

# **An Assessment of Flow of Institutional Credit towards Agriculture in India**

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## **ABSTRACT**

This research is a modest attempt to analyze the performance and inequality in the flow of institutional credit to agricultural in India. The study was based on the secondary data compiled from diverse sources for the period 2001-2013 which was conducted during 2013 which. The data has been analysed using ratios, proportions, compound annual Growth rate and Gini coefficient to meet the objectives set out in the study. The results revealed that, the targeted credit flow to the agriculture has shown an increasing trend over the years, meanwhile the actual flow has also shown an increasing trend during the same period. Thus, it reflects in the more than 100 percent of achievement in the credit flow towards agriculture in India. The regional wise analysis reveals that the share of southern region was the highest with 37 per cent of the total credit flow towards agriculture followed by northern, central and western regions, whereas the share of north-eastern region was lowest with 0.32 per cent during the period of 2003 to 13. The study found that the Gini Coefficient (index) was 0.146 (14.6 %) imparting the inequality in the distribution of credit across the region in India was up to 14.56 per cent during the periods from 2003 to 2013. The results showed that the region with higher agricultural development and state domestic product had the greatest amount of the agricultural credit distribution.

**Key words :** Commercial Banks, Institutional credit, Co-operative Bank, Disparity, Agriculture, RRBs,