

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT

I
J
R
C
M



A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A.,

Open J-Gate, India [link of the same is duly available at Infilbnet of University Grants Commission (U.G.C.)],

The American Economic Association's electronic bibliography, EconLit, U.S.A.,

Index Copernicus Publishers Panel, Poland with IC Value of 5.09 & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than 3480 Cities in 174 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

<http://ijrcm.org.in/>

CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	ENVIRONMENTAL INFLUENCES AND ENTREPRENEURSHIP DEVELOPMENT: THE NIGERIAN ECONOMY PERSPECTIVE <i>ANIETIE E. EFI & ETIM, E. OSIM</i>	1
2.	EMPLOYEES' SOCIAL FULFILMENT UPLIFTING ORGANIZATIONAL URGENCIES IN VERSATILE BUSINESS SCENARIOS <i>K PRADEEP KUMAR & DR. S SUMAN BABU</i>	6
3.	SERVICE QUALITY IN SUPER MARKETS: A STUDY OF CONSUMERS SATISFACTION IN APPAREL RETAILING <i>J. JAYANTHI & DR. B. BASKARAN</i>	16
4.	ORGANIC COTTON INDUSTRY: A CASE OF PRESENT STATUS, PRODUCT AND PRICE <i>KEERTHI CHANDAK, DR. ALPESH LEUA & DR. V. M. THUMAR</i>	19
5.	NATURE OF PRODUCTION RELATIONS IN ORGANISED MANUFACTURING SECTOR OF INDIA <i>DR. ASHOK KUMAR & BALJEET KAUR</i>	25
6.	A SURVEY ON ATTRIBUTES AND FACTORS AFFECTING ON THE AFFORDABLE HOUSING: AN ANALYTICAL REVIEW <i>DR. J. B. KOMARAI AH & DR. HARSHIT TOPNO</i>	29
7.	IMPACT OF RECESSION ON INDIAN PHARMA SECTOR <i>SHRADDHA BHATT & DR. A. K. PANIGRAHI</i>	34
8.	ANALYSIS OF IPO MARKET BEHAVIOR: POST LISTING PRICE PERFORMANCE <i>VARSHA GUPTA & DR. HIMANSHU JOSHI</i>	42
9.	DETERMINANTS OF DIVIDEND PAYOUT RATIOS: A STUDY WITH REFERENCE TO INDIAN BANKING SECTOR <i>DR. S. HARI BABU & NANCY SAHNI</i>	48
10.	OPERATIONAL EFFICIENCY OF PUBLIC SECTOR BANKS IN INDIA: AN ANALYTICAL STUDY <i>BIPIN BANDEKAR</i>	56
11.	IMPACT OF SOCIAL RESPONSIBILITY PARTICIPATION IN SOCIETY <i>DR. T. VIJAYARAGAVAN</i>	61
12.	FOOD SECURITY IN WEST BENGAL, INDIA: IN TERMS OF BALANCE DIET <i>UTTAM HALDAR</i>	63
13.	SOCIAL ACCOUNTING: OBJECTIVES AND ISSUES <i>ANJU DAGAR</i>	70
14.	INVESTIGATING THE IMPACT ON BSE SENSEX USING MULTIPLE REGRESSION MODEL <i>ASHWITHA KARKERA, MADHUKAR S M & GIRISH MADLA</i>	72
15.	SELF-EMPLOYMENT THROUGH DAIRY FARMING: A CASE STUDY OF 'KARENG' MILK SOCIETY AT NAZIRA SUB-DIVISION OF SIVASAGAR DISTRICT OF ASSAM <i>SUMIT DEY & SHATABHISHA BARUA</i>	74
16.	ROLE OF MICROFINANCE INSTITUTIONS FOR ACHIEVING FINANCIAL INCLUSION IN INDIA <i>SEEMA RANI & RAJNI CHUGH</i>	78
17.	THE STUDY OF SOLVENCY POSITION OF MUMIAS SUGAR COMPANY LIMITED, KENYA <i>OMBEGA OGUTA KEPHAR</i>	81
18.	TREND OF AGRICULTURAL FINANCE BY COMMERCIAL BANKS: A CASE STUDY OF UNION BANK OF INDIA, BANK OF BARODA AND STATE BANK OF INDIA <i>SIDDHARTH MISHRA</i>	86
19.	EXPLORATION OF CSR PRACTICES OF NATIONALIZED BANKS IN INDIA <i>SAPNA KATARA</i>	91
20.	BANCASSURANCE IN INDIA: AN INDUSTRY OUTLOOK OF LIFE INSURANCE <i>RUCHIKA BHATEJA</i>	95
	REQUEST FOR FEEDBACK & DISCLAIMER	101

CHIEF PATRON

PROF. K. K. AGGARWAL

Chairman, Malaviya National Institute of Technology, Jaipur
(An institute of National Importance & fully funded by Ministry of Human Resource Development, Government of India)
Chancellor, K. R. Mangalam University, Gurgaon
Chancellor, Lingaya's University, Faridabad
Founder Vice-Chancellor (1998-2008), Guru Gobind Singh Indraprastha University, Delhi
Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

FOUNDER PATRON

LATE SH. RAM BHAJAN AGGARWAL

Former State Minister for Home & Tourism, Government of Haryana
Former Vice-President, Dadri Education Society, Charkhi Dadri
Former President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

CO-ORDINATOR

DR. BHAVET

Faculty, Shree Ram Institute of Business & Management, Urjani

ADVISORS

DR. PRIYA RANJAN TRIVEDI

Chancellor, The Global Open University, Nagaland

PROF. M. S. SENAM RAJU

Director A. C. D., School of Management Studies, I.G.N.O.U., New Delhi

PROF. M. N. SHARMA

Chairman, M.B.A., Haryana College of Technology & Management, Kaithal

PROF. S. L. MAHANDRU

Principal (Retd.), Maharaja Agrasen College, Jagadhri

EDITOR

PROF. R. K. SHARMA

Professor, Bharti Vidyapeeth University Institute of Management & Research, New Delhi

CO-EDITOR

DR. SAMBHAV GARG

Faculty, Shree Ram Institute of Business & Management, Urjani

EDITORIAL ADVISORY BOARD

DR. RAJESH MODI

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

PROF. SIKANDER KUMAR

Chairman, Department of Economics, Himachal Pradesh University, Shimla, Himachal Pradesh

PROF. SANJIV MITTAL

University School of Management Studies, Guru Gobind Singh I. P. University, Delhi

PROF. RAJENDER GUPTA

Convener, Board of Studies in Economics, University of Jammu, Jammu

PROF. NAWAB ALI KHAN

Department of Commerce, Aligarh Muslim University, Aligarh, U.P.

PROF. S. P. TIWARI

Head, Department of Economics & Rural Development, Dr. Ram Manohar Lohia Avadh University, Faizabad

DR. ANIL CHANDHOK

Professor, Faculty of Management, Maharishi Markandeshwar University, Mullana, Ambala, Haryana

DR. ASHOK KUMAR CHAUHAN

Reader, Department of Economics, Kurukshetra University, Kurukshetra

DR. SAMBHAVNA

Faculty, I.I.T.M., Delhi

DR. MOHENDER KUMAR GUPTA

Associate Professor, P.J.L.N. Government College, Faridabad

DR. VIVEK CHAWLA

Associate Professor, Kurukshetra University, Kurukshetra

DR. SHIVAKUMAR DEENE

Asst. Professor, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

ASSOCIATE EDITORS

PROF. ABHAY BANSAL

Head, Department of Information Technology, Amity School of Engineering & Technology, Amity University, Noida

PARVEEN KHURANA

Associate Professor, Mukand Lal National College, Yamuna Nagar

SHASHI KHURANA

Associate Professor, S.M.S. Khalsa Lubana Girls College, Barara, Ambala

SUNIL KUMAR KARWASRA

Principal, Aakash College of Education, ChanderKalan, Tohana, Fatehabad

DR. VIKAS CHOUDHARY

Asst. Professor, N.I.T. (University), Kurukshetra

TECHNICAL ADVISOR

AMITA

Faculty, Government M. S., Mohali

FINANCIAL ADVISORS

DICKIN GOYAL

Advocate & Tax Adviser, Panchkula

NEENA

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

LEGAL ADVISORS

JITENDER S. CHAHAL

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

CHANDER BHUSHAN SHARMA

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

SUPERINTENDENT

SURENDER KUMAR POONIA

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography; Development Planning; Development Studies; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work/manuscript anytime** in ***M.S. Word format*** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. infoijrcm@gmail.com or online by clicking the link **online submission** as given on our website ([FOR ONLINE SUBMISSION, CLICK HERE](#)).

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____

THE EDITOR
IJRCM

Subject: **SUBMISSION OF MANUSCRIPT IN THE AREA OF.**

(e.g. Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript entitled ' _____ ' for possible publication in your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published elsewhere in any language fully or partly, nor is it under review for publication elsewhere.

I affirm that all the author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

Also, if my/our manuscript is accepted, I/We agree to comply with the formalities as given on the website of the journal & you are free to publish our contribution in any of your journals.

NAME OF CORRESPONDING AUTHOR:

Designation:
Affiliation with full address, contact numbers & Pin Code:
Residential address with Pin Code:
Mobile Number (s):
Landline Number (s):
E-mail Address:
Alternate E-mail Address:

NOTES:

- a) The whole manuscript is required to be in **ONE MS WORD FILE** only (pdf. version is liable to be rejected without any consideration), which will start from the covering letter, inside the manuscript.
- b) The sender is required to mention the following in the **SUBJECT COLUMN** of the mail:
New Manuscript for Review in the area of (Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)
- c) There is no need to give any text in the body of mail, except the cases where the author wishes to give any specific message w.r.t. to the manuscript.
- d) The total size of the file containing the manuscript is required to be below **500 KB**.
- e) Abstract alone will not be considered for review, and the author is required to submit the complete manuscript in the first instance.
- f) The journal gives acknowledgement w.r.t. the receipt of every email and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of manuscript, within two days of submission, the corresponding author is required to demand for the same by sending separate mail to the journal.

2. **MANUSCRIPT TITLE:** The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.

3. **AUTHOR NAME (S) & AFFILIATIONS:** The author (s) **full name, designation, affiliation (s), address, mobile/landline numbers**, and **email/alternate email address** should be in italic & 11-point Calibri Font. It must be centered underneath the title.

4. **ABSTRACT:** Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para. Abbreviations must be mentioned in full.

5. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.
6. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER**. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of every page. It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited.
7. **HEADINGS:** All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
8. **SUB-HEADINGS:** All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.
9. **MAIN TEXT:** The main text should follow the following sequence:

INTRODUCTION**REVIEW OF LITERATURE****NEED/IMPORTANCE OF THE STUDY****STATEMENT OF THE PROBLEM****OBJECTIVES****HYPOTHESES****RESEARCH METHODOLOGY****RESULTS & DISCUSSION****FINDINGS****RECOMMENDATIONS/SUGGESTIONS****CONCLUSIONS****SCOPE FOR FURTHER RESEARCH****ACKNOWLEDGMENTS****REFERENCES****APPENDIX/ANNEXURE**

It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed **5000 WORDS**.

10. **FIGURES & TABLES:** These should be simple, crystal clear, centered, separately numbered & self explained, and **titles must be above the table/figure. Sources of data should be mentioned below the table/figure.** It should be ensured that the tables/figures are referred to from the main text.
11. **EQUATIONS:** These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.
12. **REFERENCES:** The list of all references should be alphabetically arranged. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. The author (s) are supposed to follow the references as per the following:
 - All works cited in the text (including sources for tables and figures) should be listed alphabetically.
 - Use **(ed.)** for one editor, and **(ed.s)** for multiple editors.
 - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
 - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
 - The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
 - For titles in a language other than English, provide an English translation in parentheses.
 - The location of endnotes within the text should be indicated by superscript numbers.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:**BOOKS**

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19-22 June.

UNPUBLISHED DISSERTATIONS AND THESES

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>

TREND OF AGRICULTURAL FINANCE BY COMMERCIAL BANKS: A CASE STUDY OF UNION BANK OF INDIA, BANK OF BARODA AND STATE BANK OF INDIA

SIDDHARTH MISHRA
RESEARCH SCHOLAR
DAV PG COLLEGE
VARANASI

ABSTRACT

Agriculture is considered as an identity of India and backbone of Indian economy. Agriculture had, always, been an important source of income and livelihood to big part of population, since historical period. But due to low and slow profit and hard work present in this sector, agricultural work is not at the top of the preference list of jobs that today's workforce is interested in. This trend is also due to the problems, attached with this sector, in starting up agricultural works at satisfactory and commercial level. Problem of easy and proper institutional finance was among those several problems. Several programmes have been launched through government and private sector to remove exclusion of agriculture sector from financial system. In recent time period, agricultural sector is treated as one of the priority sector to be given finance by commercial banks. An attempt has been made in this paper to study trend of agriculture finance by commercial banks (especially by Union Bank of India (UBI), Bank of Baroda (BOB), and State Bank of India (SBI)).

KEYWORDS

Agriculture, finance, commercial banks, development, non-performing assets.

INTRODUCTION

The agriculture sector plays a very significant part in our country's GDP but the role played by infrastructure service providers in arranging with the requirements of agricultural sector, timely and adequately, is not so significant. Some of the basic and important infrastructures such as transportation, electricity, elementary education proper banking and financial services etc. have still not penetrated in most of the part of rural India.

Well the concern of this paper is banking services. Agricultural is said to be identity of Indian economy and Indian economy is and agrarian economy, then also serving the needs of agriculture sector was something in which Indian banking sector has some sort of disinterest. While the other sectors such as industrial and service sector have always attracted bankers to get finance. One of the reasons of this trend can be said that the low returns which is given by agricultural sector as compared to other sectors (industry and service). Not only low returns but the returns are quite slow and prone to be affected by several uncontrollable factors. This condition of financial exclusion has prevailed not only from the time when the modern banking system was introduced but from ancient history. And this condition has resulted in to several social evils such as private lenders, who were just like parasites –always ready to conquer all the holdings, where big or small, of the innocent farmers, by hook or by crook.

With the passing time, the importance of agriculture sector for the Indian economy and important role to be played by banking sector (especially commercial banks) as most essential tool for development, had been felt by Government, and several plans have been initiated to remove financial exclusion and the banks were advised to enhance their reach in rural sector to cater the financial needs of agriculture works.

Of course, the implementations of these plans have changed the face of financial services in rural areas in positive way. Now, the agricultural sector is one of the priority sectors for banks to be give credit. But these efforts are not up to the requirements that are needed by the Indian agricultural sector to make the sector more competitive that to at global level. There has been always deficiency on the demand and supply of the banking services in rural India.

PRESENT SCENARIO

In between the first decade of 21st century i.e., from the year 2000 onwards the agricultural sector of India had made several appreciable and competitive achievements. The agricultural sector is registering growth year by year and also their contribution towards capital formation and exports is also had been considerable during recent years and the trend is expected to be continued in same way. The banking sector also had shown reduction in the disinterest towards agricultural credit lending. The period 2004-07 had been some special in this regard and was termed as 'doubling period'. During 2001 to 2012, around 28 lakh crores have been disbursed for agriculture sector as finance, and further, 35 to 42 lakh crore is expected to be invested during 12th five year plan period. Now agricultural credit is considered as most important investments strategy regarding agriculture.

SCHEDULED COMMERCIAL BANKS ROLES IN AGRICULTURAL FINANCE AND CREDIT DELIVERY

As stated earlier, there has been tremendous increase in the finance given by commercial banks to agricultural sector- both in – direct finance or indirect finance. For example- in following table we can see the direct total credit, for agricultural and allied sector, in form of loan given by commercial banks (during 2004-05 to 2011-12):

OBJECTIVE OF THE STUDY

The objective of present study is to study the volume and trend of agriculture finance (with special emphasis on direct finance) provided by commercial banks, and the variations therein, during three financial year i.e., 2010-11, 2011-12 and 2012-13.

A case study has been made over Union Bank of India (UBI), Bank of Baroda (BOB) and State Bank of India (SBI).

METHODOLOGY

This study is a secondary data based study. The study has been done on the basis of- annual reports of the selected banks, trends and progress of banking in India (RBI publication) etc.

TABLE 1: DIRECT CREDIT FOR AGRICULTURE AND ALLIED ACTIVITIES BY COMMERCIAL BANKS (Rs. in crores)

Year	Loans issued	Loans outstanding
2004-05	48367	95519
2005-06	80599	135603
2006-07	115266	169018
2007-08	113472	202796
2008-09	160690	256119
2009-10	188253	315436
2010-11	222792	357584
2011-12	312877	443223

Source: Handbook of statistics on the Indian Economy

We can see in the above table that the loan issued and loan outstanding has increased with every year and the increase in loan issued and loan outstanding in the stated time period was around 546.88% and 364.01% respectively. In above table loan consists of both long term and short term.

Let us see the indirect credit for agriculture and allied activities by commercial banks in the following table:

TABLE 2: INDIRECT CREDIT FOR AGRICULTURE AND ALLIED ACTIVITIES BY COMMERCIAL BANKS (Rs. in crores)

Year	Loans issued	Loans outstanding
2004-05	21728	36017
2005-06	27751	57175
2006-07	38766	82564
2007-08	40278	93443
2008-09	73721	110702
2009-10	82839	145554
2010-11	86732	146923
2011-12	-	142585

Source: Handbook of statistics on the Indian Economy

We can see that there is increment in indirect financing by commercial banks by the way of loan issued and loan outstanding.

Now let us the condition of scheduled commercial banks regarding outstanding agriculture advances (direct and indirect), in the following table:

TABLE 3: SCHEDULED COMMERCIAL BANK'S ADVANCES TO AGRICULTURE OUTSTANDING (Rs in crores)

Year	Total Direct Finance	Total Indirect Finance
2004-05	95565	36071
2005-06	134798	57175
2006-07	172128	82564
2007-08	214644	93443
2008-09	264893	110702
2009-10	317767	145554
2010-11	360253	146923
2011-12	440758	142585

Source: Handbook of statistics on the Indian Economy

The total increment in direct finance outstanding as given by scheduled commercial banks from 2004-05 to 2011-12 was around 361.21% and 295.28% was in case of indirect finance.

BRIEF SECTOR WISE CREDIT DEPLOYMENT COMPARISON

The above tables show some of the good trends regarding agricultural finance by commercial banks. This may be due to banker's own interest or may be due to the pressure from government's side. Financing to agriculture sector, as one among the priority sector, is still just to fulfil the mandatory and legal requirements as stipulated by government and RBI. Of course, the volume of finance to agriculture and allied services had increased, remarkably, but the increase was not as significant as there was increase in the finance for the industry and other sectors. This may be clear by having a note (in the following table) over the sectoral credit deployment by banks (in the end month of financial year 2010-11, 2011-12, and 2012-13):

TABLE 4: SECTORAL DEPLOYMENT OF GROSS BANK CREDIT (Rs in crores)
(A)

Sector	Outstanding as on			% increase or decrease from 2010-11 to 2012-13
	March 2011	March 2012	March 2013	
Agriculture and allied activities (a)	460300	548400	589900	+28.15
Industry (b)	1620800	1937400	2230200	+37.59
Services (c)	900800	1016600	1148600	+27.50
Personal loans (d)	685400	787300	900900	+31.44
Non-food credit (a To d)	3667400	4289700	4899600	+33.59
Gross bank credit	3731500	4371400	4964200	+33.03

Source: Reports on Trend and Progress of Banking in India, various issues

The above table shows the monthly details of outstanding credit advanced to various sector (in the month of March-2011, 2012 and 2013). On taking March 2011 as base year, than there was increase, in agriculture and allied activities outstanding, was of around 28.15% while in industrial sector and personal loans outstanding was 37.59% and 31.44% respectively. Only the service sector outstanding had increased lesser than agricultural sector (27.5%).

Now let us see the percentage share of several sectors in non food credit and gross bank credit:

(B)

Sector	March 2011		March 2012		March 2013	
	Non-food credit	Gross bank credit	Non-food credit	Gross bank credit	Non-food credit	Gross bank credit
Agriculture and allied activities (a)	12.55%	12.33%	12.78%	12.54%	12.03%	11.88%
Industry (b)	44.19%	43.43%	45.16%	44.31%	45.51%	44.92%
Services (c)	24.56%	24.14%	23.69%	23.25%	23.44%	23.13%
Personal loans (d)	18.68%	18.36%	18.35%	18.01%	18.38%	18.14%

Source: Reports on Trend and Progress of Banking in India, various issues

It is slightly clearer that bank lending toward industrial sector is more than any other sector in the economy. And of course the share of agricultural finance has gone down.

OVER ALL PRIORITY SECTOR FINANCING

Agriculture, as stated earlier, is one of the priority sector. And at macro level, the finance given to agriculture sector has declined, the deficiency is not only this much, but the target of lending finance towards priority sector has always been something that the commercial banks are, due to some or other reasons, unable to achieve.

The target of 40% lending to priority sector, to be given by public and private sector banks, have also not been achieved, in the study period (2010-11, 2011-12 and 2012-13). This 40% target is 40 % of adjusted net bank credit (ANBC)/ credit equivalent off –balance sheet exposure (OBE), whichever is higher. Advances to agriculture and weaker sections of society were less than, in 2011-12, 18% and 10% respectively, at the aggregate level.

There was a rise in the growth of priority sector credit in 2012-13 against overall credit growth during the year. In 2012-13, credit to priority sector by public and private sector banks was 36.3% and 37.5% respectively, which is again a short of the target to be completed. The details above are provisional. The data can be stated more clearly in following table:

TABLE 5: PRIORITY SECTOR LENDING BY BANKS (Rs. in crores)

As on 30 th March 2012						
Sector	Public sector banks		Private sector banks		Foreign banks	
	Amount outstanding	% of ANBC/OBE	Amount outstanding	% of ANBC/OBE	Amount outstanding	% of ANBC/OBE
Total priority sector advances	1130700	37.2	286400	39.4	80500	40.9
of which						
Agriculture	478600	15.8	104200	14.3	100	0.1
Weaker sections	288800	9.5	38900	5.4	-	-
Small enterprises	396600	13.1	110500	15.2	21700	11
As on 31 st March 2013						
Sector	Public sector banks		Private sector banks		Foreign banks	
	Amount outstanding	% of ANBC/OBE	Amount outstanding	% of ANBC/OBE	Amount outstanding	% of ANBC/OBE
Total priority sector advances	1283600	36.3	327400	37.5	103300	35.2
Of which						
Agriculture	530600	15.0	111900	12.8	7200	2.4
Weaker sections	347300	9.8	50500	5.7	5500	1.9
Small enterprises	478400	13.5	141700	16.2	28300	9.6

Source: Reports on Trend and Progress of Banking in India, various issues

Note: As on 31st March 2013, priority sector lending targets for domestic scheduled commercial banks/ foreign banks with 20 branches or more is set as 40% of adjusted net bank credit (ANBC) or credit equivalent off-balance sheet exposure (OBE), whichever is higher. The target of 40% for foreign banks with 20 branches or more is to be achieved by March 2018. For foreign banks having less than 20 branches, the target is 32%.

NON – PERFORMING ASSETS (NPAs) AND AGRICULTURE SECTOR

An asset, including, a leased asset, becomes non-performing when it ceases to generate income for the banks. A NPA was defined as a credit facility in respect of which the interest and / principal has remained 'past due' for a specified period of time.

Regarding agricultural advances, where interest and /or instalment of principal remain unpaid after being due for two harvest seasons, but for a period not exceeding two half years, such an advance should be treated as NPA.

The slow and low return of agriculture sector, make the financiers (to bankers also) to feel conservative while advancing credit regarding those advances in becoming NPAs. And non-priority sector is privileged while granting advances in expectation of lesser or no NPAs.

Let us see the sector wise NPAs of domestic banks in following table

TABLE 6: SECTOR –WISE NPA OF DOMESTIC BANKS (Rs. in crores)

Bank group	Priority sector		Of which				Non- priority sectors		Total NPA	
	Amount	%age	Agriculture		Others		Amount	%age	Amount	%age
			Amount	%age	Amount	%age				
Public sector banks										
2011	41300	58.1	14500	20.4	26800	37.7	29800	41.9	71100	100
2012	56200	50	22700	20.8	33500	29.8	56300	50.0	112500	100
2013	66900	42.9	28000	18.0	38900	24.9	89000	57.7	155900	100
Nationalised banks										
2011	25700	59.9	9200	21.5	16500	38.4	17200	40.9	43000	100
2012	32300	48.4	12900	19.3	19400	29.1	34500	51.6	66800	100
2013	40500	42.2	15600	16.3	24800	25.9	55400	57.8	95900	100
SBI group										
2011	15600	55.3	5300	18.7	10300	36.6	12600	44.7	28100	100
2012	23900	52.3	9800	21.4	14100	31.0	21800	47.7	45700	100
2013	26400	44.1	12400	20.7	14100	23.4	33500	55.9	59900	100
Private sector banks										
2011	4800	26.8	2200	12.1	2700	14.7	13200	73.2	18000	100
2012	5100	27.9	2200	11.8	3900	16.1	13200	72.1	18300	100
2013	5200	26.0	2200	10.9	3100	15.2	14800	74.0	20000	100
Old private sector banks										
2011	1600	43.3	400	11.3	1200	32	2100	56.7	3700	100
2012	1800	42.9	600	13.4	1200	29.6	2400	57.1	4200	100
2013	1900	36.8	600	12.2	1300	24.6	3300	63.2	5200	100
New private sector banks										
2011	3200	22.6	1800	12.3	1500	10.3	11100	77.4	14300	100
2012	3300	23.4	1600	11.3	1700	12.1	10800	76.6	14100	100
2013	3300	22.2	1500	10.4	1700	11.8	11500	77.8	14800	100
All SCBs										
2011	46100	51.8	16700	18.7	29500	33.1	43000	48.2	89100	100
2012	61300	46.9	24900	19.0	36400	27.9	69500	53.1	130800	100
2013	72300	41.0	30200	17.2	42000	23.8	103800	59.0	175900	100

Source: Reports on Trend and Progress of Banking in India, various issues

In the above table we can see that there are higher NPAs in non-priority sector than priority sector, which have increased year by year. However, this is due to simple reason that the advances given to non- priority sector is more than the advances given to priority sector. But we can also see that the proportion of NPA, related to priority sector including agriculture sector, have declined during the study period in any of the category of banks; whereas the share of non priority sector NPA have shown increment. It can be interpreted that priority sector are proving themselves as among the good debts for banks.

A SAMPLE STUDY OVER UNION BANK OF INDIA (UBI), BANK OF BARODA (BOB) AND STATE BANK OF INDIA (SBI)

A simple and short case study has been stated in this paper by taking SBI, BOB and UBI as sample for the study. For the purpose of study agriculture advances have been taken that have been given by these banks in the year 2010-11, 2011-12 and 2012-13. Also share of various sector of economy in their NPA is also stated.

The advances given by the banks, during financial from 2010-11 to 2012-13, to agriculture sector is given below in following table:

TABLE 7: AGRICULTURAL ADVANCES BY UBI, BOB AND SBI (Rs. in crores)

Bank	2010-11	2011-12	2012-13	% variation from 2010-11 to 2012-13
UBI	21046	15397	20224	-3.90
BOB	24529	29036	28739	+17.16
SBI	94826	107256	124834	+31.64

Source: Annual report of banks

The performance of UBI has not been satisfactory as the agricultural advances has reduced by around 3.90% from 2010-11 to 2012-13 but we can also observe there was reduction by big amount from 2010-11 to 2011-12 and the condition had actually improved from 2011-12 to 2012-13. The advances given by BOB and SBI had also increased, during the study period, by around 17.16% and 31.64% respectively.

Let us see sector wise NPA of these bank to check the share of agriculture sector in their NPA, in following table:

TABLE 8: SECTOR WISE NPA (IN PER CENT)

Sector	Percentage of NPAs to total Advances in the sector		
	2010-11	2011-12	2012-13
UBI			
Agriculture & allied activities	4.14	9.58	7.33
Industry (Micro, small, medium large)	2.53	2.92	3.22
Services	2.10	3.52	1.80
Personal loans	3.36	6.95	3.83
BOB			
Agriculture & allied activities	3.47	3.99	4.91
Industry (Micro, small, medium large)	1.76	1.12	3.31
Services	1.22	2.72	5.27
Personal loans	1.72	3.66	6.87
SBI			
Agriculture & allied activities	6.74	8.92	9.50
Industry (Micro, small, medium large)	2.80	4.12	4.37
Services	2.93	2.94	4.43
Personal loans	2.54	2.92	1.98

Source: Annual report of banks

Again we can see that in case of UBI share of agriculture sector has increased in between the study period, but it can be said there is an improvement in 2012-13 over 2011-12 as the share has decreased in between these two financial years. But in case of BOB and SBI there is year by year increase in share of agriculture advances in NPA. This may be again due to the simple reason that the advances given by BOB and SBI is more than that given by UBI and there advances have also grown during study period (as shown in table 7).

FINDINGS AND CONCLUSION

Following are some of the findings of this study:

- There is growth in agricultural credit but this growth is only a nominal, still more penetration in the rural is required;
- As per NABARD annual report (2012-13), out of 14 crore farm house hardly half are covered by formal banking institutions, remaining are dependent on informal sources of finances;
- Hardly few of the commercial banks are success in lending credit to agriculture sector and other priority sector up to the set target, maximum time and majority of the banks have failed to reach the target;
- Though agriculture credit have contributed towards NPA, but the NPA contributed by other non-priority sector, especially industrial sector is much more than that of agriculture sector (along with other priority sector);
- It have also been found that the major beneficiaries, of agricultural credit by banks were big farmers, and small and marginal farmers have not received proper benefits.

For an agrarian economy like India, where the agriculture fulfil the needs of most of the people living in the country, need may be financial or any else need and agriculture is attached with emotions of large part of population, it become important to provide proper financial back up to ensure development of agriculture which will ensure development of rural sector and finally whole Indian economy can grow, as the rural sector is the backbone of Indian economy.

The commercial banks have worked out good measures for enhancing financial inclusion, but again to state that these measures are due to mandatory orders of RBI and government. Whatever be it so, the level of financial inclusion have increased, but still there are several factors which are creating disinterest in banking sector to promote agriculture at good pace. More attempts are required to promote financial inclusion and small agriculturist are also required to included in financial covering along with promotion of effective research and development in agriculture sector.

LIMITATIONS OF THE STUDY

Following are the main limitations of the present study;

- The study is totally based on secondary data;
- Time assumed for study is of very short period;
- Only 3 banks have been selected as sample to make study.

REFERENCES

1. Annual report BOB (various issues)
2. Annual report SBI (various issues)
3. Annual report UBI (various issues)

4. Annual report, NABARD (2012-13)
5. Handbook of statistics on the Indian Economy, 2012-13
6. Report on trend and progress of banking in India (various issues)
7. Shekhar, K., & Shekhar, L. (2011). Changing Dimension of Regulatory and Supervisory Framework. In Banking Theory and Practice (pp. 342, 348). New Delhi: Vikas Publishing House Pvt. Ltd.



REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce, Economics & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mail infoijrcm@gmail.com for further improvements in the interest of research.

If you have any queries please feel free to contact us on our E-mail infoijrcm@gmail.com.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-
Co-ordinator

DISCLAIMER

The information and opinions presented in the Journal reflect the views of the authors and not of the Journal or its Editorial Board or the Publishers/Editors. Publication does not constitute endorsement by the journal. Neither the Journal nor its publishers/Editors/Editorial Board nor anyone else involved in creating, producing or delivering the journal or the materials contained therein, assumes any liability or responsibility for the accuracy, completeness, or usefulness of any information provided in the journal, nor shall they be liable for any direct, indirect, incidental, special, consequential or punitive damages arising out of the use of information/material contained in the journal. The journal, nor its publishers/Editors/Editorial Board, nor any other party involved in the preparation of material contained in the journal represents or warrants that the information contained herein is in every respect accurate or complete, and they are not responsible for any errors or omissions or for the results obtained from the use of such material. Readers are encouraged to confirm the information contained herein with other sources. The responsibility of the contents and the opinions expressed in this journal is exclusively of the author (s) concerned.

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals

