	44468	11.9	(0.9)	207635	98.3	(1.1)	42454	95.5	(1.0)	3692	1.7	(1.3)	2014	4.5	(0.2)
Mar-02	190744	36.1	(0.9)	45359	8.8	(0.7)	182634	95.7	(0.9)	41318	91.1	(0.9)	8110	4.3	(1.3)	4041	8.9	(0.2)
Mar-03	194909	34.1	(0.9)	55880	10.9	(0.7)	187168	96.0	(0.9)	52981	94.8	(0.9)	7741	4.0	(1.2)	2899	5.2	(0.2)
Mar-04	204439	33.5	(1.0)	78068	11.9	(0.8)	194776	95.3	(0.9)	71821	92.0	(1.0)	9663	4.7	(1.7)	6247	8.0	(0.2)
Mar-05	251281	36.1	(0.9)	101727	12.3	(0.8)	244019	97.1	(0.9)	94893	93.1	(1.0)	7262	2.9	(1.1)	7034	6.9	(0.2)
Mar-06	303608	37.5	(1.0)	143793	13.3	(0.8)	298124	98.2	(1.0)	131738	91.6	(1.1)	5484	1.8	(0.8)	12055	8.4	(0.3)
<b>UTTARANCHAL</b>																		
Mar-01	152316	33.3	(0.8)	35795	16.0	(0.7)	151282	99.3	(0.8)	32116	89.7	(0.7)	1034	0.7	(0.4)	3679	10.3	(0.4)
Mar-02	136065	30.4	(0.7)	41417	13.8	(0.6)	133706	98.3	(0.7)	36384	87.8	(0.8)	2359	1.7	(0.4)	5033	12.2	(0.3)
Mar-03	151436	33.1	(0.7)	51017	15.2	(0.7)	148207	97.9	(0.7)	47622	93.3	(0.8)	3229	2.1	(0.5)	3395	6.7	(0.2)
Mar-04	159867	32.8	(0.8)	62209	14.9	(0.6)	155948	97.5	(0.8)	59251	95.2	(0.8)	3919	2.5	(0.7)	2958	4.8	(0.1)
Mar-05	185017	34.0	(0.7)	76156	13.3	(0.6)	180930	97.8	(0.7)	68872	90.4	(0.7)	4087	2.2	(0.6)	7284	9.6	(0.2)
Mar-06	214892	33.8	(0.7)	129535	17.8	(0.8)	210955	98.2	(0.7)	94705	73.1	(0.8)	3937	1.8	(0.6)	34830	26.9	(0.7)

Source: RBI, Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006 (Vol.35) and earlier issues

**10. Gujarat**  
Direct and Indirect Credit of Scheduled Commercial Banks to Agriculture for the state of Gujarat

Year	I) AGRICULTURE TOTAL				A) DIRECT FINANCE				B) INDIRECT FINANCE									
	No. of Accounts	Per Cent to State Credit Total	Per Cent to All India Agriculture Credit	Per Cent to State Credit Total	No. of Accounts	Per Cent to State Agriculture Total	Per Cent to All-India Direct Agr.Crd.	Per Cent to State Agriculture Total	No. of Accounts	Per Cent to State Agriculture Total	Per Cent to All-India Direct Agr.Crd.	Per Cent to State Agriculture Total						
1	2	3	4	5	6	7	8	9	10	11	12	13						
Jun-80	279983	40.8	(3.1)	16694	13.0	(5.3)	270473	96.6	(3.1)	12675	75.9	(5.2)	9510	3.4	(2.3)	4019	24.1	(5.5)
Jun-81	327469	43.0	(3.1)	23089	14.6	(5.5)	319546	97.6	(3.1)	15224	65.9	(5.0)	7923	2.4	(2.3)	7865	34.1	(7.0)
Jun-82	367421	41.6	(3.1)	25677	15.0	(5.1)	360890	98.2	(3.1)	17615	68.6	(4.6)	6531	1.8	(1.8)	8063	31.4	(6.3)
Jun-83	417181	41.4	(3.2)	28092	14.6	(4.9)	410626	98.4	(3.3)	20750	73.9	(4.9)	6555	1.6	(1.8)	7343	26.1	(4.8)
Jun-84	476780	43.3	(3.3)	34025	15.3	(4.4)	470008	98.6	(3.3)	25548	75.1	(4.2)	6772	1.4	(2.0)	8477	24.9	(5.6)
Jun-85	536448	43.4	(3.2)	37659	14.7	(4.3)	529702	98.7	(3.3)	29845	79.2	(4.1)	6746	1.3	(2.0)	7814	20.8	(5.3)
Jun-86	628786	44.2	(3.3)	44969	15.0	(4.6)	620128	98.6	(3.3)	36431	81.0	(4.4)	8658	1.4	(2.5)	8539	19.0	(5.9)
Jun-87	698854	44.7	(3.4)	53341	14.7	(4.8)	690886	98.9	(3.4)	42963	80.5	(4.6)	7968	1.1	(2.3)	10379	19.5	(6.1)
Jun-88	818273	45.7	(3.7)	66891	15.5	(5.3)	811257	99.1	(3.7)	56019	83.7	(5.2)	7016	0.9	(2.0)	10872	16.3	(6.3)
Jun-89	861447	44.8	(3.7)	75778	14.3	(5.0)	849581	98.6	(3.7)	64195	84.7	(4.8)	11866	1.4	(3.5)	11583	15.3	(6.2)
Mar-90	932446	45.4	(3.8)	84075	13.0	(5.1)	922320	98.9	(3.8)	73361	87.3	(5.1)	10126	1.1	(2.3)	10714	12.7	(4.9)
Mar-91	961737	44.4	(3.5)	93624	12.7	(5.0)	947618	98.5	(3.5)	79827	85.0	(5.0)	14119	1.5	(3.1)	13997	15.0	(5.4)
Mar-92	954725	43.8	(3.4)	125246	15.7	(6.2)	945819	99.1	(3.5)	112936	90.2	(6.3)	8906	0.9	(2.3)	12310	9.8	(5.1)
Mar-93	1034171	45.4	(3.9)	166299	17.5	(7.5)	1022303	98.9	(4.0)	147275	88.6	(7.6)	11868	1.1	(2.8)	19024	11.4	(7.4)
Mar-94	919034	45.2	(3.6)	129617	13.7	(5.7)	910546	99.1	(3.6)	100819	77.8	(5.1)	8488	0.9	(1.9)	28798	22.2	(9.0)
Mar-95	909051	46.1	(3.7)	132808	11.4	(5.3)	902017	99.2	(3.7)	110367	83.1	(4.6)	7034	0.8	(1.9)	22441	16.9	(6.4)
Mar-96	875655	46.1	(3.6)	155039	10.7	(5.4)	867136	99.0	(3.6)	126883	81.8	(5.2)	8519	1.0	(2.7)	28156	18.2	(6.6)
Mar-97	880632	44.1	(3.9)	153129	9.8	(4.8)	869199	98.7	(3.9)	132215	86.3	(4.9)	11433	1.3	(3.8)	20914	13.7	(4.7)
Mar-98	857496	43.5	(3.9)	190061	10.2	(5.4)	845131	98.6	(3.9)	160171	84.3	(5.2)	12365	1.4	(4.0)	29890	15.7	(6.3)
Mar-99	797379	41.8	(4.0)	223259	10.0	(5.5)	791685	99.3	(4.1)	178826	80.1	(5.3)	5694	0.7	(2.1)	44433	19.9	(6.4)
Mar-00	837056	41.0	(4.1)	237783	9.2	(5.2)	827876	98.9	(4.1)	190690	80.2	(4.9)	9180	1.1	(2.9)	47092	19.8	(6.7)
Mar-01	850292	40.8	(4.3)	260811	8.8	(5.0)	843526	99.2	(4.3)	214309	82.2	(4.9)	6766	0.8	(2.4)	46502	17.8	(5.6)
Mar-02	885816	41.8	(4.4)	375719	10.5	(5.9)	872253	98.5	(4.4)	236913	63.1	(5.0)	13563	1.5	(2.2)	138806	36.9	(8.4)
Mar-03	904175	44.3	(4.3)	408433	10.1	(5.4)	891756	98.6	(4.4)	303809	74.4	(5.1)	12419	1.4	(1.9)	104624	25.6	(6.2)
Mar-04	853461	41.2	(4.0)	453661	9.8	(4.7)	838290	98.2	(4.0)	304908	67.2	(4.3)	15171	1.8	(2.6)	148753	32.8	(5.7)
Mar-05	974471	41.3	(3.7)	600371	10.1	(4.8)	967010	99.2	(3.7)	403176	67.2	(4.3)	7461	0.8	(1.2)	197195	32.8	(6.6)
Mar-06	1094993	38.8	(3.8)	888664	11.2	(5.1)	1083470	98.9	(3.8)	601824	67.7	(4.8)	11523	1.1	(1.8)	286841	32.3	(6.0)

Source: RBI, Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006 (Vol.35) and earlier issues

11. Maharashtra

Direct and Indirect Credit of Scheduled Commercial Banks to Agriculture for the state of Maharashtra

Year	I) AGRICULTURE TOTAL				A) DIRECT FINANCE				B) INDIRECT FINANCE									
	No. of Accounts	Per cent to State Credit Total	Per cent to All India Agriculture Credit Total	Per cent to State Agriculture Direct Agr.Crd. Total	No. of Accounts	Per cent to State Agriculture Total	Per cent to All-India Direct Agr.Crd. Total	Per cent to State Agriculture Total	No. of Accounts	Per cent to State Agriculture Total	Per cent to All-India Direct Agr.Crd. Total	Per cent to State Agriculture Total						
1	2	3	4	5	6	7	8	9	10	11	12	13						
Jun-80	478846	37.1	(5.3)	32492	7.0	(10.3)	452580	94.5	(5.3)	21871	67.3	(9.0)	26266	5.5	(6.4)	10621	32.7	(14.5)
Jun-81	566271	40.3	(5.3)	39583	7.2	(9.5)	538516	95.1	(5.2)	26077	65.9	(8.6)	27755	4.9	(8.0)	13506	34.1	(12.0)
Jun-82	700667	41.2	(5.9)	48013	8.4	(9.5)	673529	96.1	(5.8)	32543	67.8	(8.6)	27138	3.9	(7.4)	15470	32.2	(12.2)
Jun-83	727120	40.8	(5.6)	65677	8.4	(11.4)	698347	96.0	(5.6)	36027	54.9	(8.5)	28773	4.0	(7.8)	29650	45.1	(19.4)
Jun-84	905167	41.6	(6.2)	60451	5.7	(7.9)	859366	94.9	(6.0)	46095	76.3	(7.5)	45801	5.1	(13.6)	14356	23.7	(9.5)
Jun-85	1032485	42.5	(6.2)	67960	5.4	(7.7)	997599	96.6	(6.1)	53795	79.2	(7.3)	34886	3.4	(10.6)	14164	20.8	(9.6)
Jun-86	1123440	42.5	(5.9)	83053	6.2	(8.5)	1091499	97.2	(5.9)	64561	77.7	(7.8)	31941	2.8	(9.1)	18492	22.3	(12.7)
Jun-87	1241981	42.6	(6.0)	102188	7.6	(9.3)	1211769	97.6	(5.9)	78971	77.3	(8.5)	30212	2.4	(8.7)	23217	22.7	(13.7)
Jun-88	1368283	42.1	(6.1)	115329	8.1	(9.2)	1340436	98.0	(6.1)	89126	77.3	(8.3)	27847	2.0	(8.1)	26203	22.7	(15.2)
Jun-89	1477362	42.3	(6.3)	139646	7.9	(9.1)	1449622	98.1	(6.2)	106488	76.3	(8.0)	27740	1.9	(8.1)	33159	23.7	(17.7)
Mar-90	1445846	41.6	(5.9)	146059	6.8	(8.8)	1412858	97.7	(5.9)	107932	73.9	(7.5)	32988	2.3	(7.5)	38127	26.1	(17.4)
Mar-91	1867484	40.9	(6.9)	160976	6.1	(8.7)	1842174	98.6	(6.9)	126639	78.7	(7.9)	25310	1.4	(5.5)	34337	21.3	(13.2)
Mar-92	2667284	38.9	(9.6)	178244	5.9	(8.8)	2642765	99.1	(9.7)	141262	79.3	(7.9)	24519	0.9	(6.3)	36982	20.7	(15.4)
Mar-93	1819290	38.0	(6.9)	193033	5.2	(8.8)	1799013	98.9	(7.0)	151840	78.7	(7.8)	20277	1.1	(4.8)	41193	21.3	(16.0)
Mar-94	1700536	38.8	(6.7)	181001	4.7	(7.9)	1661561	97.7	(6.6)	140068	77.4	(7.1)	38975	2.3	(8.9)	40933	22.6	(12.8)
Mar-95	1597575	39.9	(6.4)	209814	3.9	(8.4)	1577715	98.8	(6.5)	145395	69.3	(6.0)	19860	1.2	(5.3)	64419	30.7	(18.3)
Mar-96	1590401	37.2	(6.6)	282162	4.2	(9.8)	1571258	98.8	(6.6)	197411	70.0	(8.0)	19143	1.2	(6.0)	84750	30.0	(19.9)
Mar-97	1560242	37.0	(6.9)	324468	4.4	(10.3)	1542062	98.8	(6.9)	230330	71.0	(8.5)	18180	1.2	(6.1)	94138	29.0	(21.3)
Mar-98	1442226	37.3	(6.6)	345166	4.2	(9.8)	1422346	98.6	(6.6)	250890	72.7	(8.2)	19880	1.4	(6.4)	94276	27.3	(19.8)
Mar-99	1361972	28.3	(6.9)	397724	4.1	(9.7)	1339912	98.4	(6.9)	292655	73.6	(8.6)	22060	1.6	(8.2)	105069	26.4	(15.1)
Mar-00	1356301	28.5	(6.6)	474949	3.8	(10.4)	1322554	97.5	(6.5)	337740	71.1	(8.8)	33747	2.5	(10.6)	137208	28.9	(19.4)
Mar-01	1324095	30.5	(6.7)	497998	3.5	(9.6)	1298311	98.1	(6.6)	343119	68.9	(7.9)	25784	1.9	(9.2)	154879	31.1	(18.6)
Mar-02	1288190	25.8	(6.3)	652498	3.8	(10.2)	1230963	95.6	(6.2)	382669	58.6	(8.1)	57227	4.4	(9.4)	269829	41.4	(16.3)
Mar-03	1218558	22.7	(5.8)	746166	3.9	(9.8)	1156194	94.9	(5.7)	448332	60.1	(7.6)	62364	5.1	(9.7)	297834	39.9	(17.6)
Mar-04	950336	14.4	(4.5)	1001491	4.7	(10.4)	918724	96.7	(4.4)	513910	51.3	(7.3)	31612	3.3	(5.4)	487581	48.7	(18.6)
Mar-05	1246477	14.0	(4.7)	1234558	4.3	(9.9)	1223722	98.2	(4.7)	762214	61.7	(8.1)	22755	1.8	(3.5)	472343	38.3	(15.9)
Mar-06	1353759	15.7	(4.7)	2070747	5.2	(12.0)	1331905	98.4	(4.7)	1141474	55.1	(9.2)	21854	1.6	(3.4)	929272	44.9	(19.3)

Source: RBI, Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006 (Vol.35) and earlier issues

**12. Andhra Pradesh**  
Direct and Indirect Credit of Scheduled Commercial Banks to Agriculture for the state of Andhra Pradesh

Year	I) AGRICULTURE TOTAL					A) DIRECT FINANCE					B) INDIRECT FINANCE							
	No. of Accounts	Per Cent to State	Credit	Amount Outstanding	Per Cent to All India Agriculture Credit	No. of Accounts	Per Cent to State	Direct	Amount Outstanding	Per Cent to All-India Direct Agr.Crd.	No. of Accounts	Per Cent to State	Direct	Amount Outstanding	Per Cent to All-India Direct Agr.Crd.			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16			
Jun-80	1518807	60.4	(16.9)	38639	31.7	(12.3)	1456022	95.9	(16.9)	32604	84.4	(13.5)	62785	4.1	(15.4)	6035	15.6	(8.2)
Jun-81	1845649	60.5	(17.4)	42115	29.1	(10.1)	1790004	97.0	(17.4)	34874	82.8	(11.5)	55645	3.0	(16.0)	7241	17.2	(6.4)
Jun-82	1858322	59.5	(15.6)	56051	32.3	(11.0)	1807205	97.2	(15.7)	48050	85.7	(12.6)	51117	2.8	(13.9)	8002	14.3	(6.3)
Jun-83	2016113	60.0	(15.7)	65760	32.2	(11.4)	1966876	97.6	(15.7)	55803	84.9	(13.1)	49237	2.4	(13.4)	9957	15.1	(6.5)
Jun-84	2449455	59.8	(16.8)	101565	36.4	(13.3)	2394320	97.7	(16.8)	89966	88.6	(14.6)	55135	2.3	(16.4)	11599	11.4	(7.7)
Jun-85	2691465	58.5	(16.2)	104547	31.9	(11.9)	2633770	97.9	(16.2)	90625	86.7	(12.3)	57695	2.1	(17.5)	13922	13.3	(9.4)
Jun-86	2963561	57.3	(15.6)	124447	31.9	(12.7)	2903600	98.0	(15.6)	107732	86.6	(13.0)	59961	2.0	(17.1)	16715	13.4	(11.5)
Jun-87	3188239	56.0	(15.3)	143795	31.4	(13.1)	3134354	98.3	(15.3)	126894	88.2	(13.6)	53885	1.7	(15.5)	16901	11.8	(9.9)
Jun-88	3286675	55.0	(14.7)	157702	29.4	(12.6)	3231864	98.3	(14.7)	136478	86.5	(12.6)	54811	1.7	(16.0)	21224	13.5	(12.3)
Jun-89	3214097	54.5	(13.6)	167221	26.8	(11.0)	3165882	98.5	(13.6)	146783	87.8	(11.0)	48215	1.5	(14.1)	20438	12.2	(10.9)
Mar-90	3696442	54.4	(15.1)	209446	27.3	(12.6)	3622504	98.0	(15.0)	182755	87.3	(12.7)	73938	2.0	(16.8)	26691	12.7	(12.2)
Mar-91	3804724	51.5	(14.0)	224747	25.1	(12.1)	3730672	98.1	(13.9)	190539	84.8	(11.9)	74052	1.9	(16.2)	34208	15.2	(13.1)
Mar-92	3877027	52.4	(14.0)	242002	23.9	(12.0)	3806780	98.2	(13.9)	216749	89.6	(12.2)	70247	1.8	(17.9)	25253	10.4	(10.5)
Mar-93	3794061	51.1	(14.5)	254272	22.4	(11.5)	3716220	97.9	(14.4)	231266	91.0	(11.9)	77841	2.1	(18.6)	23005	9.0	(9.0)
Mar-94	3676260	51.8	(14.4)	276922	22.8	(12.1)	3602753	98.0	(14.4)	247805	89.5	(12.6)	73507	2.0	(16.9)	29117	10.5	(9.1)
Mar-95	3556613	51.5	(14.3)	306400	20.4	(12.3)	3476627	97.8	(14.2)	270611	88.3	(11.2)	79986	2.2	(21.3)	35789	11.7	(10.1)
Mar-96	3531011	53.7	(14.6)	373025	20.8	(12.9)	3463088	98.1	(14.5)	329210	88.3	(13.4)	67923	1.9	(21.2)	43815	11.7	(10.3)
Mar-97	3363180	50.8	(14.9)	417825	20.3	(13.2)	3303690	98.2	(14.9)	365400	87.5	(13.4)	59490	1.8	(19.9)	52425	12.5	(11.9)
Mar-98	3213542	51.2	(14.8)	459337	19.8	(13.0)	3160519	98.4	(14.8)	404156	88.0	(13.2)	53023	1.6	(17.0)	55180	12.0	(11.6)
Mar-99	3227057	50.3	(16.3)	520462	19.6	(12.7)	3170927	98.3	(16.2)	457830	88.0	(13.5)	56130	1.7	(20.9)	62632	12.0	(9.0)
Mar-00	3314157	50.3	(16.1)	569057	18.8	(12.5)	3260026	98.4	(16.1)	500770	88.0	(13.0)	54131	1.6	(17.0)	68286	12.0	(9.6)
Mar-01	3105480	49.4	(15.7)	636048	18.0	(12.3)	3056521	98.4	(15.6)	565320	88.9	(13.0)	48959	1.6	(17.5)	70728	11.1	(8.5)
Mar-02	3443106	48.2	(16.9)	757508	17.5	(11.8)	3367998	97.8	(17.1)	612575	80.9	(12.9)	75108	2.2	(12.3)	144933	19.1	(8.7)
Mar-03	3613758	49.6	(17.3)	864071	17.1	(11.4)	3537958	97.9	(17.5)	747925	86.6	(12.7)	75800	2.1	(11.8)	116145	13.4	(6.9)
Mar-04	3683443	47.2	(17.3)	1078033	17.9	(11.2)	3631151	98.6	(17.5)	890981	82.6	(12.7)	52292	1.4	(9.0)	187052	17.4	(7.2)
Mar-05	4917309	52.2	(18.4)	1457465	17.8	(11.7)	4844015	98.5	(18.6)	1228933	84.3	(13.0)	73294	1.5	(11.3)	228532	15.7	(7.7)
Mar-06	4952169	49.0	(17.0)	1801283	17.8	(10.4)	4884699	98.6	(17.2)	1431065	79.4	(11.5)	67470	1.4	(10.4)	370218	20.6	(7.7)

Source: RBI, Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006 (Vol.35) and earlier issues

**13. Karnataka**  
Direct and Indirect Credit of Scheduled Commercial Banks to Agriculture for the state of Karnataka

Year	I) AGRICULTURE TOTAL			A) DIRECT FINANCE			B) INDIRECT FINANCE									
	No. of Accounts	Per Cent to State	Per Cent to All India	No. of Accounts	Per Cent to State	Per Cent to All India	No. of Accounts	Per Cent to State	Per Cent to All India							
	2	3	4	5	6	7	8	9	10							
		Amount Outstanding	Credit Total	State Agriculture Credit	All India Agriculture Credit	Direct Agr.Crd.	State Agriculture Total	Direct Agr.Crd.	State Agriculture Total							
Jun-80	715812	26537	20.3	(8.4)	661617	92.4	(7.7)	22013	83.0	(9.1)	54195	7.6	(13.3)	4524	17.0	(6.2)
Jun-81	833025	31261	20.6	(7.5)	798008	95.8	(7.8)	25505	81.6	(8.4)	35017	4.2	(10.1)	5756	18.4	(5.1)
Jun-82	881891	39629	22.6	(7.8)	845021	95.8	(7.3)	31927	80.6	(8.4)	36870	4.2	(10.0)	7702	19.4	(6.1)
Jun-83	999879	45717	21.5	(7.9)	959161	95.9	(7.7)	36777	80.4	(8.6)	40718	4.1	(11.1)	8940	19.6	(5.9)
Jun-84	1159469	57059	21.6	(7.5)	1114177	96.1	(7.8)	47522	83.3	(7.7)	45292	3.9	(13.4)	9538	16.7	(6.3)
Jun-85	1468603	74697	24.6	(8.5)	1415090	96.4	(8.7)	62866	84.2	(8.6)	53513	3.6	(16.2)	11831	15.8	(8.0)
Jun-86	1794691	102841	26.5	(10.5)	1734553	96.6	(9.3)	90227	87.7	(10.9)	60138	3.4	(17.2)	12615	12.3	(8.7)
Jun-87	1987318	120797	24.4	(11.0)	1923653	96.8	(9.4)	104112	86.2	(11.2)	63665	3.2	(18.3)	16684	13.8	(9.8)
Jun-88	2086707	135470	24.9	(10.8)	2022621	96.9	(9.2)	119618	88.3	(11.1)	64086	3.1	(18.7)	15853	11.7	(9.2)
Jun-89	2194577	146801	24.3	(9.6)	2136529	97.4	(9.2)	129583	88.3	(9.7)	58048	2.6	(16.9)	17218	11.7	(9.2)
Mar-90	2151570	159662	22.5	(9.6)	2086621	97.0	(8.7)	137686	86.2	(9.5)	64949	3.0	(14.7)	21975	13.8	(10.0)
Mar-91	2329233	173497	21.9	(9.3)	2277140	97.8	(8.5)	148936	85.8	(9.3)	52093	2.2	(11.4)	24561	14.2	(9.4)
Mar-92	2172068	185030	20.5	(9.1)	2130524	98.1	(7.8)	160255	86.6	(9.0)	41544	1.9	(10.6)	24775	13.4	(10.3)
Mar-93	2176805	198954	21.5	(9.0)	2132859	98.0	(8.3)	173356	87.1	(8.9)	43946	2.0	(10.5)	25598	12.9	(10.0)
Mar-94	2056090	218317	20.8	(9.5)	2016580	98.1	(8.0)	184756	84.6	(9.4)	39510	1.9	(9.1)	33561	15.4	(10.5)
Mar-95	1961510	252529	19.7	(10.1)	1930333	98.4	(7.9)	205805	81.5	(8.5)	31177	1.6	(8.3)	46724	18.5	(13.2)
Mar-96	1878091	282829	16.9	(9.8)	1848207	98.4	(7.7)	249593	88.2	(10.2)	29884	1.6	(9.3)	33236	11.8	(7.8)
Mar-97	1844732	322668	16.7	(10.2)	1813731	98.3	(8.2)	280361	86.9	(10.3)	31001	1.7	(10.3)	42308	13.1	(9.6)
Mar-98	1746264	363365	16.2	(10.3)	1714866	98.2	(8.0)	315434	86.8	(10.3)	31398	1.8	(10.1)	47931	13.2	(10.1)
Mar-99	1665875	431077	16.9	(10.5)	1642801	98.6	(8.4)	358515	83.2	(10.6)	23074	1.4	(8.6)	72562	16.8	(10.4)
Mar-00	2029953	528134	17.6	(11.6)	2004310	98.7	(9.9)	444854	84.2	(11.5)	25643	1.3	(8.1)	83281	15.8	(11.8)
Mar-01	1707763	525459	15.5	(10.2)	1685725	98.7	(8.6)	466265	88.7	(10.7)	22038	1.3	(7.9)	59194	11.3	(7.1)
Mar-02	1671570	669503	15.4	(10.5)	1638339	98.0	(8.3)	518037	77.4	(10.9)	33231	2.0	(5.4)	151466	22.6	(9.1)
Mar-03	1676903	776858	14.5	(10.2)	1639794	97.8	(8.1)	617404	79.5	(10.5)	37109	2.2	(5.8)	159454	20.5	(9.4)
Mar-04	1725014	973801	15.1	(10.1)	1692910	98.1	(8.2)	734529	75.4	(10.5)	32104	1.9	(5.5)	239271	24.6	(9.2)
Mar-05	1987401	1254449	14.5	(10.1)	1952039	98.2	(7.5)	933292	74.4	(9.9)	35362	1.8	(5.5)	321157	25.6	(10.8)
Mar-06	1940005	1560128	12.5	(9.0)	1905064	98.2	(6.7)	1135001	72.8	(9.1)	34941	1.8	(5.4)	425126	27.2	(8.8)

Source: RBI, Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006 (Vol.35) and earlier issues

14. Kerala

Direct and Indirect Credit of Scheduled Commercial Banks to Agriculture for the state of Kerala

Year	I) AGRICULTURE TOTAL					A) DIRECT FINANCE					B) INDIRECT FINANCE				
	No. of Accounts	Per Cent to State Credit Total	Per Cent to All India Agriculture Credit Total	Amount Outstanding	Per Cent to State Agriculture Total	Per Cent to All India Direct Agr.Crd. Total	Per Cent to State Agriculture Total	Per Cent to All India Direct Agr.Crd. Total	Amount Outstanding	Per Cent to State Agriculture Total	Per Cent to All India Direct Agr.Crd. Total	Amount Outstanding	Per Cent to State Agriculture Total	Per Cent to All India Direct Agr.Crd. Total	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Jun-80	899892	43.5	16.8	14461	96.5	12704	87.9	12704	87.9	12704	87.9	1757	12.1	(2.4)	
Jun-81	1134905	44.7	17.7	20464	98.6	18426	90.0	18426	90.0	18426	90.0	2038	10.0	(1.8)	
Jun-82	1109421	41.6	18.2	23935	99.2	22317	93.2	22317	93.2	22317	93.2	1617	6.8	(1.3)	
Jun-83	966644	38.5	16.4	23269	99.4	21665	93.1	21665	93.1	21665	93.1	1604	6.9	(1.1)	
Jun-84	1044346	38.3	17.3	32264	99.3	29124	90.3	29124	90.3	29124	90.3	3140	9.7	(2.1)	
Jun-85	1174026	39.8	17.1	36561	99.5	32375	88.6	32375	88.6	32375	88.6	4186	11.4	(2.8)	
Jun-86	1260259	40.4	17.8	42158	99.7	37737	89.5	37737	89.5	37737	89.5	4421	10.5	(3.0)	
Jun-87	1429422	39.8	23.2	72198	99.7	60954	84.4	60954	84.4	60954	84.4	11243	15.6	(6.6)	
Jun-88	1462379	38.1	19.2	64656	99.7	53887	83.0	53887	83.0	53887	83.0	10970	17.0	(6.4)	
Jun-89	1517233	34.5	18.0	67456	99.6	63790	94.6	63790	94.6	63790	94.6	3666	5.4	(2.0)	
Mar-90	1479269	35.8	17.5	72400	99.3	67797	93.6	67797	93.6	67797	93.6	4603	6.4	(2.1)	
Mar-91	1497076	35.4	17.3	80075	99.5	73166	91.4	73166	91.4	73166	91.4	6909	8.6	(2.7)	
Mar-92	1378352	35.8	17.0	85104	99.4	76608	90.0	76608	90.0	76608	90.0	8496	10.0	(3.5)	
Mar-93	1290464	35.0	16.0	90992	99.6	81964	90.1	81964	90.1	81964	90.1	9028	9.9	(3.5)	
Mar-94	1328717	35.3	15.0	97653	99.6	87690	89.8	87690	89.8	87690	89.8	9963	10.2	(3.1)	
Mar-95	1246860	35.4	14.7	114291	99.4	100675	88.1	100675	88.1	100675	88.1	13616	11.9	(3.9)	
Mar-96	1183285	35.2	14.3	128447	99.1	115018	89.5	115018	89.5	115018	89.5	13429	10.5	(3.2)	
Mar-97	1205559	34.1	13.2	140135	99.0	129109	92.1	129109	92.1	129109	92.1	11026	7.9	(2.5)	
Mar-98	1236924	34.0	13.8	170830	98.9	157528	92.2	157528	92.2	157528	92.2	13302	7.8	(2.8)	
Mar-99	1179531	34.1	13.3	184633	99.3	172470	93.4	172470	93.4	172470	93.4	12163	6.6	(1.8)	
Mar-00	1230271	34.7	13.1	212582	99.5	197651	93.0	197651	93.0	197651	93.0	14931	7.0	(2.1)	
Mar-01	1291911	34.9	13.3	248453	99.5	227771	91.7	227771	91.7	227771	91.7	20682	8.3	(2.5)	
Mar-02	1310141	34.9	11.9	268543	98.0	243913	90.8	243913	90.8	243913	90.8	24630	9.2	(1.5)	
Mar-03	1367280	35.2	11.8	306189	98.5	283251	92.5	283251	92.5	283251	92.5	22938	7.5	(1.4)	
Mar-04	1578610	38.5	13.4	436055	98.8	363844	83.4	363844	83.4	363844	83.4	72211	16.6	(2.8)	
Mar-05	1731551	37.2	11.3	449102	98.5	403569	89.9	403569	89.9	403569	89.9	45533	10.1	(1.5)	
Mar-06	1910312	30.5	11.2	580872	98.9	527332	90.8	527332	90.8	527332	90.8	53540	9.2	(1.1)	

Source: RBI, Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India, March 2006 (Vol.35) and earlier issues

15. Tamil Nadu

Direct and Indirect Credit of Scheduled Commercial Banks to Agriculture for the state of Tamil Nadu

Year	I) AGRICULTURE TOTAL										A) DIRECT FINANCE										B) INDIRECT FINANCE																																																																																																																																																																																																																																																														
	Per Cent to State					Per Cent to All India					Per Cent to State					Per Cent to All-India					Per Cent to State					Per Cent to All-India																																																																																																																																																																																																																																																									
	No. of Accounts	Credit Total	Amount Outstanding	Credit Total	Per Cent to Agriculture	No. of Accounts	Credit Total	Amount Outstanding	Credit Total	Per Cent to Agriculture	No. of Accounts	Credit Total	Amount Outstanding	Credit Total	Per Cent to Agriculture	No. of Accounts	Credit Total	Amount Outstanding	Credit Total	Per Cent to Agriculture	No. of Accounts	Credit Total	Amount Outstanding	Credit Total	Per Cent to Agriculture	No. of Accounts	Credit Total	Amount Outstanding	Credit Total	Per Cent to Agriculture	No. of Accounts	Credit Total	Amount Outstanding	Credit Total	Per Cent to Agriculture																																																																																																																																																																																																																																																
Jun-80	1232632	50.6	29451	15.6	(9.3)	1189156	96.5	24531	83.3	(10.1)	43476	3.5	4920	16.7	(6.7)	1485841	97.7	32458	77.3	(10.7)	34733	2.3	9538	22.7	(8.5)	1567852	97.8	40304	80.1	(10.6)	35562	2.2	9998	19.9	(7.9)	1526514	98.0	42206	82.0	(9.9)	30690	2.0	9236	18.0	(6.1)	1775838	98.1	53309	93.0	(8.7)	34983	1.9	3988	7.0	(2.6)	2013122	98.4	64644	93.5	(8.8)	32584	1.6	4495	6.5	(3.0)	2120492	98.4	76130	93.7	(9.2)	35447	1.6	5080	6.3	(3.5)	2394673	98.8	96740	93.4	(10.4)	30085	1.2	6797	6.6	(4.0)	2559765	98.9	116848	91.9	(10.8)	29085	1.1	10318	8.1	(6.0)	2886450	99.0	151682	93.8	(11.3)	30248	1.0	10041	6.2	(5.4)	2757121	98.3	162272	91.2	(11.2)	46660	1.7	15752	8.8	(7.2)	3028854	98.1	184461	90.7	(11.5)	58620	1.9	19023	9.3	(7.3)	3003540	98.3	203110	92.5	(11.4)	50761	1.7	16523	7.5	(6.9)	2744109	97.2	208651	90.2	(10.7)	79633	2.8	22580	9.8	(8.8)	2984742	97.6	234198	91.5	(11.9)	74489	2.4	21774	8.5	(6.8)	2914715	97.9	255036	92.3	(10.6)	62163	2.1	21332	7.7	(6.0)	2971303	98.5	307370	92.2	(12.5)	46471	1.5	26167	7.8	(6.2)	2676084	98.9	337978	91.5	(12.4)	29052	1.1	31575	8.5	(7.1)	2829464	98.6	392035	89.5	(12.8)	39951	1.4	46136	10.5	(9.7)	2351445	98.8	365962	86.7	(10.8)	29380	1.2	56298	13.3	(8.1)	2375098	98.7	378224	87.4	(9.8)	32323	1.3	54281	12.6	(7.7)	2107727	98.5	401063	86.1	(9.2)	31992	1.5	64551	13.9	(7.8)	2305058	97.5	406541	80.4	(8.6)	58403	2.5	98925	19.6	(6.0)	2349221	97.1	516121	82.8	(8.7)	70356	2.9	107474	17.2	(6.4)	2710344	96.5	672120	74.1	(9.6)	97920	3.5	234408	25.9	(9.0)	3420617	96.2	945637	76.1	(10.0)	134081	3.8	297598	23.9	(10.0)	4076592	96.5	1237730	74.0	(9.9)	149272	3.5	434274	26.0	(9.0)

Source: RBI, Banking Statistics: Basic Statistical Returns of Scheduled Commercial Banks in India.

March 2006 (Vol.35) and earlier issues

# EXHIBIT – C

## AGRICULTURAL CREDIT IN INDIA: CHANGING PROFILE AND REGIONAL IMBALANCES

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### **A Research Study by EPW Research Foundation A Profile of Farmers' Indebtedness: AIDIS and Other Field Studies**

In the current literature on farmers' indebtedness, a dominant theme is the varied revelations from the latest nation-wide field surveys of the National Sample Survey Organisation (NSSO) on: (i) Indebtedness of Farmer Households: Situation Assessment of Farmers – January-December 2003 (Report No.498) and (ii) *All-India Debt and Investment Survey*, as on June 30, 2002 (Report Nos.500, 501 and 502).

The results from these field surveys reveal how institutional agencies increased their share of farmers indebtedness until 1991 and how their share fell somewhat as per the latest survey for 2002 or 2003. There are a number of other revelations which provide insight into the composition of farmer debt, their purposes, their terms, etc.

The EPWRF has been analysing these data in great depth over a period. A few important results of these reviews are presented here as a background and as an accompaniment for the research study.

(A note attached)

### **A Profile of Farmers' Indebtedness: AIDIS and Other Field Studies**

The valuable insights provided by the all-India rural credit or debt and investment surveys historically on estimates of household indebtedness divided between institutional and non-institutional sources on a decennial basis are well-known. These have shown how the institutional agencies have accounted for an increasing share of total cash dues outstanding of cultivator households from about 31.7 per cent

in 1971 to 66.3 per cent in 1991. What is evident now is the reversal of this rising trend after the beginning of the 1990s. In respect of these and many other aspects, different field survey results tend to reinforce the results derived based on official data; in many cases, they provide deeper insights. It is necessary to take cognizance of them for better understanding of the status and the evolving trends in sources of agricultural finance in India and different states and regions.

In the above respect, there are three survey results on indebtedness of farmer households for the more recent period. First, apart from the usual decennial rural-urban debt and investment survey 2002-03, the National Sample Survey Organisation (NSSO) has covered the subject of indebtedness also under a special 'Situation Assessment Survey of Farmers' (SAS) conducted during January-December 2003 and published a separate report on 'Indebtedness of Farmer Households' (NSSO Report No.498). Second, a regular all-India debt and investment survey has been undertaken for the same period January – December 2003. Though both of these surveys have covered the same period and have been undertaken in the same NSSO Round (59<sup>th</sup>), the SAS has defined indebtedness slightly differently; it is "any liability which was taken in cash or kind is termed a loan, if the amount at the time of transaction was Rs 300 or more", whereas the AIDIS takes into account all cash loans and loans in kind. [For a systematic review of the differences between the two surveys, see Subba Rao (2006)].

Finally, there is the 'Rural Finance Access Survey' (RFAS), also of 2003, undertaken by the World Bank and the National Council of Applied Economic Research (NCAER) (see Priya Basu 2005). The NSSO surveys are nation-wide surveys with a major central sample supplemented by a few state/union territory samples, while the RFAS 2003 has covered only



two Indian states, namely, Andhra Pradesh and Uttar Pradesh, but its result make useful case studies capable for providing excellent insights.

### ***Size and Nature of Farmer Indebtedness***

#### ***The Size***

As per the 59<sup>th</sup> NSS round, of the total 148 million rural households, 89.35 million (or 60.4 per cent were farmer households (Table 1). Of the 89.35 million farm households, 43.42 million (48.6 per cent) were reported to be indebted. That is, 51.4 per cent or about 46 million did not enjoy any

indebtedness (of the value above Rs 300) to any of the credit agencies – international or non-international.

#### ***Institutional Sources***

- (i) For the indebted households, about 58 per cent of loans have been provide by institutional agencies (Table 2).
- (ii) A comparison over recent quinquennial surveys shows a decline in the share of institutional debt outstanding of cultivator households from 66.3 per cent in 1991 to 61.1 per cent in 2002 and a corresponding increase in the dependence of cultivators on money lenders. But,

**Table 1:** Number of Rural, Farmer and Indebted and Non-Indebted Farmer Households as per NSS 59th Round Survey (January-December 2003)

<i>(Number in Million)</i>						
<i>Rural Households</i>	<i>Farmer Households</i>		<i>Indebted Farmer Households</i>		<i>Non-Indebted Farmer Households</i>	
147.90	89.35	(60.4)	43.42	(29.4)	45.93	(31.1)
				[48.6]		[51.4]
<p><i>Note:</i> (i) Figures in round brackets are percentages to total rural households            (ii) Figures in square brackets are percentages to total farmer households            (iii) Farmer household was defined as one in which at least one family member was farmer.            (iv) Farmer was defined as a person who possesses some land and was engaged in agricultural activities on any part of the land during the 365 days preceding the date of survey.            (v) Indebtedness refers to liability in each or kind Rs 300 or more as value of transaction</p> <p><i>Source:</i> NSSO (2005), Indebtedness of Farmer Households, Situation Assessment Survey of Farmers, NSS 59<sup>th</sup> Round (January-December 2003), Report No. 498(59/33/1)</p>						

**Table 2:** Relative Share of Debt<sup>#</sup> of Cultivator Households from Different Sources

<i>(In Per Cent)</i>						
<i>Sources of Credit</i>	<i>1951</i>	<i>1961</i>	<i>1971</i>	<i>1981</i>	<i>1991</i>	<i>2002</i>
Institutional of which:	7.3	18.7	31.7	63.2	66.3	61.1
Co-op Soc/Banks, etc	3.3	2.6	22.0	29.8	30.0	30.2
Commercial Banks	0.9	0.6	2.4	28.8	35.2	26.3
Non-Institutional of which:	92.7	81.3	66.3	36.8	30.6	38.9
Moneylenders	69.7	49.2	36.1	16.1	17.5	26.8
Unspecified	-	-	-	-	3.1	-
Total	100.0	100.0	100.0	100.0	100.0	100.0
<p><i>Notes:</i> # : Debt refers to outstanding cash dues</p> <p><i>Source:</i> Reserve Bank of India (RBI), All-India Rural Credit Survey, 1951-52; RBI, All India Rural and Debt Investment Survey, 1961-62 and NSSO, All-India Debt and Investment Surveys, 1971-72, 1981-82, 1991-92 and 2003.</p>						

the decline from institutional sources has occurred under the category of cooperative societies and banks and not under commercial banks. It reflects the inefficiencies that have set in the functioning of cooperatives.

### *By Land Size*

- (i) In the distribution of farmer households by land possessed, the prevalence of indebtedness increases with the size of landholdings. About 84 per cent of farmer households or 80 per cent of indebted households belong to up to 2 hectares of land possessed. But, what is significant is that there is increase in indebtedness with the size of holdings; more significantly, the share of institutional agencies in total loans tends to rise much more progressively. In the lowest size groups up to 0.40 hectare (marginal farmers), the shares of institutional agencies have ranged from 23 to 43 per cent, whereas in the large size groups of above 2 hectares, the corresponding shares have been 65 to 69 per cent. Contrariwise, in the case of marginal farmers, the shares of non-institutional agencies have been 57 to 77 per cent, whereas the shares of large-size groups in indebtedness to these agencies have been 31 to 35 per cent (Table 3).
- (ii) Interestingly, the cooperative sector loans are relatively more evenly distributed amongst the medium and large-size holdings than in the case of banks (Table 4).

But, marginal farmers have received lower share even from cooperatives. Probably because of directed credit arrangements, the commercial banks have provided a relatively higher share for the marginal farmers; there have been directions from the government to provide a higher share of credit for small and marginal farmers.

### *State-Wise*

There are significant inter-state and inter-regional disparities in the incidence of indebtedness. The southern region enjoys the highest incidence (31 to 42 per cent) and the eastern region generally the lowest (26 to 8 per cent). The shares of institutional agencies are generally high in the south except Andhra Pradesh which, amongst all states, faces the highest incidence of incidence to the non-institutional agencies (33 per cent against Kerala's 12 per cent). Even Maharashtra enjoys a better institutional share, 23 per cent as against 7 per cent from non-institutional agencies.

### *By Asset Classes*

- (i) The inequality in the distribution of institutional loans appears much more severe when size-wise distribution of asset holdings are attempted. In fact, the relationship is inverse as between the asset sizes, on the one hand, and institutional and non-institutional sources, on the other (Table 5).

**Table 3:** Estimated Number of Total and Indebted Farmer Households in Each Size Class of Land Possessed and Estimates of Debt Outstanding for 2003

<i>Size Class of Land Possessed in ha.</i>	<i>Number of Farmer Households In million</i>	<i>Per Cent to Total</i>	<i>Number of Indebted Farmer Households in million</i>	<i>Per Cent to Total</i>	<i>Prevalence Rate of Indebtedness (percentage)</i>	<i>Amount Outstanding (in Rs.) per Farmer Households</i>	<i>Loan from Institutional Agencies (Per Cent)</i>	<i>Non Institutional Agencies (Per Cent)</i>	<i>Amount Outstanding (Rs.crore)</i>	<i>of which: Institutional Agencies (Rs.crore)</i>
< 0.01	1.26	1.4	0.57	1.3	45.3	6121	22.6	77.4	770.88	174.22
0.01 – 0.40	29.29	32.8	13.01	30	44.4	6545	43.3	56.7	19168.15	8299.81
0.41 – 1.00	28.36	31.7	12.92	29.8	45.6	8623	52.8	47.2	24455.69	12912.60
1.01 – 2.00	16.06	18	8.19	18.9	51	13762	57.6	42.3	22101.77	12730.62
up to 2.00	74.97	83.90	34.70	79.90	46.30	8870.00	51.30	49.70	66496.49	34117.25*
2.01 – 4.00	9.35	10.5	5.44	12.5	58.2	23456	65.1	35.0	21932.30	14277.93
4.01 – 10.00	4.26	4.8	2.77	6.4	65.1	42532	68.8	31.1	18110.55	12460.06
10.00 +	0.77	0.9	0.51	1.2	66.4	76232	67.6	32.4	5906.46	3992.76
All Sizes	89.35	100	43.42	100	48.6	12585	57.7	42.4	112447.48	64882.20

*Notes:* (i) Amount of outstanding loan: For each loan, the amount outstanding on the date of survey was the sum of principal outstanding and the interest payable as on the date of survey. In case of kind loans, the amount of the liability was evaluated at the current market prices prevailing in the locality.  
 \*\* Roughly increasing it by 20 per cent per annum for the next three years, the outstanding works out to about Rs.60,00 crores in 2006.  
 Source: NSSO(2005), Indebtedness of Farmer Households, Situation Assessment Survey of Farmers, NSS 59<sup>th</sup> Round (January-December 2003), Report No. 498(59/33/1)

**Table 4:** Per cent distribution of outstanding loans (in Rs.) by source of loans for each size class of land possessed by farmer households

Size class of land possessed (in hectare)	Institutional Agencies			Non-Institutional Agencies			All	
	Total	Government	Co-op Society	Bank	Total of which: Money Lender*	Relatives & friends		
1	2	3	4	5	6	7	8	9
< 0.01	22.6	1.9	5.3	15.4	77.4	47.3	23.1	100.0
0.01-0.40	43.3	4.0	14.5	24.8	56.7	31.8	14.9	100.0
0.40-1.00	52.8	3.8	17.0	32.0	47.2	30.8	9.1	100.0
1.01-2.00	57.6	1.7	20.5	35.4	42.4	25.9	8.8	100.0
2.01-4.00	65.1	1.5	22.6	41.0	34.9	23.4	5.1	100.0
4.01-10.00	68.8	1.3	23.0	44.5	31.2	16.7	5.6	100.0
10.00+	67.6	1.7	23.2	42.7	32.4	17.2	4	100.0
All Sizes	57.7	2.5	19.6	35.6	42.3	25.7	8.5	100.0

‘ \* ‘ Includes both professional and agriculturist money lenders  
Source: NSSO(2005), Indebtedness of Farmer Households, NSS 59<sup>th</sup> Round  
(Jan-Dec 2003), Report No. 498(59/33/1)

**Table 5:** Percentage Share of Institutional Agencies to the Total CashDebt of the Households as on 30-6-2002 by Household

Assets Holding Class (AHC)			
Percentage Share			
AHC	Rural		
(Rs. 000)	Institutional	Non-Institutional	All
< 15	21.0	79.0	100.0
15-30	29.0	71.0	100.0
30-60	31.0	69.0	100.0
60-100	31.0	70.0	100.0
100-150	39.0	61.0	100.0
150-200	42.0	58.0	100.0
200-300	48.0	52.0	100.0
300-450	59.0	42.0	100.0
450-800	67.0	33.0	100.0
800 +	80.0	21.0	100.0
All	57.0	43.0	100.0

- (ii) Looking at it differently, the incidence of indebtedness (in terms of the percentage of indebted rural households) to institutional agencies is just one-fourth to one-half of that to non-institutional agencies amongst the low asset classes (Table 6). Contrariwise, the high asset groups have low incidence to non-institutional agencies.

### Inter-State Disparities Amongst Farmer Households

- (i) Significant inter-state disparities are found in the proportions of farmer households indebted. While Andhra Pradesh has 82 per cent, Maharashtra has 55 per cent and Madhya Pradesh and West Bengal 50 per cent each (Table 7). The other three states of the south also have high incidence ranging from 62 per cent to 75 per cent. While Punjab has 65 per cent, West Bengal has 50 per cent. The rest of the big states generally have less percentage of farm indebtedness: Bihar 33 per cent and Uttar Pradesh 40 per cent. In other words, there are a large number of uncovered farm households without any debt facilities: Bihar 5 million, Uttar Pradesh 10 million and Madhya Pradesh 3 million (Table 7).
- (ii) Again, the role of institutional agencies in farmer indebtedness differs from state to state. A few case studies are interesting; these states have vastly divergent pictures:

State	Indebtedness	Institutional Agencies	Non-Institutional Agencies
Andhra Pradesh	82 per cent (high)	27 per cent (low)	73 per cent (high)
Bihar	33 per cent (low)	37 per cent (low)	63 per cent (high)
Maharashtra	55 per cent (moderate)	85 per cent (high)	15 per cent (low)
West Bengal	50 per cent (moderate)	68 per cent (high)	32 per cent (low)

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**Table 6:** Incidence of Indebtedness (IOI) of Households as on 30-06-2002 to Institutional and Non-Institutional Credit Agencies by Household Assets Holding Class(AHC)

AHC (Rs. 000)	IOI (%) to					
	Rural			Urban		
	Institutional	Non-Insti- tutional	All	Institutional	Non-Insti- tutional	All
< 15	03.6	12.0	15.0	1.4	9.5	10.7
15-30	6.2	13.9	19.0	2.4	12.8	14.8
30-60	8.7	17.7	25.2	4.5	11.0	14.8
60-100	10.9	17.7	26.5	7.2	11.9	18.3
100-150	13.6	17.9	28.9	8.3	12.2	19.7
150-200	14.6	17.1	28.7	8.9	12.0	20.0
200-300	16.2	15.7	28.7	11.1	10.1	19.9
300-450	18.7	13.2	28.7	12.1	8.2	18.7
450-800	22.0	13.0	31.0	16.9	7.2	22.5
800 +	26.7	10.3	32.9	18.5	4.2	21.4
All	13.4	15.5	26.5	9.3	9.4	17.8

Source: NSSO(2005), Household Indebtedness in India as on 30-06-2002, Report No.501(59/18.2/2)

**Table 7:** Estimated Number of Rural, Farmer and Indebted and Non-indebted Farmer Households in each State as per NSS 59th Round Survey (Jan-Dec 2003)

States	(Number in Million)					
	Rural	Farmer	Indebted Farmer	Non-Indebted Farmer		
	Households	Households	Households	Households	Households	
Andhra Pradesh	14.25	6.03	4.95	(82.0)	1.08	(18.0)
Bihar	11.69	7.08	2.34	(33.0)	4.74	(67.0)
Chhattisgarh	3.63	2.76	1.11	(40.2)	1.65	(59.8)
Gujarat	6.30	3.78	1.96	(51.9)	1.82	(48.1)
Haryana	3.15	1.94	1.03	(53.1)	0.91	(46.9)
Jharkhand	3.69	2.82	0.59	(20.9)	2.23	(79.1)
Karnataka	6.99	4.04	2.49	(61.6)	1.55	(38.4)
Kerala	4.99	2.19	1.41	(64.4)	0.78	(35.6)
Madhya Pradesh	9.39	6.32	3.21	(50.8)	3.11	(49.2)
Maharashtra	11.82	6.58	3.61	(54.8)	2.97	(45.2)
Orissa	6.62	4.23	2.03	(47.8)	2.21	(52.2)
Punjab	2.98	1.84	1.21	(65.4)	0.64	(34.6)
Rajasthan	7.02	5.31	2.78	(52.4)	2.53	(47.6)
Tamil Nadu	11.02	3.89	2.90	(74.5)	0.99	(25.5)
Uttar Pradesh	22.15	17.16	6.92	(40.3)	10.24	(59.7)
Uttaranchal	1.20	0.90	0.06	(7.2)	0.83	(92.8)
West Bengal	12.17	6.92	3.47	(50.1)	3.45	(49.9)
All-India (including others)	147.90	89.35	43.42	(48.6)	45.93	(51.4)

Note: Figures in brackets are percentages to total farmer households

**Table 8:** Percentage Distribution of All Farmer Households by Social Group in Different States as per NSS 59th Round Survey (Jan-Dec 2003)

States	Scheduled Tribe	Scheduled Caste	Other Backward Class	Others	Estimated Number of Farmer Households in Million
All-India	13.3 (10.0)	17.5 (18.0)	41.5 (43.9)	27.6 (28.1)	89.35 (43.42)
Estimated no.of hhs(mn)	11.92 (4.33)	15.59 (7.83)	37.04 (19.05)	24.69 (12.20)	89.35 (43.42)

Note: Data in brackets pertains to that of indebted farmer households.

The cases of Maharashtra and West Bengal are showing high formal credit because of the role of cooperatives.

#### **Disparities Amongst Social Groups**

The proportions of households indebtedness are generally low amongst schedule castes and scheduled tribes (Table 8).

#### **Declining share of institutional sources**

As per the AIDIS, almost all states have experienced reductions in the share of debt from institutional agencies in respect of their *cultivator* households from 1991 to 2002. There is a singular exception in Maharashtra which has enjoyed a rise in

the share from 81.8 per cent in 1991 to 85.2 per cent in 2002. Interestingly, this has happened because of a sharp rise in the share of cooperative credit, whereas the share of commercial banks has steeply fallen during the period. Even at the all-India level, the share of cooperatives has risen, while that of commercial banks eroded rather sharply.

#### **Relative Roles of Cooperatives and Commercial Banks**

The relevant data bring out the relative roles of commercial banks as distinguished from cooperatives within the formal sources of farmers' debt. The first revelation in these data is that commercial banks dominate in providing debt to farmers: 61.7 per cent against 34 per cent of cooperatives. Amongst 27

**Table 9:** Percentage Distribution of Amount of Cash Debt Outstanding by Rate of Interest Separately for Institutional and Non-institutional Agency as on June 30, 2002

Rate of Interest Class (%)	Rural			Urban			All-India
	Institutional	Non-Institutional	All Agencies	Institutional	Non-Institutional	All Agencies	
nil	1	18	8	3	33	10	
less than 6	2	2	2	4	1	3	
6-10	4	1	3	12	1	9	
10-12	9	1	5	25	1	19	
12-15	48	1	28	32	4	25	
15-20	34	3	21	22	9	19	
20-25	1	33	15	1	18	5	
25-30	0	0	0	0	1	0	
30 & Above	0	40	17	1	32	8	
Total	100	100	100	100	100	100	

Source: NSSO: Household Indebtedness in India, All India Debt and Investment Survey, (January-December 2003), NSS 59<sup>th</sup> Round, Report No. 501

states, 12 states have more than 24 per cent of formal sector loans from cooperatives. Cooperatives dominate in two states: Gujarat (60.1 per cent), Maharashtra (57.9 per cent); Tamil Nadu (43.6 per cent). Punjab (36.7 per cent), Kerala (34.4 per cent) and Haryana (35.4 per cent) and West Bengal (33.1 per cent) come close to them. The second revelation is that cooperatives generally serve the sub-marginal (0.01 hectare) and marginal farmers (0.01 to 0.40 hectare) better than commercial banks. In Maharashtra, 21.5 to 64.3 per cent of the debt are from cooperatives and in Gujarat from 23.1 per cent to 67.1 per cent in respect of sub-marginal and marginal farmers. In other states, the situation is not uniformly so. Overall, there is unmistakable evidence that commercial banks serve large-size farmers better.

### ***The Incidence of Interest Burden***

About 82 per cent of the rural debt against institutional agencies as of June 2002 were in the interest range of 12 to 20 per cent while prime lending rates (PLRs) of banks were in the range of 11 to 12 per cent. The onerous nature of debt from non-institutional agencies is brought out by the fact that 73 per cent of their debt has been at rates of interest above 20 per cent (Table 9).

Looking at it in a more aggregated way, the cultivator households have borne 15 to 20 per cent rates of interest on 35 per cent of their outstanding debt and 12 to 15 per cent on 50 per cent of such debt, together 12 to 20 per cent for 85 per cent of debt. On the other hand, 36 per cent of cultivators' debt with non-institutional agencies were at the interest range of 20 to 25 per cent and another 38 per cent of debt at 30 per cent and above (Table 10).

### ***Debt by Purpose***

Table 11 portrays the purpose-wise distribution of indebtedness amongst rural households by occupational categories, i.e., by cultivator and non-cultivator categories.

All rural households operating at least 0.002 hectare of land during the last 365 days preceding the date of survey are considered as cultivator households. On an average, they spend more on productive purposes, i.e., they spend about 62 per cent of cash due in June 2002 as compared to 29 per cent by non-cultivator households. Rural households operating no land or holding land less than 0.002 hectare are non-cultivator households and they are further sub-divided into agricultural labourers and artisans. As referred to above, they spend only about 29 per cent of their cash dues on productive purposes.

While cultivators thus spend 38 per cent of cash dues on non-business expenditure, non-cultivator households spend 72 per cent for such non-business purposes.

**Table 10:** Percentage Distribution of Cash debt by Occupational Category and Credit Agencies as on 30-6-2002

Rate of Interest Class (%)	Institutional Agencies		
	Rural Areas		
	Cultivator	Non-	All Rural
		Cultivator	Household
nil	0.5	2.3	0.9
less than 6	1.8	2.7	2
6-10	3	6.9	3.8
<b>0-10</b>	<b>4.8</b>	<b>9.6</b>	<b>5.8</b>
10-12	7.4	14	8.8
12-15	50	39.8	47.8
15-20	34.8	32.5	34.3
<b>10-20</b>	<b>92.2</b>	<b>86.3</b>	<b>90.9</b>
20-25	1.4	1.2	1.4
25-30	0	0	0
30 % above	0.3	0.3	0.3
<b>20 % above</b>	<b>1.7</b>	<b>1.5</b>	<b>1.7</b>
All	100	100	100
	Non-Institutional Agencies		
nil	17.4	20.4	18.4
less than 6	2.3	2.5	2.4
6-10	0.3	1.5	0.7
<b>0-10</b>	<b>2.6</b>	<b>4</b>	<b>3.1</b>
10-12	0.6	0.2	0.5
12-15	1.6	0.8	1.3
15-20	2.7	3	2.8
<b>10-20</b>	<b>4.9</b>	<b>4</b>	<b>4.6</b>
20-25	36.2	27.5	33.3
25-30	0.3	0.1	0.3
30 % above	38.2	43.9	40.1
<b>20 % above</b>	<b>74.7</b>	<b>71.5</b>	<b>73.9</b>
All	100	100	100

Note : All included not reported  
Source : NSSO (2005), Household Indebtedness in India as on 30.6.2002 59th Survey, Report No. 501(59/18.2/2)

### ***Deterioration in Productive Spending Over the Years: Cultivator and Non-Cultivator Households***

A better insight in to the changing spending habits of rural households, is brought out by an analysis of the differing behaviour of cultivator and non-cultivator households in rural households (Tables 12).

Cultivator households obviously have a much higher proportion of debt earmarked for productive purposes than

**Table 11:** Percentage of Indebted Households (P) and Percentage of Dues Outstanding as on 30-6-2002 by Purpose of Loans Among Rural Households

Purpose of Loans	Cultivator		Non-Cultivator	
	Percentage of Households	Cash dues	Percentage of Households	Cash dues
Farm-Business	15.4	52.5	2.5	9.3
Capital Expenditure	8.2	34.3	1.6	6.3
Current Expenditure	7.9	18.2	1.0	3.0
Non-Farm Business	2.4	9.4	3.6	19.0
Capital Expenditure	1.8	7.4	2.5	14.2
Current Expenditure	0.6	2.0	1.2	4.8
Household Expenditure	12.1	27.7	14.2	55.0
Repayment of Debt	0.4	1.5	0.4	1.3
Expenditure on Litigation	0.1	0.3	0.1	0.2
Financial Investment	0.1	0.6	0.1	1.0
Other Purposes	2.3	8.0	2.3	13.9
All (non-business)	14.6	38.1	16.8	71.4
Expenditure in Household not reported	0.0	0.0	0.0	0.3
All	29.7	100.0	21.8	100.0

Source: NSSO(2005) Household Indebtedness in India as on 30.6.2002, 59th Round, Report No.501(59/18.2/2).

non-cultivator households. However, amongst the cultivator households, it is the receding of the share of farm business expenditure (from 63.8 per cent in 1981 to 52.5 per cent in 2002) and within it, that of capital expenditure (from 45.3 per cent to 34.3 per cent) that stand out. The increase in non-farm business expenditure for capital or current expenditures has not compensated for the decline in farm business expenditure.

Interestingly, even the non-farm business expenditure of non-cultivator households has fallen from 23.3 per cent in 1981 to 19.0 percent in 2002. Non-farm households have always borrowed more than 50 per cent for pure household expenditures.

#### **Extent of Farm Households Facing Financial Exclusion**

Table 13 has been constructed to portray the extent of financial exclusion of the farm community by all credit agencies in different regions. About 68 per cent of the excluded farmer households belong to the three underdeveloped regions, with the central region accounting for 34.5 per cent, the eastern region 27.6 per cent, and the north-eastern region 6.1 per cent.

**Table 12:** Percentage Distribution of Cash Dues by Purpose of Loans Rural Cultivator Households

Purpose of Loans	1962	1971	1981	1991	2002
Farm-Business	36.6	49.7	63.8	17.6	52.5
Capital Expenditure	26.8	34.7	45.3	14.4	34.3
Current Expenditure	9.8	15	18.5	3.2	18.2
Non-Farm Business	3.5	4.3	7.8	6.2	9.4
Capital Expenditure	1.4	3.2	6.3	4.7	7.4
Current Expenditure	2.1	1.1	1.5	1.5	2
Productive Purpose	40.1	54	71.6	23.8	62.9
Non-Productive	60	46	28.4	76.2	38.1
Household Expenditure	49.2	37.8	20	36.1	27.7
Other Purposes	10.8	7.2	8.4	39.1	10.4
Repayment of Debt	5	1.5	0.1		1.5
Expenditure on Litigation	1.8	0.7	0.8		0.3
Financial Investment	0.2	0.2	1		0.6
<b>All</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<i>Rural Non-Cultivator Households</i>					
Purpose of Loans	1962	1971	1981	1991	2002
Farm-Business	8.7	7.5	14.3	3.1	9.3
Capital Expenditure	6.9	5	8.4	2.4	6.3
Current Expenditure	1.8	2.5	5.9	0.7	3
Non-Farm Business	20.2	13.7	23.3	13.6	19
Capital Expenditure	3.5	8	18.8	9.8	14.2
Current Expenditure	16.7	5.7	4.5	3.8	4.8
Productive Purpose	29	21.2	37.6	16.7	28.5
Non-Productive	71	78.8	62.4	83.3	71.5
Household Expenditure	63.6	63.4	51	55.2	55
Other Purposes	7.3	15.4	11.4	28.1	16.5
Repayment of Debt	4.4	4	1.5		1.3
Expenditure on Litigation	1	1.2	0		0.2
Financial Investment	0.1	1	0.5		1
<b>All</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: See NSSO 59<sup>th</sup> Round (Report No. 501; p.39) and Table 15

On the other hand, the three relatively advanced regions have about 10 per cent each of the excluded farm households (Table 13). When we look at the incidence of exclusion under different categories of the farm community, it is found that the highest incidence of exclusion has occurred in the underbanked states, ranging from 59 per cent to 82 per cent amongst cultivators, from 60 per cent to 72 per cent amongst households engaged in farming other than cultivation and from 57 per cent to 93 per cent for households engaged in other agricultural activities.

**Table 13:** Situation Assessment Survey of Farmers Estimated Number of Farmer Households, Indebted Farmer Households and Farmer Household Facing Financial Exclusion

State/Region-wise	Number of Farmer Households ('00)	Number of Indebted Farmer Households		Number of Farmer Households Facing Financial Exclusion		
		Number ('00)	Percentage to Total Farmer hhs	Number ('00)	Percentage to Total Farmer hhs	Percentage to Total Farmer hhs Facing Exclusion
1	2	3	4	5	6	7
Northern Region	109460	56260	51.4	53200	48.6	11.6
North-Eastern Region	34874	6870	19.7	28004	80.3	6.1
Eastern Region	211140	84396	40.0	126744	60.0	27.6
Bihar	70804	23383	33.0	47421	67.0	10.3
West Bengal	69226	34696	50.1	34530	49.9	7.5
Central Region	271341	113045	41.7	158296	58.3	34.5
Western Region	103662	55742	53.8	47920	46.2	10.4
Southern Region	161578	117470	72.7	44108	27.3	9.6
<b>All-India</b>	893504	434242	48.6	458632	51.3	100.0

Note: Worked out from Statement 2 of Situation Assessment Survey of Farmers : Indebtedness of Farmers. NSSO Report No.498 (59/33/1).

**RFAS 2003 Results**

The results of RFAS 2003 are not comparable as the survey covered only two states. However, the results reported provide a telling commentary on the state of access to institutional finance for the vast rural masses. The results are best quoted in the words of Priya Basu (2005, p.4009) who is the author of the World Bank-NCAER study:

“Notwithstanding the progress made over the decades, the majority of the rural population still does not appear to have access to finance from a formal source. According to the RFAS 2003, some 59 per cent of rural households do not have a deposit account and 79 per cent of rural households have no access to credit from a formal source. The problem of access is even more severe for poorer households in rural areas. Indeed, bank branches in rural areas appear to serve primarily the needs of richer borrowers: some 66 per cent of large farmers have a deposit account; 44 per cent have access to credit. Meanwhile, 70 per cent of marginal farmers do not have a bank account and 87 per cent have no access to credit from a formal source. Another segment that faces serious problems in accessing formal finance is the commercial household (i.e., micro-enterprise) segment” (EPW, September 10, 2005)

There are interesting revelations from Priya Basu study:

“A recent World Bank/NCAER survey shows that only 24 per cent of the Andhra Pradesh and 19 per cent of the Uttar Pradesh households had access to formal credits, while 56 and 51 per cent of the households in two states respectively depended on private credit. The proportions of small and marginal farmers accessing formal credit were lower than those in the medium and large category in both the states. Thus access to formal credit was poor and skewed in favour of the larger holdings. Current guidelines provide 10 per cent of the net bank credit for the weaker sections comprising small and marginal farmers, landless labourers, artisans etc. Public sector banks had extended only 6.8 per cent of their credit to these weaker sections as of 2003. The number of weaker section borrowers fell from 1.76 crore in 2000 to 1.43 crore in 2003” (as summarised in Vyas Committee Report of June 2004).