

Disparities in the Economy conditions of Indian states in both Rural and Urban areas to overcome COVID-19 situation with the help of Scheduled Commercial Banks (SCBs)

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Abstract:

In the present pandemic situation entire world is locked and under pressure economic conditions. Nature has its own strategy in changing the life styles of the world and economy conditions. Many countries has faced various disasters and somehow succeeded in stabilizing their economy conditions with their own strategies that might appropriate to their cultural activities. When compare to other countries India has different cultures and tradition in the name of unity in diversities, with these situation Indian administrators has to think in an innovative way to overcome the drained economy with this unknown pandemic called "COVID-19". Economy Development and Financial Inclusion are the main bastions for faster growth and better income distribution in an economy of the country. Irrespective of location i.e. Rural and Urban, timely credit with affordable costs of funds to the Priority Sectors in improving their living standards is the responsibility of the financial institutions in India. India's economy encompasses of two main sectors, namely, Priorities and Non Priorities in both Rural and Urban areas. This research paper describes the inequalities in the economy conditions among Indian states and also the disparities between rural and urban areas of the country. The most positive way of gearing our economy to be sustainable for long-run is through organised institutions; preferably with through Commercial Sector Banks.

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Introduction:

It's a trend of COVID- 19 and an appropriate time to announce farm loan waivers announcements in the country to strengthen the primary sector of the country. As many states including newly elected state governments in India had declared packages for loan write-offs for small and medium land owning farmers¹. Experts suggest the farm loan waivers announced by these state governments are nothing but populist "political" measures taken by these governments in the run-up for the 2019 Lok Sabah elections. Despite of loan waives and promotional drives implementing by the Central and State governments to encourage the economy growth of

the country, many states are still not recording the expected economy growth due to some internal and external barriers of political, geographical and climatic conditions⁹.

Positive result is evidenced in the FY 2018-19 in recovering the profit sizing assets of Commercial Banks with Prompt Corrective Actions (PCA) implemented by RBI. Many transformations in regulatory policies and stringent actions taken by government authorities in terms of mergers and acquisitions of banks emanated in improving banking product quality². The instigation of certain policies in expanding the ambit of PMJDY, PMFBY and PMVY from every household to every adult and

the ongoing third phase of the financial inclusion plan is expected to ameliorate the priority sections of the society³. Furthermore, capital infusion in weak RRBs and operationalisation of an increased number of SFBs and PBs is expected to enable the expansion of the geographical penetration of banking services like online funds transactions, employability and digital literacy in dealing the funds⁸. The Present study is the comparison of state wise rural and urban areas with reference to economical growth, employment, literacy rate and number of bank offices in India. The divergence between rural and urban areas in the states of Indian regions is also partly analysed in this study.

Need for the research:

12 large states have registered a Gross Domestic Product (GDP) growth of above 6.7, which is the national average in FY18. With a GDP of 11.3, Bihar registered the highest growth rate in the country in the FY18 followed by Andhra Pradesh at 11.2, Gujarat - 11.1, Telangana - 10.4 and Karnataka 9.3 taking the top five spots. Jharkhand - 4.6, Kerala - 5.0, Punjab - 6.2, UP - 6.4 and Chhattisgarh 6.7 were at the bottom of the list in terms of GDP growth in the same period. In fact, 12 out of 17 non-special states saw faster growth in fiscal 2018 compared with the previous five years despite the national trend of a slowdown in GDP growth in fiscal 2018³.

But this growth hasn't been equitable as low-income states have not sustained, high growth long enough to meaningfully bridge the per capita income gap with the high-income states. In fiscal 2008, 8 of 17 states had per capita income lower than the national average⁵. Of these, only 4 grew faster than the all-India rate in the following 5 years. This means that only half of the low-income states started catching up with faster growth. These states were Bihar, Madhya Pradesh, Rajasthan, and Jharkhand. Uttar Pradesh, Chhattisgarh, West Bengal and Odisha continued to lag.

Among the 9 high-income states which had higher per capita income than the national average in fiscal 2008, 6 recorded faster growth in the following five

years. These were Tamil Nadu, Telangana, Gujarat, Kerala, Haryana and Maharashtra⁶.

A few reports also stated that the faster growth rate has however not translated into job creation. In the report titled States of Growth 2.0, which focused on how macroeconomic performance evolved in fiscal 2018, it showed that growth has also not quite been beneficial for job creation for the majority of states⁶. Eleven of 17 states recorded lower than all-India growth in 'employment-intensive' sectors (namely manufacturing, construction and trade, hotels transport and communication services).

"Most states are not spending as they ought to, in areas such as health, irrigation, and education," the report said. On the fiscal front, most states veered off the Fiscal Responsibility and Budget Management Act (FRBM) line.

Despite this, due to little fiscal leeway for the Centre and increased share of states in central transfers, states are now the new engines of public spending. "Indeed, states appear to have taken the baton from the Centre in terms of spending – especially capital expenditure – in recent years⁵. This has become more relevant after the 14th Finance Commission increased the allocation of funds to states and gave them the leeway to prioritise spending as per need. Nearly two-thirds of the capital expenditure (capex) in the economy now is being incurred by the states. The research study mainly focuses on state wise population variation in rural and urban areas and discrepancy in different determinants of economical growth in those areas⁶.

Table 1: Composition of Indian States & Union Territories:

S.No.	Region	No. of states	States
1	Eastern States	5	West Bengal, Andaman Nicobar (UT), Bihar, Jharkhand, Odisha
2	Southern States	7	Telangana, Andhra Pradesh, Karnataka, Tamil Nadu, Kerala, Pondicherry (UT), Lakshadweep (UT)
3	Western States	5	Maharashtra, Gujarat, Goa, Dadra Nagar Haveli (UT), Daman & Diu (UT)
4	Northern States	11	Delhi, Haryana, Rajasthan, Punjab, Himachal Pradesh, Jammu & Kashmir, Chandigarh (UT), Uttar Pradesh, Uttarakhand, Madhya Pradesh, Chhattisgarh
5	North Eastern States	8	Assam, Meghalaya, Sikkim, Arunachal Pradesh, Nagaland, Tripura, Mizoram, Manipur
Total		36	29 States and 7 Union Territories

UT: Union Territory

Objective of the research:

1. To analyze the regional disparities in economical growth of Indian States

- To enumerate the state-wise unemployment and literacy divergence in rural and urban areas.
- To anatomise the involvement of Scheduled Commercial Banks in regional growth of Indian states.

Scope of the Research:

The scope of this study emphasizes on regional growth of the Indian states and has concentrated on the role of employment, literacy and banks in the economic growth of regions in India and attempted to analyse the regional dimension of financial inclusion, although in a limited sense, in terms of state-wise allocation of credit, deposits and fiscal and revenue deficiencies⁷. It was observed that the distribution of bank credit across sectors and regions is not equitable. Given the level of potential output, Indian economy is well poised to achieve an impressive growth in near future. This paper is also concentrates on spread of Scheduled Commercial Banks in the rural and urban area of Indian regions.

Methodology of the Research:

Data Collection: The secondary data is used for this study that has collected from various statistical tables provided in the RBI and NITI Aayog websites.

For this study all the states and Union Territories in India are taken into consideration and those regions urban as well as rural areas segregation has done as per the requirement of research.

Techniques used in the study:

- Coefficient of correlation method is used to know the relationship between rural and urban region variations.
- Comparative study has done for each region in the total chosen aspects of research.

Limitation of the Research:

While analysing the economical aspects, the study considered only the secondary data provided by the authorised regulatory authorities and the socio economic data of the each region is not taken into consideration.

Analysis and Interpretation:

State wise total population:

Table 2: Population of Southern States in India

S.No	Southern States of India	POPULATION (Source: Census of India 2011) Numbers			State-wise Decadal Growth Rate of Population (Percentage) 2001-2011
		TOTAL	RURAL	URBAN	
1	Andhra Pradesh	8,46,65,533	5,63,11,788	2,83,53,745	10.98
2	Karnataka	6,11,30,704	3,75,52,529	2,35,78,175	15.6
3	Kerala	3,33,87,677	1,74,55,506	1,59,32,171	4.91
4	Lakshadweep	64429	14121	50308	6.3
5	Pondicherry	1244464	394341	850123	28.08
6	Tamil Nadu	7,21,38,958	3,71,89,229	3,49,49,729	15.61
7	Telangana*	--	--	--	--
TOTAL		73447851	37597691	35850160	

Source: Hand book of Census of India 2011

* Telangana is a newly formed state in the year 2014
Interpretation: Among the southern states of India, Andhra Pradesh has highest total population and rural population. But the union territory 'Pondicherry' recorded highest decadal growth rate as per the 2011 census. The Lakshadweep is the least populated state among southern states of India.

Table 3: Population of Western States in India

S.No	Western States of India	POPULATION (Source: Census of India 2011) Numbers			State-wise Decadal Growth Rate of Population (Percentage) 2001-2011
		TOTAL	RURAL	URBAN	
1	Goa	1457723	551414	906309	8.23
2	Gujarat	6,03,83,628	3,46,70,817	2,57,12,811	19.28
3	Maharashtra	11,23,72,972	6,15,45,441	5,08,27,531	15.99
4	Dadra Nagar Haveli	342853	183024	159829	55.88
5	Daman and Diu	242911	60331	182580	53.76
TOTAL		174800087	97011027	77789060	--

Source: Hand book of Census of India 2011

Interpretation: Among the Western states of India, Maharashtra has highest total population and rural population. But the union territory 'Dadra Nagar Haveli' recorded highest decadal growth rate as per the 2011 census. The Daman and Diu is the least populated state among western states of India.

Table 4: Population of Eastern States in India

S.No	Eastern States of India	POPULATION (Source: Census of India 2011) Numbers			State-wise Decadal Growth Rate of Population (Percentage) 2001-2011
		TOTAL	RURAL	URBAN	
1	Andaman and Nicobar Islands	379944	244411	135533	6.86
2	Bihar	10,38,04,637	9,20,75,028	1,17,29,609	25.4
3	Jharkhand	3,29,66,238	2,50,36,946	7929292	22.42
4	West Bengal	9,13,47,736	6,22,13,676	2,91,34,060	13.84
5	Odisha	4,19,47,358	3,49,51,234	6996124	14.05
TOTAL		270445913	214521295	55924618	--

Source: Hand book of Census of India 2011

Interpretation: Among the Eastern states of India, Bihar has highest total population and rural population and also recorded highest decadal growth rate as per the 2011 census. The Andaman Nicobar Island is the least populated state among Eastern states of India.

Table 5: Population of Northern States in India

S.No	Northern States of India	POPULATION (Source: Census of India 2011) Numbers			State-wise Decadal Growth Rate of Population (Percentage) 2001-2011
		TOTAL	RURAL	URBAN	
1	Chandigarh	1054686	29004	1025682	17.09
2	Chhattisgarh	2,55,40,196	1,96,03,658	5936538	22.61
3	Delhi.	1,67,53,235	419319	1,63,33,916	21.21
4	Haryana.	2,53,53,081	1,65,31,493	8821588	19.9
5	Jammu and Kashmir.	1,25,48,926	9134820	3414106	23.64
6	Himachal Pradesh.	6856509	6167805	688704	12.94
7	Madhya Pradesh	7,25,97,565	5,25,37,899	2,00,59,666	20.35
8	Uttarpradesh.	19,95,81,477	15,51,11,022	4,44,70,455	20.23
9	Punjab.	2,77,04,236	1,73,16,800	1,03,87,436	13.89
10	Rajasthan	6,86,21,012	5,15,40,236	1,70,80,776	21.31
11	Uttarakhand	1,01,16,752	7025583	3091169	18.81
TOTAL		466727675	335417639	131310036	--

Source: Hand book of Census of India 2011

Interpretation: Among the Northern states of India, the largest populated state is Uttarpradesh and also largest in India as well as in rural population. The state Jammu & Kashmir recorded highest decadal growth rate as per the 2011 census. The Himachal Pradesh is the least populated state among Northern states of India.

Table 6: Population of Northern Eastern States in India

S.No	North Eastern States of India	POPULATION (Source: Census of India 2011) Numbers			State-wise Decadal Growth Rate of Population (Percentage) 2001-2011
		TOTAL	RURAL	URBAN	
1	Arunachal Pradesh.	1383000	1066000	317000	26.03
2	Assam.	31206000	26807000	4399000	17.07
3	Manipur.	2570000	1736000	834000	24.5
4	Meghalaya.	2966000	2371000	595000	29.95
5	Mizoram.	1097000	525000	572000	23.48
6	Nagaland.	1979000	1408000	571000	-0.58
7	Sikkim.	611000	457000	154000	12.89
8	Tripura.	3673000	2712000	961000	14.84
TOTAL		45485000	37082000	8403000	

Source: Hand book of Census of India 2011

Interpretation: Among the Northern eastern states of India, the largest populated state is Assam and also largest in rural population. The state Meghalaya recorded highest decadal growth rate and Nagaland recorded a negative decadal growth rate as per the 2011 census. The Sikkim is the least populated state among Northern eastern states of India.

Table 7: Consolidated population and decadal growth in Regions of Indian States

S No	Region	Total Population as per 2011 census	Share in Total Population
1	Southern States	73447851	7%
2	Western States	174800087	17%
3	Eastern States	270445913	26%
4	Northern States	466727675	45%
5	North Eastern States	45485000	5%
Total		1030906526	100

Source: Handbook of Census of India 2011

Interpretation: In India, among all the regions Northern region has highest population. More number of states is there in the Northern region when compared to other regions. Least populated states are North Eastern regions and is followed by Southern states.

Table 8: Consolidated population and decadal growth in Rural & Urban Regions of Indian States

S No	Region	Total Rural Population as per 2011 census	Share in Total Rural Population	Total Urban Population as per 2011 census	Share in Total Urban Population
1	Southern States	37597691	5%	35850160	11.5%
2	Western States	97011027	13.5%	77789060	25%
3	Eastern States	214521295	30%	55924618	18%
4	Northern States	335417639	46.5%	131310036	42.5%
5	North Eastern States	37082000	5%	8403000	3%
Total		721629652	100%	309276874	100%
Coefficient of Correlation		r = 0.859			

Source: Handbook of Census of India 2011

Interpretation: Almost in all the regions the rural population is higher than the urban population that is proving that the villages are backbone of India. As per the total population even the rural and urban population share is more in Northern region. There is a strong positive correlation between rural and urban population in Indian regions.

State wise Unemployment and Literacy rate in India:

Table 9: Unemployment and Literacy rate in Southern States of India:

S.No	Southern States of India	Unemployment		Literacy as per 2011 census (Percent)
		Rural Unemployment rate: usual status	Urban Unemployment rate: usual status	
		FY: 2011-2012 (Per 1000)	FY: 2011-2012 (Per 1000)	
1	Andhra Pradesh	12	43	67.02
2	Karnataka	9	29	75.37
3	Kerala	68	61	94
4	Lakshadweep	160	115	91.85
5	Pondichery	8	29	85.85
6	Tamil Nadu	20	27	80.09
7	Telangana*	--	--	--
TOTAL		277	304	71% ¹
Coefficient of correlation r		0.9811		

Source: NSSO Employment & Unemployment Survey Reports, NITI Aayog.

*Telangana is a newly formed state in the year 2014

1 - Average Literacy Rate for Southern States of India

Interpretation: Urban unemployment rate is higher than the rural unemployment rate in Southern India; this is mainly due to the employment provided for rural development by the government authorities under MGNREGA. Lakshadweep is mainly facing

the problem of unemployment. Even though Karnataka state literacy position is at medium level it has more employable facility. Kerala is the state that has highest literacy as per census 2011.

Table 10: Unemployment and Literacy rate in Western States of India:

S.No	Western States of India	Unemployment		Literacy as per 2011 census (Percent)
		RURAL UNEMPLOYMENT RATE: USUAL STATUS	URBAN UNEMPLOYMENT RATE: USUAL STATUS	
		FY: 2011-2012 (Per 1000)	FY: 2011-2012 (Per 1000)	
1	Goa	51	46	88.7
2	Gujarat	3	8	78.03
3	Maharashtra	7	23	82.34
4	Dadra Nagar Haveli	NA	NA	76.24
5	Daman and Diu	NA	5	87.1
TOTAL		61	82	82.5 ²
Coefficient of correlation		0.9385		

Source: NSSO Employment & Unemployment Survey Reports, NITI Aayog.

NA: Not Available

2 - Average Literacy rate of Western States of India

Interpretation: In the Western States of India, except Goa other states and UTs have better employment position. In Goa unlike southern states, rural unemployment is higher than the urban unemployment though that state has highest literacy rate as per census 2011.

Table 11: Unemployment and Literacy rate in Eastern States of India:

S No	Eastern States of India	Unemployment		Literacy as per 2011 census (Percent)
		Rural unemployment rate: usual status	Urban unemployment rate: usual status	
		FY: 2011-2012 (Per 1000)	FY: 2011-2012 (Per 1000)	
1	Andaman and Nicobar Islands	54	86	86.63
2	Bihar	32	56	61.8
3	Jharkhand	21	51	66.41
4	West Bengal	27	48	76.26
5	Odisha	22	35	72.89
TOTAL		156	276	73 ³
Coefficient of correlation		0.9445		

Source: NSSO Employment & Unemployment Survey Reports, NITI Aayog.

3 - Average Literacy rate of Eastern states of India

Interpretation: Andaman Nicobar Islands has highest unemployment position though it has highest literacy rate among Eastern states of India. The remaining states more or less equal status in unemployment and literacy as per 2011 census.

Table 12: Unemployment and Literacy rate in Northern States of India of India:

S No	Northern States of India	Unemployment		Literacy as per 2011 census (Percent)
		Rural unemployment rate: usual status	Urban unemployment rate: usual status	
		FY: 2011-2012 (Per 1000)	FY: 2011-2012 (Per 1000)	
1	Chandigarh	8	43	86.05
2	Chhattisgarh	NA	26	70.28
3	Delhi	78	35	86.21
4	Haryana	24	42	75.55
5	Jammu and Kashmir	25	70	67.16
6	Himachal Pradesh	10	40	82.8
7	Madhya Pradesh	4	26	69.32
8	Uttarpradesh	9	41	67.68
9	Punjab	19	28	75.84
10	Rajasthan	7	31	66.11
11	Uttarakhand	25	53	78.82
TOTAL		209	435	75 ⁴
Coefficient of correlation		0.1824		

Source: NSSO Employment & Unemployment Survey Reports, NITI Aayog.

NA: Not Available

4 - Average Literacy of Northern states of India

Interpretation: The least unemployment is recorded in all the northern states of India, due agricultural dependency and MGNREGA implementation. Employment problem is almost doubling in urban when compared to rural areas.

Table 13: Unemployment and Literacy rate in North-Eastern States of India:

S No	North-Eastern States of India	Unemployment		Literacy as per 2011 census (Percent)
		Rural unemployment rate: usual status	Urban unemployment rate: usual status	
		FY: 2011-2012 (Per 1000)	FY: 2011-2012 (Per 1000)	
1	Arunachal Pradesh	17	48	65.39
2	Assam	45	56	72.19
3	Manipur	26	71	76.9
4	Meghalaya	4	28	74.43
5	Mizoram	18	50	91.33
6	Nagaland	151	238	79.6
7	Sikkim	10	23	81.42
8	Tripura	105	251	87.22
TOTAL		376	765	79 ⁵
Coefficient of correlation		0.9496		

Source: NSSO Employment & Unemployment Survey Reports, NITI Aayog.

5 - Average Literacy rate of North eastern States of India

Interpretation: A separate development corporation is established by the government for the cooperation of north-eastern states in India due to that the unemployment position in rural areas is reduced than the urban areas.

Table 14: Consolidated Unemployment and Literacy position in Indian Regions

S No	Region	Total Unemployment position FY: 2011-2012 (Per 1000)	Share in Total Rural Population	Unemployment in Rural Areas	Unemployment in Urban Areas
1	Southern States	581	19.7551853	277	304
2	Western States	143	4.86229174	61	82
3	Eastern States	432	14.6888813	156	276
4	Northern States	644	21.8973138	209	435
5	North Eastern States	1141	38.7963278	376	765
Total		2941	100	1079	1862
Coefficient of Correlation				0.9018	

Source: NSSO employment & Unemployment Survey reports, NITI Aayog

Interpretation: Among the five regions, highest unemployment rate is recorded for north-eastern region followed by northern states. If we compare the employment with population, the unemployment percentage is less in northern regions. Even a separate cooperative society for development and special budget allocations are not resulted in eradicating the unemployment predicament in North-Eastern regions.

Table 15: Regional wise and population group-wise number of functioning offices of commercial banks at the end of December 2018

Region	Population Group					Share in Total number of offices in India
	Rural	Semi-urban	Urban	Metropolitan	Total	
Northern Region	21,481	13,540	11,166	11,075	57,262	38%
North Eastern Region	2,083	1,371	1,152	-	4,606	3%
Eastern Region	11,080	6,213	4,918	2,941	25,152	16.5%
Western Region	5,988	5,588	2,991	8,118	22,685	15%
Southern Region	10,859	14,503	8,152	8,201	41,715	27.5%
All - India	51,491	41,215	28,379	30,335	1,51,420	100%

Source: Handbook of statistics on Indian economy by RBI

Interpretation: It is clearly showing that the number of Scheduled Commercial Banks in northern region is highest among other regions and the unemployment position is also very low in that region. The North-Eastern region that has highest unemployment rate has least percentage of SCBs. It exhibits that number commercial banks will have their impact in creating jobs for the economy development of the regions.

State wise Economy position:

Table 16: Details of funds by Scheduled Commercial Banks in Southern States of India

S.No	Southern States of India	Offices of Scheduled Commercial Banks	Deposits by SCBs in India (₹ Billion)	Credits by SCBs in India (₹ Billion)
1	Andhra Pradesh	6935	2746	3092
2	Karnataka	10041	8357	5825
3	Kerala	6382	4419	2820
4	Lakshadweep	13	10	1
5	Pondicherry	245	162	104
6	Tamil Nadu	10851	7167	8136
7	Telangana	5148	4178	4486
TOTAL		39615	27039	24464
Coefficient of correlation r		0.9221		

Source: Handbook of Statistics on Indian Economy by RBI

Interpretation: In the southern states, Tamil Nadu has highest number of states and high amount of credit is also issued by SCBs in that state. Highest amount of deposits were taken place by SCBs in Karnataka state. Andhra Pradesh state availed high amount of credit than their deposits among the Southern states of India.

Table 17: Details of funds by Scheduled Commercial Banks in Western States of India

S.No	Western States of India	Offices of Scheduled Commercial Banks	Deposits by SCBs in India (₹ Billion)	Credits by SCBs in India (₹ Billion)
1	Goa	684	653	174
2	Gujarat	7922	6404	4839
3	Maharashtra	12462	22928	24502
4	Dadra Nagar Haveli	59	39	17
5	Daman and Diu	47	46	13
TOTAL		21174	30070	29545
Coefficient of Correlation		0.9967		

Source: Handbook of Statistics on Indian Economy by RBI

Interpretation: As per the population even the number of SCBs is also high in Maharashtra the financial capital city of India. Maximum number of public and private sector banks has their headquarters in Mumbai, the capital city of Maharashtra. Predominantly Maharashtra state has highest amount of deposits and credits among western states of India.

Table 18: Details of funds by Scheduled Commercial Banks in Eastern States of India

S.No	Eastern States of India	Offices of Scheduled Commercial Banks	Deposits by SCBs in India (₹ Billion)	Credits by SCBs in India (₹ Billion)
1	Andaman and Nicobar Islands	69	47	18
2	Bihar	6711	3148	1012
3	Jharkhand	2954	1957	543
4	West Bengal	7988	7186	3673
5	Odisha	4839	2689	1010
TOTAL		22561	15027	6256
Coefficient of Correlation		0.9822		

Source: Handbook of Statistics on Indian Economy by RBI

Interpretation: Eastern gateway of India, West Bengal has more number SCBs and also highest amount of deposits and credits among the Eastern states of India. Least number of bank branches is there in Andaman Nicobar islands.

Table 19: Details of funds by Scheduled Commercial Banks in Northern States of India

S.No	Northern States of India	Offices of Scheduled Commercial Banks	Deposits by SCBs in India (₹ Billion)	Credits by SCBs in India (₹ Billion)
1	Chandigarh	441	619	697
2	Chhattisgarh	2516	1324	837
3	Delhi.	3613	11446	10770
4	Haryana.	4842	3664	2149
5	Jammu and Kashmir.	1783	1040	446
6	Himachal Pradesh.	1531	849	264
7	Madhya Pradesh	6581	3414	2221
8	Uttarpradesh.	17022	9536	3927
9	Punjab.	6474	3478	2209
10	Rajasthan	7184	3340	2557
11	Uttarakhand	2049	1225	446
TOTAL		54036	39935	26523
Coefficient of correlation		0.9112		

Source: Handbook of Statistics on Indian Economy by RBI

Interpretation: Though the highest number of branches is there in UP, the largest state of India, deposits and credit amount is highest for Delhi, the capital city of India. The ratio of deposits in credit is highest for Himachal Pradesh and least number of bank branch offices, deposits and credits are recorded in Chandigarh.

Table 20: Details of funds by Scheduled Commercial Banks in North-Eastern States of India

S.No	Northern Eastern States of India	Offices of Scheduled Commercial Banks	Deposits by SCBs in India(₹ Billion)	Credits by SCBs in India (₹ Billion)
1	Arunachal Pradesh.	153	134	34
2	Assam.	2370	1343	572
3	Manipur.	176	90	40
4	Meghalaya.	343	215	58
5	Mizoram.	190	85	30
6	Nagaland.	160	100	35
7	Sikkim.	137	85	23
8	Tripura.	455	220	90
TOTAL		3984	2272	882
Coefficient of Correlation			0.9981.	

Source: Handbook of Statistics on Indian Economy by RBI

Interpretation: Same as population, Assam state has highest number of SCB branches and also recorded more deposits and credits among North-Eastern states of India. In the other states more or less equal number of SCBs is serving as per the percentage of population in that states.

Table 21: Consolidated details of funds by Scheduled Commercial banks in Indian Regions

S No	Region	Offices of SCBs	Share in total offices of SCBs	Deposits by SCBs in India(₹ Billion)	Credits by SCBs in India (₹ Billion)
1	Southern States	39615	28%	27039	24464
2	Western States	21174	15%	30070	29545
3	Eastern States	22561	16%	15027	6256
4	Northern States	54036	38%	39935	26523
5	North Eastern States	3984	3%	2272	882
Total		141370	100	114343	87670
Coefficient of Correlation			0.9247		

Source: Handbook of Statistics on Indian Economy by RBI

Interpretation: In the Indian regions, northern region has highest share of Scheduled Commercial Banks and highest amount deposits. But the percentage of deposits and credits with number of branches is more in western region banks though it has least share in number of branches. The percentage of deposits with the credits is more for Eastern and North Eastern regions of India.

Table 22: Economical deficit position in Southern states of Indian

S No	Southern States of India	Gross Fiscal Deficit (₹ Billion)	Revenue deficit (₹ Billion)	Primary deficit (₹ Billion)
1	Andhra Pradesh	242.1	-52.4	91.3
2	Karnataka	407.5	-1.1	245.4
3	Kerala	239.6	128.6	90.2
4	Lakshadweep	NA	NA	NA
5	Pondicherry	4.4	0	-2.8
6	Tamil Nadu	444.8	174.9	157.5
7	Telangana	290.8	-55.2	173.9
Note: Minus sign (-) indicates surplus in deficit indicator.		1629.2	194.8	755.5

Source: Handbook of Statistics on Indian Economy by RBI

Interpretation: In the FY 2018-2019, the Fiscal deficit for Karnataka state is very high among the southern states of India that resulted in highest primary deficit. Newly formed state, Telangana

recorded maximum revenue surplus that resulted in reducing the primary deficit.

Table 23: Economical deficit position in Western states of Indian

S.No	Western States of India	Gross Fiscal Deficit (₹ Billion)	REVENUE DEFICIT (₹ Billion)	PRIMARY DEFICIT (₹ Billion)
1	Goa	41.1	-1.4	27.4
2	Gujarat	255.8	-60	54
3	Maharashtra	505.9	153.7	162
4	Dadra Nagar Haveli	NA	NA	NA
5	Daman and Diu	NA	NA	NA
Note: Minus sign (-) indicates surplus in deficit indicator.		802.8	92.3	243.4

Source: Handbook of Statistics on Indian Economy by RBI

Interpretation: Maharashtra state's FY 2018-2019 fiscal deficit position is more than 50% of total deficit of western states of India. Gujarat state reduced their revenue deficit and percentage of primary deficit on fiscal deficit of that state is also very low. Percentage of primary deficit in fiscal deficit of Goa is very higher than the other states.

Table 24: Economical deficit position in Eastern states of Indian

S.No	Eastern States of India	Gross Fiscal Deficit (₹ Billion)	REVENUE DEFICIT (₹ Billion)	PRIMARY DEFICIT (₹ Billion)
1	Andaman and Nicobar Islands	NA	NA	NA
2	Bihar	112	-213.1	4.4
3	Jharkhand	74.9	-63.9	18.6
4	West Bengal	238.1	0	-33.3
5	Odisha	155.2	-99.8	100.2
Note: Minus sign (-) indicates surplus in deficit indicator		580.2	-376.8	89.9

Source: Handbook of Statistics on Indian Economy by RBI

Interpretation: Bihar is the state that has highest revenue surplus for the FY 2018-2019, almost their revenue doubled in the current financial year. Bihar followed by Odisha state in improving the revenue surplus amount. Among all the states, West Bengal has primary surplus with zero revenue deficit position.

Table 25: Economical deficit position in Northern states of Indian

S.No	Northern States of India	Gross Fiscal Deficit (₹ Billion)	REVENUE DEFICIT (₹ Billion)	PRIMARY DEFICIT (₹ Billion)
1	Chandigarh	NA	NA	NA
2	Chhattisgarh	100	-44.5	61.5
3	Delhi.	31.6	-44.7	2.1
4	Haryana.	194	82.5	53.6
5	Jammu and Kashmir.	77.2	-137.1	30
6	Himachal Pradesh.	78.2	31.7	35.6
7	Madhya Pradesh	267.8	-2.6	139.1
8	Uttarpradesh.	440.5	-271	116.2
9	Punjab.	197.2	125.4	34.6
10	Rajasthan	280.1	174.5	66
11	Uttarakhand	67.1	-0.3	14.9
Note: Minus sign (-) indicates surplus in deficit indicator		1733.7	-86.1	553.6

Source: Handbook of Statistics on Indian Economy by RBI

Interpretation: In FY 2018-2019, Uttarpradesh and Jammu Kashmir states reduced their primary deficit position by increasing the revenue surplus. Madhya

Pradesh state has highest primary deficit position among Northern states of India.

Table 26: Economical deficit position in North Eastern states of Indian

S.No	Northern Eastern States of India	Gross Fiscal Deficit (₹ Billion)	REVENUE DEFICIT (₹ Billion)	PRIMARY DEFICIT (₹ Billion)
1	Arunachal Pradesh.	5.5	-73	-2.5
2	Assam.	97.7	-27.9	55.8
3	Manipur.	6.1	-16.4	2.6
4	Meghalaya.	11.5	-5	5.6
5	Mizoram.	2.6	-17.3	3.6
6	Nagaland.	8.6	-4.7	8.8
7	Sikkim.	6.9	-6.2	3.7
8	Tripura.	16.1	-10.8	25.8
Note: Minus sign (-) indicates surplus in deficit indicator		155	-161.3	103.4

Source: Handbook of Statistics on Indian Economy by RBI

Interpretation: Among all the regions, North-Eastern states are the only states that have recorded revenue surplus position for FY 2018-2019. The percentage of Primary deficit in fiscal deficit is high for Assam and Tripura.

Table 27: Consolidated Economical deficit position in Indian regions

S No	Region	Gross Fiscal Deficit (₹ Billion)	Share in Total Fiscal Deficit	Revenue Deficit (₹ Billion)	Primary Deficit (₹ Billion)
1	Southern States	1629.2	33%	194.8	755.5
2	Western States	802.8	16.5%	92.3	243.4
3	Eastern States	580.2	12%	-376.8	89.9
4	Northern States	1733.7	35.5%	-86.1	553.6
5	North Eastern States	155	3%	-161.3	103.4
Total		4900.9	100		
Coefficient of Correlation				0.7208	

Source: Handbook of Statistics on Indian Economy by RBI

Interpretation: More or less equal Fiscal deficit is recorded for both Southern and Northern states of India in FY 2018-2019. But the revenue deficit is very high for Southern states and Northern states recorded revenue surplus position. Least amount of fiscal deficit is recorded for North-Eastern states of India. All the regions has Primary deficit, but Eastern regions has least amount of Primary deficit among all the regions of India.

Findings of the research:

- Highest populated region in India is North region but it has second place in unemployment and third place in literacy rate as per the census 2011.
- Least populated state is north eastern region that has highest unemployment but second place in literacy rate.
- Among the five regions, Northern region has more number of bank offices and maximum amount of deposits but western region states availed more credit from the SCBs.

4. In FY 2018-2019, Eastern, Northern and North eastern regions recorded Revenue surplus and among these three regions Eastern states recorded highest revenue surplus but Southern states recorded highest.

5. When it comes to the Fiscal deficit position the largest region, Northern India and third largest region, Southern India have more or less equivalent fiscal deficit position among five regions.

Suggestions:

- It is better to establish a separate regional cooperative society for implementing customised schemes to ever region of India.
- Establishing easy and viable banking services to every region can improve the employability among the regions.
- Economical development will be possible by introducing schemes like MGNREGA even for the urban areas.

CONCLUSION

Where ever it is either National or International, if any two expatriates meets for the first time, they will feel comfortable while speaking with the person who belongs to their native place. This regionalism exists everywhere irrespective of the country in every person. Even though there is a unity in diversity and diversity in unity exists in India, still there are some disparities in employment and income levels due to the certain factor. Every budget session ends with dissatisfaction by any one of the regions in India. In this study that inequalities among the Indian regions and importance of banking network to reduce the growth barriers is analysed. It is suggested that the government authorities should allocate the funds to the regions not only based on their SGDP but also consider the other economical factors like unemployment, literacy, fiscal deficit and revenue deficit status of that regions.

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