

## **Salient Results of the Survey of Small Borrowal Accounts March 1997 \***

### **Introduction**

In the present system of Basic Statistical Returns (BSR) on banking statistics, data on various aspects of borrowal accounts are collected through BSR-1 return, comprising two parts: Part A and Part B. While the detailed account-wise data on borrowal accounts, each with credit limit of above Rs. 25,000 are collected in Part-A, data in respect of accounts with credit limit of Rs. 25,000 or less (referred to here as small borrowal accounts) are collected occupation-wise in a consolidated form, through Part-B of the return. Small borrowal accounts are predominant, comprising more than 90 per cent of all accounts, though their share was relatively low at only 14.2 per cent of the total outstanding credit, as at the end of March 1996. Details of these accounts are, however, not available.

In view of the increased attention accorded to the 'weaker' segments of the priority sectors, in recent years with stipulated targets, it was felt that disaggregated data on the small borrowal accounts would be useful. Against this background, a Survey of Small Borrowal Accounts, with the year ending March 31, 1993 as reference period, was undertaken earlier.<sup>@</sup> The main objective of the survey was to obtain a profile of small borrowal accounts and the structural pattern of the accounts according to important characteristics, such as the size of outstanding credit, occupation of the borrower, type of loan scheme, etc. A repeat survey with similar objectives was undertaken with end-March 1997 as the reference period. The results of this survey are presented in the article.

The article is organised in four sections. In Section-I, sampling design as well as the profile of small borrowal accounts from March 1990 onwards are presented. Section-II discusses, in detail, the salient features of small borrowal accounts as emerging from the results of the survey. The discussions also dwelt on borrowal accounts of women with regard to various characteristics of small borrowal accounts. Section-III compares the estimates with those of the survey relating to March 1993. In the last section, a summary of the results is presented.

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\* Prepared in the Survey Division of the Department of Statistical Analysis & Computer Services.

@ The results of the survey were published through three articles in January- February, 1996, June 1996, and January 1997 issues of the Reserve Bank of India Bulletin.

### **SECTION - I**

#### **Sampling Design**

A two-stage sampling design with bank branches as the first stage units and borrowal

accounts as the second stage units was adopted for the survey. The bank branches were first grouped according to four bank groups, viz., (i) State Bank of India and its Associate Banks, (ii) Nationalised Banks, (iii) Regional Rural Banks and (iv) Other Banks, and four population groups, viz., (i) rural, (ii) semi-urban, (iii) urban and (iv) metropolitan areas. A sample of 763 branches (first stage sampling units) was selected following circular systematic sampling procedure. Detailed data in respect of sample accounts (ultimate second stage sampling units) were collected in respect of each of the sample branches, using a simple schedule. The selection of sample accounts was through the adoption of linear systematic sampling procedure and accordingly, a sample of 10 per cent of accounts was selected from the respective ledger books of accounts maintained by the selected branches. Details of the sampling design and the estimation procedure are given in Appendix I. A simple schedule comprising only two blocks (Appendix II) was designed for collection of data using the mail questionnaire method.

In all, 674 branches have responded to the enquiry by sending filled-in schedules. After detailed scrutiny of the data furnished by the branches, data in respect of 608 selected branches were found suitable for further processing. Accordingly, the estimates have been generated based on the data furnished by these branches in respect of 50,747 accounts.

#### Profile of Small Borrowal Accounts

According to BSR-1 return on banking statistics, 519 lakh small borrowal accounts which accounted for 91.6 per cent of all borrowal accounts, reported outstanding credit of Rs.36,253 crore forming 14.2 per cent of the total outstanding credit as on March 31, 1996 ([Table 1](#)). The share of small borrowal accounts declined marginally from 95 per cent in March 1990 to about 92 per cent in March 1996, in terms of number while their share in total outstanding credit declined gradually from 23.1 per cent to 14.2 per cent during the same period. Average amount per small borrowal account, on the other hand, showed an up trend from Rs.4,648 in March, 1991 to Rs.6,985 in March 1996.

**Table 1: Profile of Small Borrowal Accounts with Credit Limit of Rs. 25,000 or Less, 1990 to 1996**

As on end March	Small Borrowal Accounts			All Accounts			Share of Small Borrowal Accounts (Per cent)	
	Number of accounts (lakh)	Amount outstanding (Rs.crore)	Average per a/c (Rs.)	Number of accounts (lakh)	Amount outstanding (Rs.crore)	Average per a/c (Rs.)	Number of accounts	Amount outstanding
1990	512	24,147	4,718	539	104,312	19,371	95.0	23.1
1991	588	27,323	4,648	619	124,203	20,050	94.9	22.0
1992	625	29,945	4,788	659	136,706	20,757	95.0	21.9
1993	585	32,091	5,484	621	162,467	26,155	94.2	19.8
1994	558	32,188	5,768	596	175,891	29,512	93.6	18.3
1995	539	34,060	6,319	581	210,939	36,306	92.8	16.2
1996	519	36,253	6,985	567	254,692	44,919	91.6	14.2

## SECTION - II

#### Salient Features of Small Borrowal Accounts

The number of small borrowal accounts by end March, 1997 as estimated through the sample survey aggregated to 408 lakh accounts and the estimated aggregate outstanding credit of these accounts amounted to Rs.32,778 crore. The average outstanding credit per account worked out to Rs.8,036 by end March 1997.

### Distribution of Accounts According To Bank Group

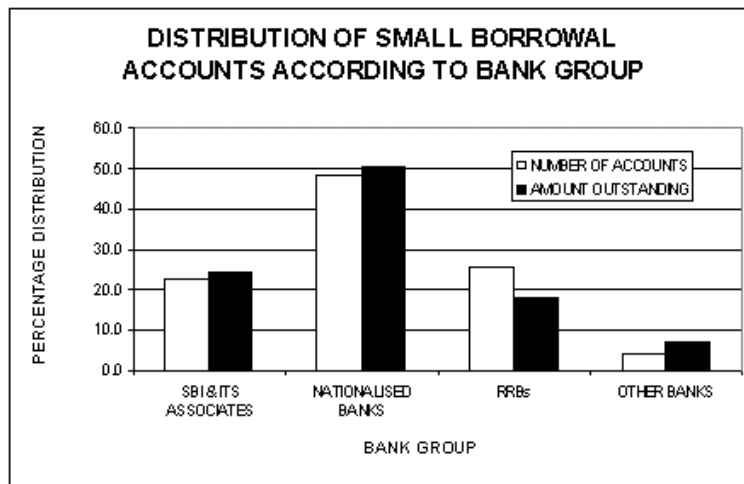
Among different bank groups, Nationalised Banks accounted for slightly less than one-half (48.2 per cent) of the accounts with half of the total amount outstanding against small borrowal accounts (Table 2, Chart 1).

**Table 2 : Distribution of Small Borrowal Accounts by Bank Groups as on 31st March 1997**

Bank group	Percentage Share				Average amount outstanding per account (Rs.)	
	Number of accounts	Amount outstanding	Number of accounts	Amount outstanding		
1. SBI & its Associates	22.4	(18.9)	24.5	(23.2)	8778	(8480)
2. Nationalised Banks	48.2	(55.4)	50.4	(55.4)	8405	(6898)
3. Regional Rural Banks	25.3	(22.1)	17.9	(16.1)	5670	(5016)
4. Other Banks	4.0	(3.6)	7.2	(5.3)	14379	(10121)
<b>Total</b>	<b>100.0</b>	<b>(100.0)</b>	<b>100.0</b>	<b>(100.0)</b>	<b>8036</b>	<b>(6897)</b>

Figures in brackets pertain to borrowal accounts of women.

**CHART 1**



The Regional Rural Banks had one-fourth of the total accounts but accounted for only 18 per cent of amount outstanding. On the other hand, about 22 per cent of the small borrowal accounts from State Bank of India and its associates accounted for nearly one-fourth of total amount outstanding. The average amount outstanding per account in the case of regional rural banks was, as expected, the lowest at Rs.5,670, reflecting the fact that loan amounts were generally of low order. The averages in the case of SBI and its associates, and Nationalised Banks were higher at Rs.8,778 and Rs.8,405, respectively.

The distribution of borrowal accounts of women exhibited a similar pattern, with Nationalised Banks accounting for the highest share at 55 per cent both in terms of number of accounts and amount outstanding. The average amount outstanding per account in the case of all women borrowal accounts was less than the overall average for all the bank groups at the all-India level; the average amount per small borrowal account of women was only Rs.6,897 as against the overall average of Rs.8,036.

#### **Distribution of Accounts According to Population Group**

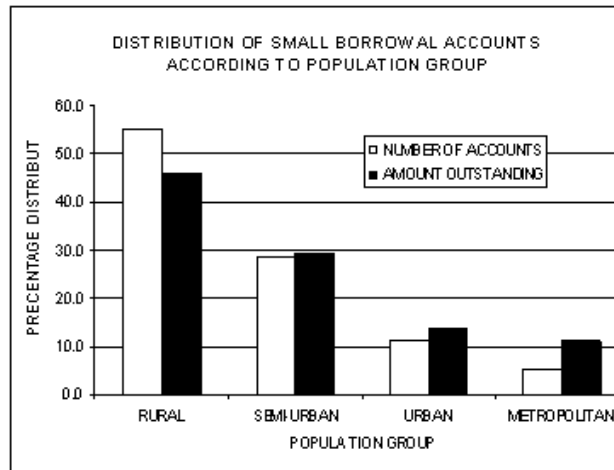
Small borrowal accounts in rural areas constituted more than half (54.9 per cent) of all small borrowal accounts accounting for about 45.9 per cent of the total amount outstanding (Table 3, Chart 2). In semi-urban and urban areas, these accounts formed 28.7 per cent and 11.3 per cent, respectively, in terms of number, with the corresponding shares in amount outstanding at 29.3 per cent and 13.5 per cent. Such accounts in metropolitan areas formed only 5.2 per cent of the total number of accounts and 11.3 per cent of the amount outstanding of all small borrowal accounts. The average amount per account in rural areas was the lowest at Rs.6,723 as against the average of Rs.8,201 in the case of 'semi-urban areas'. In urban and metropolitan areas, it was considerably high at Rs.9,637 and Rs.17,517, respectively.

**Table 3 : Distribution of Small Borrowal Accounts by Population Groups as on 31st March 1997**

	Population group	Percentage Share				Average amount outstanding per account (Rs.)	
		Number of accounts		Amount outstanding			
1.	Rural	54.9	(57.6)	45.9	(49.6)	6723	(5933)
2.	Semi-urban	28.7	(28.1)	29.3	(29.9)	8201	(7355)
3.	Urban	11.3	(9.1)	13.5	(12.7)	9637	(9574)
4.	Metropolitan	5.2	(5.2)	11.3	(7.8)	17517	(10443)
	<b>Total</b>	<b>100.0</b>	<b>(100.0)</b>	<b>100.0</b>	<b>(100.0)</b>	<b>8036</b>	<b>(6897)</b>

Figures in brackets pertain to borrowal accounts of women.

**CHART 2**



The distribution of women borrowal accounts also exhibited a similar trend. However, the share of accounts of women borrowers in the rural areas was higher at 57.6 per cent accounting for nearly half of the total amount outstanding. Interestingly, the share in semi-urban areas both in terms of number of accounts and amount outstanding is very close to that of all small borrowal accounts. The average amount outstanding per account for all borrowers and that of borrowal accounts of women differed marginally in urban areas and widely in metropolitan areas.

#### **Distribution of Accounts According to Type of Organisation**

The survey results revealed that nearly 97 per cent of small borrowal accounts, in terms of number, was held by individuals which accounted for 95.4 per cent of the amount outstanding. The borrowal accounts of women held 21.6 per cent of the number of accounts and accounted for 18.5 per cent in total amount outstanding against all small borrowal accounts (Table 4). The average outstanding amount per account in respect of women borrowers is estimated at Rs.6,897 compared with men borrowers at Rs.8,201 which could be because of differences in the volume and nature of economic activities pursued by these two groups of borrowers. The 'others' category which includes the organisations in public & private sectors, functioning as companies, partnership and proprietary concerns, accounted for only 3 per cent of the number of accounts and less than 5 per cent of the amount outstanding.

**Table 4 : Distribution of Small Borrowal Accounts by Type of Organisation as on 31st March 1997**

Type of Organisation	Percentage Share		Average amount outstanding per account (Rs.)
	Number of accounts	Amount outstanding	
1. Individuals	96.9	95.4	7911
1.1. Women	21.6	18.5	6897
1.2. Men	75.4	76.9	8201

2.	Others *	2.9	4.3	11942
3.	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>8036</b>

\* Include the organisations in public & private sectors working as companies, partnership and proprietary concerns, *etc.*

#### **Distribution of Accounts According to Type of Loan Account**

Term loans constituted the bulk of all small borrowal accounts forming three-fifths of all accounts and accounted for over one-half (54.2 per cent) of the amount outstanding (Table 5). Demand loans were next in importance, constituting a little less than one-fifth (18.5 per cent) of the total number of accounts, claiming a little less than a quarter (23.9 per cent) of the amount outstanding. Cash credit accounts shared about 10 per cent of the total, both in terms of number of accounts and outstanding credit. Average amount outstanding per overdraft account as well as demand loan account were higher around Rs.10,400. However, the overdraft accounts had relatively low share in terms of their number, as also the amount outstanding.

The borrowal accounts of women also depicted similar pattern with slightly higher share for term loans in terms of both number and amount. The average amount per account was also high for overdrafts and demand loans, like all small borrowal accounts.

#### **Distribution of Accounts According to Social Group**

The small borrowal accounts classified according to the social groups indicated that 17.8 per cent of the accounts belong to scheduled castes group while those of scheduled tribes had a share of 8.9 per cent. The corresponding shares in total outstanding credit stood at 12.7 per cent and 6.6 per cent (Table 6). Loan accounts against 'others' constituted the bulk with its share at 72.7 per cent in terms of number of accounts and 80 per cent in terms of outstanding amount. Average amount outstanding per account in the case of scheduled tribes was estimated at Rs.5,956 whereas for those of scheduled castes, it was relatively lower at Rs.5,739. The average amount outstanding was much higher for 'others' category at Rs.8,855.

**Table 5 : Distribution of Small Borrowal Accounts by Type of Account as on 31st March 1997**

Type of account	Percentage Share				Average amount outstanding per account (Rs.)	
	Number of accounts		Amount outstanding			
1. Cash credit	9.9	(6.3)	10.8	(6.4)	8767	(7005)
2. Overdraft	1.5	(1.1)	1.9	(1.4)	10469	(9187)
3. Demand loan	18.5	(15.9)	23.9	(21.0)	10420	(9122)
4. Term loan	60.9	(66.0)	54.2	(58.8)	7156	(6143)
5. Others	9.0	(10.4)	8.8	(11.3)	7876	(7465)
<b>Total @</b>	<b>100.0</b>	<b>(100.0)</b>	<b>100.0</b>	<b>(100.0)</b>	<b>8036</b>	<b>(6897)</b>

@ : Total includes unspecified.

Figures in brackets pertain to borrowal accounts of women.

**Table 6 : Distribution of Small Borrowal Accounts by Social Group  
as on 31st March 1997**

	Social Group	Percentage Share				Average amount outstanding per account (Rs.)	
		Number of accounts		Amount outstanding			
1.	Scheduled Tribe	8.9	(9.4)	6.6	(8.7)	5956	(6392)
2.	Scheduled Caste	17.8	(23.7)	12.7	(17.1)	5739	(4972)
3.	Others	72.7	(66.5)	80.1	(73.7)	8855	(7645)
	<b>Total @</b>	<b>100.0</b>	<b>(100.0)</b>	<b>100.0</b>	<b>(100.0)</b>	<b>8036</b>	<b>(6897)</b>

@ : Total includes unspecified.

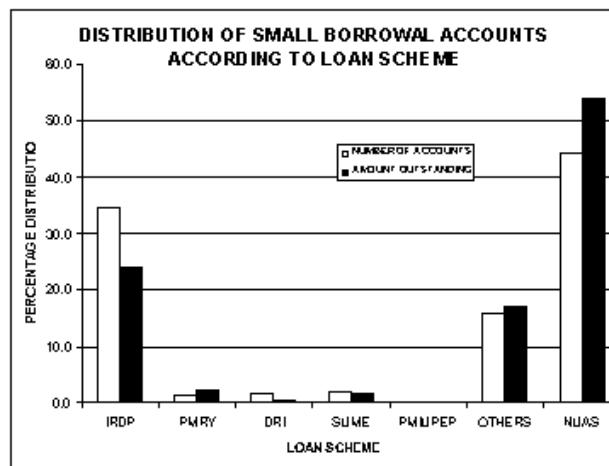
Figures in brackets pertain to borrowal accounts of women

In the case of borrowal accounts of women, the accounts pertaining to Scheduled Castes formed about 24 per cent of the total number, accounting for a little more than one-sixth of the total amount outstanding. These shares are higher than those observed for all categories of borrowal accounts. Even in the case of scheduled tribes, the shares in number of accounts as well as the amount outstanding of all women borrowers (both less than one-tenth share) were marginally higher than the respective shares in all accounts. Interestingly, the average amount outstanding per borrowal account of women of scheduled tribes at Rs.6,392 was higher than their corresponding average of all accounts at Rs.5,956.

#### **Distribution of Accounts According to Loan Scheme**

The small borrowal accounts, sanctioned under various major loan schemes, viz., Integrated Rural Development Programme (IRDP), Differential Rate of Interest Scheme (DRI), Prime Minister's Rojgar Yojana (PMRY), Scheme of Urban Micro Enterprises (SUME), Prime Ministers Integrated Urban Poverty Eradication Programme (PMIUEP), etc., formed over one-half of the total number of accounts and these accounted for about 46 per cent of the total outstanding credit (Table 7, Chart 3). The IRDP scheme constituted the major loan scheme accounting for over one-third of all small borrowal accounts (34.6 per cent) in terms of their number and about one-fourth (24.2 per cent) of total amount outstanding. The loans under each of the schemes, viz., DRI, PMRY, SUME, PMIUEP had relatively small share of less than

CHART 3



**Table 7 : Distribution of Small Borrowal Accounts by Loan Scheme as on 31st March 1997**

Loan Scheme	Percentage Share				Average amount outstanding per account (Rs.)	
	Number of accounts		Amount outstanding			
1. Integrated Rural Development Programme	34.6	(42.2)	24.2	(31.7)	5624	(5172)
2. Prime Minister's Rojgar Yojana (incl. SEEUY)	1.4	(1.7)	2.4	(2.7)	13775	(11172)
3. Differential Rate of Interest Scheme	1.6	(1.9)	0.6	(0.8)	2970	(2885)
4. Scheme of Urban Micro Enterprises (incl. SEPUP)	2.0	(2.1)	1.6	(2.1)	6376	(6799)
5. Prime Minister's Integrated Urban Poverty Eradication Programme	0.1	(0.2)	0.1	(0.3)	9925	(8970)
6. Other Schemes	16.0	(13.9)	17.0	(15.8)	8508	(7821)
7. Loans not covered under any scheme (NUAS)	44.3	(38.0)	54.1	(46.7)	9808	(8489)
<b>Total @</b>	<b>100.0</b>	<b>(100.0)</b>	<b>100.0</b>	<b>(100.0)</b>	<b>8036</b>	<b>(6897)</b>

@ : Total includes unspecified.

Figures in brackets pertain to borrowal accounts of women.



2.5 per cent in number of accounts as well as amount outstanding. The loan accounts not covered under any scheme formed about 44 per cent of total number of accounts, accounting for 54 per cent of the amount outstanding. The average amount outstanding per account was maximum at Rs.13,775 under PMRY scheme and was minimum at Rs.2,970 under DRI scheme.

More than two-fifths of accounts pertaining to women borrowers were covered under the IRDP scheme, accounting for nearly one-third of the amount outstanding. Of the borrowal accounts of women, a large proportion (62 per cent) of accounts were under various loan schemes and only 38 per cent of these accounts were not under any scheme. The amount outstanding against different loan schemes accounted for about 53 per cent of the aggregate amount of women borrowal accounts.

#### **Distribution of Accounts According to Size of Amount Outstanding**

It is estimated that the borrowal accounts, each with the outstanding amount of Rs.1,000 or less, accounted for 8.3 per cent of the total number of small borrowal accounts and less than 1 per cent of the total amount outstanding (Table 8, Chart 4). The accounts in the size class of Rs.2,500 - Rs.5,000 accounted for nearly one-fourth of the accounts (24.0 per cent) and the amount outstanding against these accounts shared about 12.7 per cent of the aggregate amount outstanding. The borrowal accounts each with amount outstanding at Rs.7,500 or less, constituted a little more than three-fifths of all the small borrowal accounts (64 per cent), but accounted for only less than one third (32 per cent) of the aggregate outstanding amount. Accounts in the range of Rs.7,500-Rs.10,000, forming 10.8 per cent of total number of accounts, accounted for 13.7 per cent of the outstanding amount of all small borrowal accounts. The accounts in the range of Rs.15,000-Rs.25,000 formed about one-tenth (11 per cent) of the total number of accounts but accounted for a little less than one-third (30 per cent) of the total outstanding amount. The average amount outstanding per account stood at Rs.21,979 in the largest size class, which is about two and half times of the average of all small borrowal accounts.

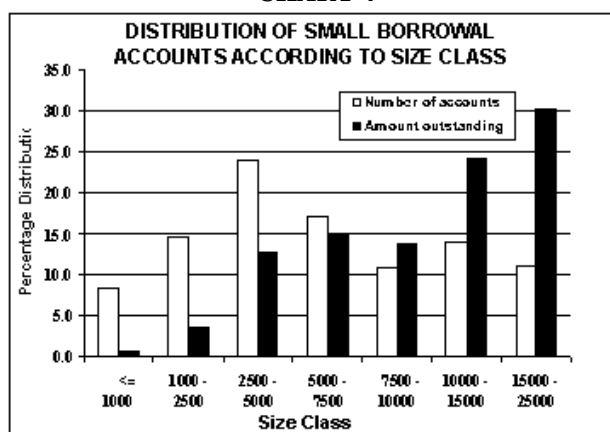
**Table 8 : Distribution of Samll Borrowal Accounts by Size of Amount Outstanding as on 31st March 1997**

Amount outstanding Size class (Rs.)	Percentage Share				Average amount outstaning per account (Rs.)	
	Number of accounts		Amount outstanding			
<= 1000	8.3	(8.4)	0.7	(0.8)	646	(627)
1000 - 2500	14.7	(17.0)	3.6	(4.9)	1991	(2010)
2500 - 5000	24.0	(27.3)	12.7	(16.1)	4261	(4077)
5000 - 7500	17.1	(18.0)	14.9	(18.3)	7013	(7019)
<b>Upto 7500</b>	<b>64.1</b>	<b>(70.6)</b>	<b>31.9</b>	<b>(40.2)</b>	<b>4006</b>	<b>(3922)</b>
7500 - 10000	10.8	(10.3)	13.7	(14.7)	9944	(9610)

10000	-	15000	14.1	(11.3)	24.2	(21.6)	13844	(13223)
15000	-	25000	11.0	(7.8)	30.2	(23.5)	21979	(20796)
<b>Total</b>			<b>100.0</b>	<b>(100.0)</b>	<b>100.0</b>	<b>(100.0)</b>	<b>8036</b>	<b>(6897)</b>

Figures in brackets pertain to borrowal accounts of women.

**CHART 4**

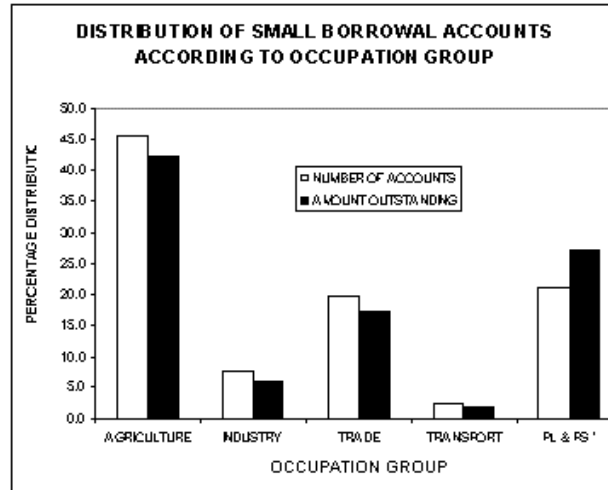


The borrowal accounts of women were concentrated more in the lower size classes 'upto Rs.7,500.' These accounts held a share of about 70 per cent in number of accounts and accounted for two-fifths of the amount outstanding. Nearly 8 per cent of accounts of women borrowers pertained to the largest size class, accounting for 23.5 per cent of amount outstanding against borrowal accounts of women. Interestingly, the average amount outstanding per account in respect of all borrowers and women borrowers did not exhibit perceptible difference in the lower size classes. In the size classes upto Rs.7,500, the average amount per account for all accounts and women borrowal accounts were estimated at Rs.4,006 and Rs.3,922, respectively.

#### **Distribution of Accounts According to Occupation**

'Agriculture and allied activities' was the largest occupational group with a share of 45.5 per cent in terms of number of accounts and had almost similar share (42.2 per cent) in the total amount outstanding (Table 9 Chart 5). Personal loans and professional services ranked next with a share of 21.0 per cent in terms of number of accounts and 27.0 per cent in the amount outstanding. This was followed by 'Trade' with the shares at 19.6 per cent and 17.2 per cent in terms of number of accounts and amount outstanding, respectively. Artisans & craftsmen, village & cottage industries and other small scale industries constitute the 'industry' category; and accounted for less than 8 per cent of the number of accounts while their share in amount outstanding is worked out to 6.1 per cent. The average amount outstanding per account was the lowest for 'village and cottage industries' at Rs.4,808 while it varied in the range from Rs.5,600 to Rs.7,500 in the case of agriculture, industry, trade and transport categories. In the case of 'Personal loans and professional services' and 'Other small scale industries', the average amount outstanding per account was relatively high at Rs.10,338 and Rs.8,448, respectively. The borrowal accounts of women also depicted a similar pattern for all occupational categories.

**CHART 5**



**Table 9 : Distribution of Small Borrowal Accounts by Occupation as on 31st March 1997**

Occupation Group	Percentage Share				Average amount outstanding per account (Rs.)	
	Number of accounts		Amount outstanding			
1. Agriculture & allied activities	45.5	(44.5)	42.2	(43.5)	7459	(6738)
2. Industry	7.6	(11.2)	6.1	(7.7)	6385	(4747)
<i>Of which :</i>						
a) Artisans & craftsmen	2.9	(4.3)	2.0	(2.9)	5617	(4583)
b) Village & Cottage Industries	2.0	(2.2)	1.2	(1.3)	4808	(3988)
c) Other small scale Industries	2.2	(3.7)	2.4	(2.7)	8448	(5005)
3. Trade	19.6	(20.2)	17.2	(18.8)	7053	(6413)
4. Transport	2.5	(1.1)	2.0	(1.0)	6568	(6266)
5. Personal loans & Professional services	21.0	(18.1)	27.0	(23.6)	10338	(9008)
<b>Total @</b>	<b>100.0</b>	<b>(100.0)</b>	<b>100.0</b>	<b>(100.0)</b>	<b>8036</b>	<b>(6897)</b>

@ : Total includes unspecified.

Figures in brackets pertain to borrowal accounts of women.



		N	8.2	17.9	26.8	14.6	<b>67.4</b>	9.2	8.8	14.6	100.0
		A	0.6	4.6	12.6	12.5	<b>30.4</b>	10.7	15.3	43.7	100.0
3.	Trade	N	9.4	15.9	27.1	17.4	<b>69.7</b>	9.5	11.4	9.4	100.0
		A	0.8	4.3	16.1	17.4	<b>38.6</b>	13.0	21.8	26.6	100.0
4.	Transport	N	12.9	20.3	25.2	15.4	<b>73.8</b>	6.8	11.3	8.0	100.0
		A	1.4	5.9	17.2	17.5	<b>42.0</b>	10.8	22.9	24.2	100.0
5.	Personal Loans & Professional Services	N	7.0	12.4	20.1	15.5	<b>54.9</b>	11.4	16.8	16.9	100.0
		A	0.5	2.5	8.9	11.5	<b>23.3</b>	12.6	27.3	36.7	100.0
<b>6.</b>	<b>Total @</b>	N	<b>8.3</b>	<b>14.7</b>	<b>24.0</b>	<b>17.1</b>	<b>64.1</b>	<b>10.8</b>	<b>14.1</b>	<b>11.0</b>	<b>100.0</b>
		A	<b>0.7</b>	<b>3.6</b>	<b>12.7</b>	<b>14.9</b>	<b>31.9</b>	<b>13.7</b>	<b>24.2</b>	<b>30.2</b>	<b>100.0</b>

N : Number of accounts  
A : Amount outstanding  
@ : Total includes unspecified.

About 46.5 per cent of the accounts were found to be NPAs, accounting for about 35.4 per cent of the amount outstanding in respect of all small borrowal accounts.

**Table 11 : Bank Group and Occupation-Wise Distribution of Small Borrowal Accounts as on 31st March 1997**

Occupation		(Percentages)									
		SBI & its associates		Nationalised banks		Regional Rural Banks		Other banks #		Total	
		N	A	N	A	N	A	N	A	N	A
1.	Agriculture & allied activities	45.7	40.6	44.8	43.2	48.3	48.7	34.6	24.5	45.5	42.2
2.	Industry	5.5	6.3	6.8	5.3	12.3	10.1	0.7	0.5	7.6	6.1
	<i>Of which :</i>										
	a) Artisans & craftsmen	1.2	1.2	2.0	1.4	6.4	5.6	0.2	0.0	2.9	2.0
	b) Village & cottage industries	1.0	0.8	2.1	1.2	3.1	2.3	0.1	0.0	2.0	1.2
	c) Other small- scale industries	2.9	3.8	2.0	2.1	2.3	1.9	0.4	0.3	2.2	2.4
3.	Trade	20.1	19.5	18.9	15.8	21.6	21.7	12.3	8.1	19.6	17.2
4.	Transport	2.3	1.6	2.0	1.8	3.6	3.8	1.0	0.6	2.5	2.0
5.	Personal loans & Professional services	25.0	30.6	22.8	29.5	11.5	13.4	37.5	31.4	21.0	27.0
	<b>Total @</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

N : Number of accounts A : Amount outstanding  
@ : Total includes unspecified  
# : About 14 per cent of the accounts could not be classified under any occupation group, which accounted for more than one-third of amount outstanding.

**Table 12 : Distribution of Small Borrowal Accounts by Asset Classification as on 31st March 1997**

Asset Classification	Percentage Share				Average amount outstanding per account (Rs.)
	Number of accounts		Amount outstanding		
1. Standard assets	52.5	(58.1)	63.9	(66.7)	9781 (7909)
2. Sub-standard assets	13.9	(14.0)	12.3	(13.1)	7099 (6473)
3. Doubtful assets	27.7	(23.8)	19.4	(17.1)	5632 (4969)

4.	Loss assets	4.9	(3.5)	3.7	(2.5)	6015	(4894)
	<b>Total @</b>	<b>100.0</b>	<b>(100.0)</b>	<b>100.0</b>	<b>(100.0)</b>	<b>8036</b>	<b>(6897)</b>

@ : Total includes unspecified.

Figures in brackets pertain to borrowal accounts of women.

The asset classification of small borrowal accounts is further presented against different bank groups (Table 13, Chart 6). In the case of SBI & its associates and Nationalised Banks, 55-60 per cent of accounts were classified as standard assets, which accounted for nearly two-thirds of amount outstanding. In the case of 'other banks,' comprising Foreign banks and Indian private sector banks, about four-fifths of these accounts were reported to be standard assets which accounted for 90 per cent of total amount outstanding against all small borrowal accounts of these banks. In respect of Regional Rural Banks, only 40 per cent of the accounts could be categorised as standard assets which accounted for 50 per cent of amount outstanding. Nearly half of the amount outstanding against small borrowal accounts of RRBs is found to be NPA. However, the corresponding share of NPAs for public sector banks was relatively low at 35 per cent.

**Table 13 : Bank Group and Asset Classification-Wise Distribution of Small Borrowal Accounts as on 31st March 1997**

Asset Classification		(Percentages)									
		SBI & its associates		Nationalised Banks		Regional Rural Banks		Other Banks		Total	
		N	A	N	A	N	A	N	A	N	A
1.	Standard assets	57.5	64.8	54.6	64.7	39.9	50.1	79.4	89.8	52.5	63.9
2.	Sub-standard assets	20.2	16.0	13.2	12.3	11.0	11.1	5.8	2.9	13.9	12.3
3.	Doubtful assets	14.8	12.1	27.4	19.8	42.7	34.0	10.3	5.5	27.7	19.4
4.	Loss assets	7.5	7.1	3.9	2.4	4.6	3.3	4.5	1.7	4.9	3.7
	<b>Total @</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

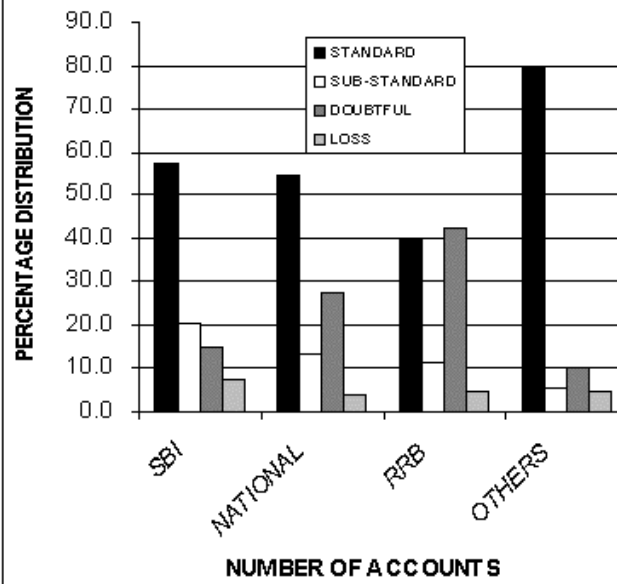
N : Number of accounts.

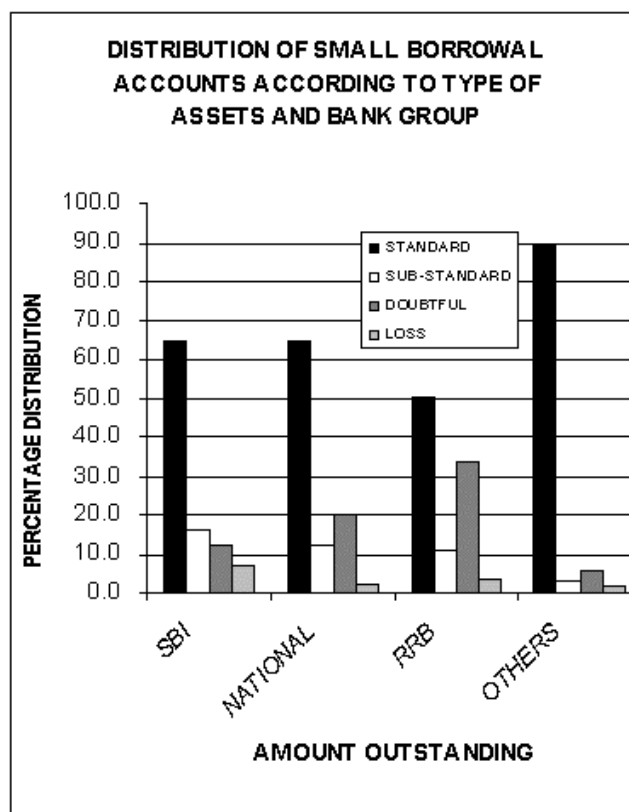
A : Amount outstanding.

@ : Total includes unspecified.

#### CHART 6

**DISTRIBUTION OF SMALL BORROWAL  
ACCOUNTS ACCORDING TO TYPE OF  
ASSETS AND BANK GROUP**





Asset classification of the accounts for each of the population groups is presented in Table 14. It can be seen that the small borrowal accounts classified as standard assets had the highest share in metropolitan areas with 70 per cent in terms of number, accounting for about 84 per cent of total amount outstanding. In rural areas, only 47 per cent of accounts were classified as standard assets although in terms of amount outstanding, their share stood at 56 per cent. The share of NPAs in terms of amount, was the highest for rural areas at 43 per cent, followed by 32-33 per cent for semi-urban/urban areas, and 16 per cent for metropolitan areas.

**Table 14 : Population Group and Asset Classification-Wise Distribution of Small Borrowal Accounts as on 31st March 1997**

Asset Classification		(Percentages)									
		Rural		Semi-urban		Urban		Metropolitan		Total	
		N	A	N	A	N	A	N	A	N	A
1.	Standard assets	46.9	56.4	57.2	67.3	59.9	65.7	70.4	83.6	52.5	63.9
2.	Sub-standard assets	14.8	14.8	11.8	11.1	19.0	13.8	5.3	3.3	13.9	12.3
3.	Doubtful assets	33.1	24.8	25.3	17.9	14.7	15.6	13.1	6.1	27.7	19.4
4.	Loss assets	4.4	3.4	5.5	3.5	2.8	2.3	11.2	7.0	4.9	3.7
	<b>Total @</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

N : Number of accounts.

A : Amount outstanding.



@ : Total includes unspecified.

The share of non-performing assets was very high in case of borrowal accounts in the occupational groups, 'Transport', 'Industry' and 'Trade' at 61 per cent, 58 per cent and 54 per cent of amount outstanding, respectively. The share of NPAs was lowest in the case of occupation group 'Personal Loans and Professional Services' at 14 per cent in the amount outstanding. Agriculture and allied activities group had two-fifths of its amount outstanding as NPA (Table 15).

**Table 15: Distribution of Small Borrowal Accounts by Occupation Group and Asset Classification as on 31st March 1997**

Occupation Group		Standard Assets		Non-Performing Assets		Total@	
		N	A	N	A	N	A
1.	Agriculture & allied activities	49.0	58.3	49.8	40.6	100.0	100.0
2.	Industry	35.0	40.8	63.5	58.3	100.0	100.0
3.	Trade	37.5	45.5	61.9	54.1	100.0	100.0
4.	Transport	26.4	38.8	73.4	61.0	100.0	100.0
5.	Personal loans & Professional services	78.3	86.0	21.1	13.8	100.0	100.0
<b>Total @</b>		<b>52.5</b>	<b>63.9</b>	<b>46.6</b>	<b>35.4</b>	<b>100.0</b>	<b>100.0</b>

@ : Total includes unspecified.

N : Number of accounts.

A : Amount outstanding.

The distribution of asset classification of these accounts over the size class of amount outstanding indicated that the proportion of number of accounts classified as NPAs and their amount outstanding decreased with the increase in size class of amount outstanding, from more than half in the lowest size class to a little over one-fifth in the top size class (Table 16).

**Table 16 : Distribution of Small Borrowal Accounts by Size of Amount Outstanding and Asset Classification as on End March 1997**

Amount outstanding Size class (Rs.)		Standard Assets		Non-Performing Assets		Total @	
		N	A	N	A	N	A
<=	1000	35.0	33.6	61.7	53.0	100.0	100.0
1000	- 2500	41.1	43.2	58.0	55.8	100.0	100.0
2500	- 5000	43.4	43.3	55.6	55.1	100.0	100.0
5000	- 7500	51.1	50.7	48.3	48.7	100.0	100.0
7500	- 10000	59.2	59.8	40.0	39.4	100.0	100.0
10000	- 15000	67.7	70.5	31.9	29.2	100.0	100.0
15000	- 25000	77.2	79.0	22.6	20.9	100.0	100.0
<b>Total</b>		<b>52.5</b>	<b>63.9</b>	<b>46.6</b>	<b>35.4</b>	<b>100.0</b>	<b>100.0</b>

@ : Total includes unspecified

N : Number of accounts.

A : Amount outstanding.

### SECTION III

#### Comparison with March 1993 Survey Results

The results of this survey are compared with those of March 1993 survey and the comparative data are presented in Tables 17 through 20. It is observed that the share of 'agriculture and allied activities' had marginally decreased, in terms of number of accounts, from 45.8 per cent in 1993 to 42.2 per cent in 1997. However, in terms of amount outstanding, its share had increased by 3 percentage points to 45.5 per cent in 1997 (Table 17). The share of 'personal loans & professional services' in terms of number of small borrowal accounts had almost doubled from 14 per cent in 1993 to 27 per cent in 1997 although its share in total amount outstanding increased only marginally from 18 per cent in 1993 to 21 per cent in 1997. On the other hand, the share in terms of number of accounts of 'Trade' had decreased between the reference points, although in terms of amount, the share had increased marginally.

**Table 17 : Distribution of Small Borrowal Accounts by Occupation as on End March 1993 and 1997**

Occupation Group		<i>Percentage Share</i>			
		1993		1997	
		Number of accounts	Amount outstanding	Number of accounts	Amount outstanding
1.	Agriculture & allied activities	45.8	42.4	42.2	45.5
2.	Industry	8.9	7.8	6.1	7.6
	<i>Of which :</i>				
	a) Artisans & craftsmen and village & cottage industries	5.2	3.6	3.2	4.9
	b) Other small scale Industries	2.8	3.3	2.4	2.2
3.	Trade	20.2	18.8	17.2	19.6
4.	Transport	2.0	1.7	2.0	2.5
5.	Personal loans & Professional services	14.2	18.3	27.0	21.0
	<b>Total @</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

@ : Total includes unspecified.

The distribution of small borrowal accounts according to the size of amount outstanding over the two survey periods showed a perceptible shift towards higher size classes (Table 18). The cumulative share of the size classes 'upto Rs.7,500', in terms of number of accounts, decreased from 80.5 per cent in 1993 to 64.1 per cent in 1997. Similarly, in terms of amount outstanding their share decreased from 49.5 per cent in 1993 to 31.9 per cent in 1997. It is interesting to note that the share of the top two size classes in terms of number of accounts doubled during the period 1993 to 1997. There was a steep rise in their shares in amount outstanding. The concentration ratio is estimated to have declined fractionally from 0.47 in 1993 to 0.44 in 1997.

**Table 18 : Distribution of Small Borrowal Accounts by Size of Amount Outstanding as On End March 1993 and 1997**

Amount outstanding Size class (Rs.)			<i>Percentage Share</i>			
			1993		1997	
			Number of accounts	Amount outstanding	Number of accounts	Amount outstanding
<=	1000	14.7	1.6	8.3	0.7	
1000	- 2500	22.7	8.2	14.7	3.6	
2500	- 5000	28.0	20.8	24.0	12.7	
5000	- 7500	15.1	18.9	17.1	14.9	
Upto	7500	80.5	49.5	64.1	31.9	

7500	–	10000	7.1	12.5	10.8	13.7
10000	–	15000	7.3	18.2	14.1	24.2
15000	–	25000	5.1	19.8	11.0	30.2
<b>Total</b>			<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

The distribution over 'type of account' showed that the share of 'term loans', both in terms of number of accounts as well as amount outstanding, increased from 56.7 per cent to 60.9 per cent and 52.1 per cent to 54.2 per cent, respectively, between the two survey periods (Table 19). The share of demand loans increased marginally from 23.5 per cent to 23.9 per cent of the total amount outstanding during the period under reference. Consequently, all other types of accounts showed marginal declines in their shares both in number of accounts and amount outstanding.

**Table 19 : Distribution of Small Borrowal Accounts by Type of Account as on End March 1993 and 1997**

Type of account		<b>Percentage Share</b>			
		1993		1997	
		Number of accounts	Amount outstanding	Number of accounts	Amount outstanding
1.	Cash credit	11.6	11.5	9.9	10.8
2.	Overdraft	1.5	2.6	1.5	1.9
3.	Demand loan	19.5	23.5	18.5	23.9
4.	Term loan	56.7	52.1	60.9	54.2
5.	Others	10.4	9.9	9.0	8.8
	<b>Total @</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

@ : Total includes unspecified.

The shares of the borrowal accounts of scheduled tribe and scheduled castes have declined marginally, in terms of number of accounts, although their shares in terms of amount outstanding increased between the two survey periods (Table 20). The changes in the percentages were, however, marginal.

**Table 20 : Distribution of Small Borrowal Accounts by Social Group as on End March 1993 and 1997**

Social Group		<b>Percentage Share</b>			
		1993		1997	
		Number of accounts	Amount outstanding	Number of accounts	Amount outstanding
1.	Scheduled Tribe	9.6	5.2	8.9	6.6
2.	Scheduled Caste	18.0	12.4	17.8	12.7
3.	Others	71.3	81.5	72.7	80.1
	<b>Total @</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

@ : Total includes unspecified.

#### SECTION IV

##### Summary

The salient features of the survey are summarised below:

1. The number of small borrowal accounts, i.e., accounts with credit limit of 'Rs.25,000 or less', showed a continuous decline from March 1993 onwards, although in terms of amount outstanding, an increasing trend was observed. The share of these accounts in total number of accounts, had also decreased during March 1993 to March 1996.

2. Nearly half of the small borrowal accounts was from Nationalised banks and one fourth of the accounts belonged to RRBs; one-half of the amount outstanding is accounted by the former while only 17.9 per cent pertained to the latter.
3. More than three-fourths of the small borrowal accounts as well as the amount outstanding were from rural and semi-urban areas.
4. While 97 per cent of the small borrowal accounts pertained to individuals, about 21.6 per cent of the small borrowal accounts belonged to women borrowers.
5. Term loans accounted for the highest share at 61 per cent in terms of number of accounts and also in terms of amount outstanding at 54 per cent.
6. About 18 per cent of small borrowal accounts pertained to Scheduled Castes and 9 per cent to Scheduled Tribes accounting for 13 per cent and 7 per cent of the amount outstanding, respectively.
7. Among the loan schemes, IRDP accounted for one-third in number of accounts and one-fourth in terms of amount outstanding. However, majority (44 per cent) of the loans were not covered under any specified schemes of lending.
8. More than three-fifths of the small borrowal accounts had amount outstanding at 'Rs.7,500 or less' and these accounts had a share of about 31.9 per cent in the amount outstanding. About one-tenth of the accounts belonged to the size class of 'Rs.15,000 – Rs.25,000' accounting for 30 per cent of the amount outstanding.
9. The occupational group, 'agriculture and allied activities' held a major share of more than two-fifths of the total in terms of both number of accounts and amount outstanding followed by 'personal loans & professional services' and 'trade'.
10. About 46.5 per cent of the accounts were found to be NPAs which accounted for 35.4 per cent of the amount outstanding against all small borrowal accounts. Around 34-35 per cent of the amount outstanding for small borrowal accounts, was classified as non-performing assets for public sector banks while the corresponding share for Regional Rural Banks stood at 48.4 per cent. The share of NPAs was the highest (43.0 per cent of the amount outstanding) in rural areas and the lowest (16.4 per cent) in Metropolitan areas.
11. The share of non-performing assets in amount outstanding, in the case of small borrowal accounts, was high in 'Transport', 'Trade' & 'Industry' compared with that of the 'Agriculture & Allied activities' group. Across the size classes of amount outstanding, the share of NPAs, in terms of number and amount outstanding, decreased with the increase in size class from more than half in the lowest size class to about one-fifth in the highest size class.
12. Only marginal changes in the distribution of small borrowal accounts over occupational groups were observed between the two survey periods (viz., 1993 and 1997) except personal loans and professional services which had witnessed nearly two-fold rise in its share in number of accounts.
13. The distribution of small borrowal accounts over the size classes of amount outstanding, showed a perceptible shift towards the higher size classes over the two survey periods.

**APPENDIX I**  
**Sampling Design Estimation Procedure**

### Sampling Design

The frame for selection of sample branches consisted of the branches of all scheduled commercial banks including Regional Rural Banks. These branches were grouped into four bank groups *viz.*, State Bank of India and its Associates, Nationalised Banks, Regional Rural Banks and Other Commercial Banks (including Foreign Banks). These branches were further grouped into four population groups, *i.e.*, Rural, Semi-Urban, Urban and Metropolitan, depending on the location of the branch. The frame for selection of branches was prepared based on a list of branches as at the end of March 1994. One per cent sample of branches, *viz.*, 633 branches, was selected circular systematically; further, a reserve sample of 130 branches was also selected to take care of likely non-response.

The second stage units were borrowal accounts and each selected branch was required to select about 10 per cent of the borrowal accounts using linear systematic sampling procedure from the ledgers of accounts. These could include borrowal accounts with credit limit over Rs.25,000 also. With a view to making the task of selection of accounts by the selected branch simpler and operationally feasible, the branches were instructed to select the 5<sup>th</sup> account first and thereafter every 10<sup>th</sup> account, in the same order as they were maintained in their ledger book. In respect of the sampled borrowal accounts, detailed information such as occupation, type of account, type of organisation, loan scheme and social group, type of asset, *etc.*, was obtained. The estimation procedure is outlined below.

### Estimation Procedure

Notation	Description
$i$	$i^{\text{th}}$ selected bank branch
$j$	$j^{\text{th}}$ selected account within a branch
$k$	$k^{\text{th}}$ Occupation group within a branch
$r$	$r^{\text{th}}$ bank group
$s$	$s^{\text{th}}$ population group
$N$	Total number of bank branches (population)
$M$	Total number of accounts (population)
$Y$	Total amount outstanding for a branch
$n$	Number of sample bank branches
$m$	Number of sample accounts
$y$	Total amount outstanding for all sample accounts of the branch
$Z$	Character under study (Population)
$z$	Character under study (Sample)
$\hat{Z}$	Estimate of $Z$

$r$  : 1 = SBI & Associates                       $s$  : 1 = Rural  
2 = Nationalised banks                      2 = Semi-urban  
3 = Regional Rural Banks                    3 = Urban  
4 = Other scheduled commercial banks    4 = Metropolitan

The expression for the estimate of the character under study is given as,





Other Schemes - 6  
Loans not covered under any scheme - 7

- (vi) **Social Group :**  
Scheduled tribe - 1  
Scheduled Caste (including neo Buddhists) - 2  
Others - 3

**Occupation Codes for Accounts with Credit Limits of Rs. 25,000 and Less**

<b>Occupation</b>	<b>Code</b>	<b>Occupation</b>	
<b>1. Short term finance for cultivation of food and cash crops excluding plantation crops</b>		Pesticides and seeds	612
Cereals	011	Agricultural-implements and machinery	613
Sugarcane	012	Other wholesale trade	619
Cotton	013	(b) <b>Retail</b>	
Jute and Mesta	014	Fertilisers	621
Oilseed	015	Pesticides and seeds	622
Tobacco	016	Agricultural-implements and machinery	623
Pulses	017	General merchandise through private retail traders	625
Floriculture and Horticulture	018	Public utility services through private retail traders	626
All other crops	019	General merchandise through consumer co-operative stores	627
<b>2. Cultivation of plantation crops</b>		Public utility services through consumer co-operative stores	628
(a) <b>Tea</b>		Building materials	632
Short Term	021	Other retail trade	639
Medium / Long Term	022		
(b) <b>Coffee</b>		<b>7. Transport</b>	
Short Term	023	Cycle-rickshaws, hand and animal drawn carts	711
Medium / Long Term	024	Taxis, auto-rickshaws, scooters etc.	712
(c) <b>Rubber</b>		Other land transport	713
Short Term	025	Inland water transport	722
Medium / Long Term	026		
(d) <b>Fruits</b>		<b>8. Personal Loans and professional services</b>	
Short Term	027	Professional services	930
Medium / Long Term	028	Hotels and Restaurants	940
(e) <b>Others</b>		Recreation services	950
Short Term	031	Repair & servicing work	970
Medium / Long Term	032	Other services	980
<b>3. Other types of direct finance to agriculture</b>	<b>081</b>	Housing Loan under NHB scheme	991
<b>4. Activities allied to agriculture</b>		Purchase of consumer durables (other than those given to staff)	993
Dairying	091	Staff Housing Loans (Other than those given to staff)	994
Poultry farming	092	Other housing loans	995
Fishing	093	Education	996
Forestry and Logging	094	Personal loans against shares, debentures, FDR, Govt. Securities, etc.	990
Others	099	Other personal loans (Other than	
<b>5. Industries</b>			
(a) <b>Small scale industries</b>			
Artisans & Craftsmen	961		
Village & Cottage industries	390		
Dairy, Bakery & Confectionery			



Products	201	those given to staff)	997
Other small scale industries	398	Loans to staff for purposes other	
(b) <b>Other industries</b>	<b>399</b>	than housing (including loans	
		against FDRs, Shares, etc.)	998
<b>6. Trade</b>		<b>9. Indirect finance to agriculture not</b>	
(a) <b>Wholesale</b>		<b>covered elsewhere</b>	<b>082</b>
Building materials	605	<b>10. All others including unclassified/</b>	
Fertilisers	611	<b>DDRR</b>	<b>999</b>

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