

Disbursement of Agriculture and Non-Farm Sector Loan: A Comparative Study

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Abstract – The institutional credit has been one of the key contributions for business age and neediness mitigation. There has been a great increment in the institutional credit for agribusiness and rustic non-ranch part in India. This has to a great extent been conceivable because of the quick extension of bank organization and function of financing banks under provincial credit and other strong arrangement activities, for example, obligatory specification to loan to the need part, more vulnerable segments and the coordination of exercises of monetary establishments with advancement offices and accessibility of renegotiate.

Loaning is one of the most significant elements of co-employable banks since it comprises the essential wellspring of pay. Actually, co-employable banks appeared with the admitted goal of giving credit in provincial zones. It gives credit to both farming and non-horticultural areas. The majority of the credit reached out by the co-usable banks go under need segment. The current article dissects the advances and advances and recuperation of credits of Hyderabad area co-usable national bank

Key Words – Loan, Bank, Sector

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INTRODUCTION

Focal Co-employable Banks structure a significant part for the time being and medium-term structure of co-usable credit organizations. Focal Co-employable Banks give circuitous money through part social orders to borrowers and direct account through its branches to the people and part social orders. Focal Co-employable Banks have been giving credits to agribusiness and non-ranch exercises. Be that as it may, as of late the Central Co-usable Banks have been allowed to enhance their loaning exercises to lodging, instructive credit, proficient advance to specialists and architects, purchaser advance and street transport vehicle advance.

Hyderabad District Central Co-employable Bank, being the pioneer of the agreeable development in Andhra Pradesh, satisfies the credit prerequisites of part social orders and individuals living in the zone of activity. Consequently, an endeavor has been made in this article to dissect credits and advances, recuperation execution, and advances exceptional. Correlation is made among advances and advances of the bank and all out advances and advances of all CCB's in Andhra Pradesh and complete credits and advances gave in the operational zone by business banks, territorial rustic banks and co-usable banks.

So as to think about and examine the issues under various sources over some undefined time frame, rate

techniques are utilized. To consider the strength of the advances gave over the periods, coefficient of variety has been processed. So as to examine the pattern of recuperation of different advances, direct pattern was fitted utilizing the least square strategy independently, for each under various sources.

Impediments: focal helpful bank ,Hyderabad

The accompanying type of semi-log pattern condition was utilized:

$\text{Log } Y = a + bt$ Where,

Y= Actual estimation of receipt, t = Time variable and an and b are constants to be assessed.

The accompanying equation was utilized to figure the compound development rate. Compound Growth Rate = $[(\text{Anti log } b - 1) \times 100]$

So as to decide the nature and quality of connection between issue of credits and advances and recuperation and advances remarkable and past due, the coefficient of relationship has been applied. The accompanying equation has been utilized to figure the co-productive of connection:

$$r = \frac{N (\sum xy) - (\sum x) (\sum y)}{\sqrt{[n (\sum x^2) - (\sum x)^2] [n (\sum y^2) - (\sum y)^2]}}$$

ANALYSIS OF LOANS AND ADVANCES

Hyderabad District Central Co-usable Bank sanctions advances and advances to the recipients as transient advances, medium-term credits and long haul advances.

Momentary Loans:

Transient advances are conceded for farming tasks, acquisition of agrarian actualizes, promoting of rural produce, mechanical purposes and purchaser credits. The time of credit goes as long as 15 months.

Medium-term Loans:

Medium-term advances are given for development of wells, minor water system ventures, acquisition of siphon sets, agrarian actualizes, recovery of land, planning of terrains for plantations, estates and acquisition of trucks, bullocks and milk creatures. The time of advance reaches between 15 months and 5 years.

Long haul Loans:

Long haul advances are conceded for acquisition of farm trucks, winnowing machines, reclamation of land, installment of old obligation and sinking of wells. An endeavor has been made to examine the general presentation of the bank in giving present moment, medium-term and long haul credits just as dissect the portion of these advances to the aggregate sum of advances gave by the Bank.

The normal advance gave and its solidness over a period are introduced in Table 1

TABLE 1: AVERAGE AND STABILITY OF VARIOUS TYPES OF LOANS AND ADVANCES TO TOTAL LOANS ISSUED BY HYDERABAD DISTRICT CENTRAL CO-OPERATIVE BANK

Particulars	(Rs. in lakh)			
	Short-term Loan	Medium Term Loan	Long-term Loan	Total
Mean (\bar{X})	37502.60	2073.76	96.49	39672.86
Standard Deviation (SD)	10493.19	956.04	56.98	11287.99
Co-efficient of Variation (CV) %	27.98	46.10	59.05	28.45

It is surmised from Table 1 that the mean estimation of transient credits gave by Hyderabad District Central Co-usable Bank during the period was discovered to be higher than other term advances. The normal sum over a period from 2004-05 to 2014-15 was Rs.37,502.60 lakh for momentary advances, Rs.2,073.76 lakh for medium credits and Rs.96.47 lakh for long haul advances.

The estimations of coefficient of variety demonstrate that the sum gave by Hyderabad District Central Co-employable Bank under transient credit was moderately steady over the time of 10 years.

The pattern and development of different kinds of advances are given in Table 2

TABLE 2: TREND AND GROWTH OF VARIOUS TYPES OF LOANS TO TOTAL LOANS ISSUED BY HYDERABAD DISTRICT CENTRAL CO-OPERATIVE BANK DURING THE PERIOD 2004-05 TO 2014-15

Particulars	Trend Co-efficient		$\bar{R}2$	Compound Growth Rate (%)
	a	b		
Short-term Loan	6.718	0.1473* (5.523)	0.40	15.879
Medium-term Loan	3.615	0.1398* (2.308)	0.76	15.009
Long-term Loan	10.090	0.9702* (5.047)	0.81	10.188
Total	7.406	0.0905* (5.999)	0.83	9.477

Figures in brackets represent t-values.
* Significant at 5 per cent level.

It is found from Table 2 that the pattern co-proficient was discovered to be measurably critical for momentary credit, medium-term advance, long haul advance and absolute advance by the Bank. It demonstrates, on a normal, it had expanded by 97.02 percent for long haul advance, 14.73 percent for momentary credit, 13.98 percent for medium term advance and 9.05 for all out advances per annum. The development rates are discovered to be 15.87 percent, 15.00 percent, 10.19 percent and 9.48 percent for present moment, medium-term, long haul advance and all out advances gave by the Hyderabad District Central Co-employable Bank.

The estimation of R2 shows that the varieties in transient credits (0.40), medium term advances (0.76) and long haul advances (0.81) clarify varieties in absolute advances gave to the degree of 40 percent, 76 percent and 81 percent separately.

Investigation OF SHORT-TERM LOAN

Transient credits structure part of more than 90 percent of all out advances gave by the Bank. Momentary advances are given as harvest advance, gem advance, overdraft and money credit to different co-employable foundations and different advances which incorporate produce vow advance and momentary purchaser advance.

This part endeavors to examine the extent of different segments of transient advance to be specific yield advance, gem advance and institutional advance to the absolute momentary credit over the time of ten years.

Yield credits gave by the bank had expanded from Rs.1,601.26 lakh in 2004-05 to Rs.4,108.25 lakh in 2014-15 and it declined to Rs.3,265.14 lakh in 2014-15. The decrease in the harvest credit during 2014-15

was because of dry spell in the examination territory. The portion of yield credits to transient advances fluctuated between 5.75 percent and 9.15 percent during the examination time frame.

Table 3 shows the normal credits of different segments of momentary advances and their strength during the investigation time frame.

TABLE 3: AVERAGE AND STABILITY OF VARIOUS COMPONENTS OF SHORTTERM LOAN ISSUED BY HYDERABAD DISTRICT CENTRAL CO- OPERATIVE BANK DURING THE PERIOD 2004-05 TO 2014-15

(Rs. in lakh)					
Particulars	Crop Loan	Jewel Loan	Institutional Loan	Other Loans	Total
Mean (\bar{X})	2817.37	6044.33	19565.01	9075.89	37502.60
Standard Deviation (SD)	797.19	3501.55	6902.99	464.61	10493.19
Co-efficient of Variation (CV) %	28.30	57.93	35.28	51.14	27.98

It is deduced from Table 3 that institutional advance gave by Hyderabad District Central Co-employable Bank, on a normal, over the period was discovered to be higher than different sorts of advance. The normal sum gave from 2004-05 to 2014-15 was Rs.2,817.37 lakh for crop advance, Rs.6,044.33 lakh for gem advance, Rs.19,565.01 lakh for institutional credit and Rs.9,075.89 lakh for different advances.

The coefficient of variety of yield advance, gem advance, institutional advance and different advances were 28.30 percent, 57.93 percent, 35.28 percent and 51.14 percent separately. The qualities demonstrate that the issue of yield credit was more steady than different parts of transient advance.

The determined estimations of pattern and development of different parts of momentary advances are introduced in Table 4

TABLE 4: TREND AND GROWTH OF VARIOUS COMPONENTS OF SHORTTERM LOANS ISSUED BY TIRUNELVELI DISTRICT CENTRAL CO- OPERATIVE BANK DURING THE PERIOD 2004-05 TO 2014-15

Particulars	Trend Coefficient		\bar{R}^2	Compound Growth Rate (%)
	a	b		
Crop Loan	7.114	0.2480* (6.397)	0.944	28.145
Jewel Loan	9.134	0.1242* (11.677)	0.234	13.229
Institutional Loan	9.537	-0.1076* (-1.569)	0.733	-10.205
Other Loans	9.969	0.0942* (4.688)	0.285	9.877
Total	7.180	0.0429 (1.789)	0.837	4.390

Figures in brackets represent t-values.
 * Significant at 5 per cent level.

It is found from Table 4 that the pattern coefficient demonstrates, on a normal, crop advance, gem advance, institutional credit, different advances and all

out advances gave were 2.48 percent, 12.42 percent, 10.76 percent, - 9.42 percent and 4.29 percent separately. The higher development rate was seen in crop advance followed by gem credit. The pattern coefficient of yield credit, gem advance, and other advance were discovered critical decidedly, yet part of institutional advances was discovered to be contrarily noteworthy.

R2 esteem shows that the time variable clarifies the varieties in subordinate factors to the degree of 23 percent to 94 percent.

Recuperation OF LOANS AND ADVANCES

Recuperation is a prime factor for reusing of assets. Recuperation of credits implies acknowledgment of advances and advances gave. On the off chance that the pace of recuperation is high, it shows the proficiency of the Bank in credit tasks. On the off chance that the recuperation is low, the Bank needs to prepare extra stores or resort to borrowings for carrying on its financial tasks. In this way, the recuperation of advances progressed to the social orders has an immediate bearing on the monetary endurance, proficiency and flourishing of the CCBs.

The normal and steadiness of recuperation of credits and advances over a period are introduced in Table 5

TABLE 5: AVERAGE AND STABILITY OF RECOVERY OF LOANS AND ADVANCES BY HYDERABAD DISTRICT CENTRAL CO- OPERATIVE BANK DURING THE PERIOD 2004-05 TO 2014-15

(Rs. in lakh)				
Particulars	Recovery of Short-Term Loan	Recovery of Medium - Term Loan	Recovery of Long-Term Loan	Total
Mean (\bar{X})	34579.93	1735.93	62.71	36378.57
Standard Deviation (SD)	9877.85	588.53	24.05	10281.97
Co-efficient of Variation (CV) %	28.57	33.90	38.35	28.26

It is found from Table 5 that the transient advance was discovered higher, on a normal of Rs.34,579.93 lakh contrasted with other term credits during the period 162 under examination. It is additionally discovered that there was less change in recuperation of momentary advance since it has lesser coefficient of variety than different credits. Normal recuperation over a time of 10 years was Rs.34,579.93 lakh for momentary advance, Rs.1,735.93 lakh for medium-term credit and Rs.62.71 lakh for long haul advance. The coefficient of variety of present moment, medium-term and long haul recuperations of credit are 28.57 percent, 33.90 percent and 38.35 percent individually.

Table 6 shows the pattern and development of recuperation of credits and advances during the investigation time frame

TABLE 6: TREND AND GROWTH OF RECOVERY OF LOANS AND ADVANCES ISSUED BY HYDERABAD DISTRICT CENTRAL CO-OPERATIVE BANK DURING THE PERIOD 2004-05 TO 2014-15

Particulars	Trend Coefficient		\bar{R}^2	Compound Growth Rate (%)
	a	b		
Recovery of Short-term loan	6.878	0.9630* (4.889)	0.71	10.109
Recovery of Medium-term loan	3.490	0.1060* (4.443)	0.76	11.188
Recovery of Long-term loan	9.930	0.0957* (5.039)	0.97	10.044
Total	9.254	0.1203* (19.11)	0.70	12.794

Figures in brackets represent t-values.

* Significant at 5 per cent level.

It is seen from Table 6 that the pattern coefficient of all parts of recuperation of advances to be specific, present moment and medium-term credit, long haul and complete 163 were discovered to be measurably critical at 5 percent level and they are positive. The normal recuperation of the apparent multitude of factors in particular, present moment, medium term, long haul and absolute expanded at the pace of 96.30 percent, 10.60 percent, 9.57 percent and 12.03 percent every year separately.

The higher development rate was seen in long haul advance, trailed by transient credit. The compound development rates are 10.11 percent for recuperation of transient advance, 11.19 percent for medium-term advance, 10.04 percent for long haul credit and 12.79 percent for absolute.

END

The examination uncovers that the transient credits overwhelm the complete advances gave at more than 92 percent during the investigation time frame. In recuperation of advances, momentary advances represent almost 93 percent to 97 percent. Be that as it may, on account of credits exceptional, the offer level of medium and long haul advances declined significantly. The extent of over duty of momentary advance reaches from almost 59 percent to 86 percent to the all out over levy.

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