

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3143
ANSWERED ON:19.08.2011
CREDIT FLOW TO RURAL POORS
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Will the Minister of FINANCE be pleased to state:

- (a) whether credit flow to rural poor has dried up due to which informal sector lenders have increased their lending rate by 10 per cent a month;
- (b) if so, the details thereof for the last three years, State-wise including Andhra Pradesh and reasons therefor; and
- (c) the steps being taken to revive the situation for the remaining period of Eleventh Five Year Plan?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI NAMO NARAIN MEENA)

(a) to (c) : As per All India Debt and Investment Survey of National Sample Survey Organization in 2003, the share of institutional credit which stood at 31.7% in 1971 increased to 61.1% in 2002. The share of money lenders came down from 36.1% in 1971 to 26.8% in 2002. The details of distribution of debt across major States including Andhra Pradesh for 2003 is given below. Information regarding lending rates charged by informal sector lenders are not available with the Government.

Distribution of Debt by Sources across Major States: 2003

(In Percentages)

	Institutional	Non-Institutional	Total							
State	Government	Cooperatives	Bank Lenders	All Money Traders	Others	All				
Maharashtra	1.2	48.5	34.1	83.8	6.8	0.8	8.6	16.2	100.0	
Kerala	4.9	28.3	49.1	82.3	7.4	1.7	8.5	17.6	100.0	
Uttaranchal	31.5	4.8	39.8	76.1	5.9	1.7	16.3	23.9	100.0	
Orissa	13.0	18.1	43.7	74.8	14.8	0.8	9.5	25.1	100.0	
Chhattisgarh	1.3	20.6	50.5	72.4	13.0	4.2	10.5	27.7	100.0	
Gujarat	0.5	41.8	27.2	69.5	6.5	4.4	19.6	30.5	100.0	
Karnataka	1.9	16.9	50.1	68.9	20.0	1.9	9.3	31.2	100.0	

Haryana	1.1	23.9	42.6	67.6	24.1	3.1	5.3	32.5	100.0
Jammu & Kashmir	13.1	0.2	54.3	67.6	1.1	15.5	15.7	32.3	100.0
Himachal Pradesh	6.1	11.6	47.6	65.3	7.2	5.5	22.0	34.7	100.0
Jharkhand	3.9	4.5	55.7	64.1	19.0	1.7	15.2	35.9	100.0
Uttar Pradesh	2.4	6.7	51.2	60.3	19.1	2.9	17.7	39.7	100.0
West Bengal	10.3	19.2	28.5	58.0	13.0	10.7	18.4	42.1	100.0
Madhya Pradesh	1.9	16.9	38.1	56.9	22.6	9.0	11.4	43.0	100.0
Tamil Nadu	2.0	23.3	28.1	53.4	39.7	0.4	6.4	46.5	100.0
Punjab	1.9	17.6	28.4	47.9	36.3	8.2	7.6	52.1	100.0
Bihar	2.2	2.5	37.0	41.7	32.8	1.1	24.6	58.5	100.0
Assam	7.0	2.7	27.8	37.5	15.5	12.0	35.1	62.6	100.0
Rajasthan	1.3	5.9	27.0	34.2	36.5	19.2	10.1	65.8	100.0
Andhra Pradesh.	1.0	10.4	20.0	31.4	53.4	4.8	10.4	68.6	100.0
All India	2.5	19.6	35.6	57.7	25.7	5.2	11.5	42.4	100.0

Source: NSSO: Situation Assessment Survey of Farmers, 2003.(Quoted in the Report of the Expert Group on Agricultural Indebtedness)