ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 11| November 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188

SELECT BANKS' FINANCIAL PERFORMANCE ANALYSIS WITH REGARDS TO AGRICULTURE IN MIZORAM

K.T. Buansing[1], Prof. Lalhriatpuii[2]
[1]*Ph.D Scholar, Department of Economics, Mizoram University*
[2]*Professor, Department of Economics, Mizoram University*

Article DOI: https://doi.org/10.36713/epra24768
DOI No: 10.36713/epra24768

ABSTRACT
This study was an attempt to analyze the performance of select banks based on agricultural loan advancement which was relevant for the analysis. Two banks each from public sector and that of private sector banks within Mizoram were selected randomly. The performance comparison is then carried out on this indicator under which the selected banks were compared. The study also tries to determine how much these chosen banks would contribute to the agricultural sector's sustainability, which employs the bulk of Mizoram's workforce. The data are based on the quarter-end reports i.e. March end, of the State Level Bankers' Committee (SLBC) of the five consecutive study period, basically Data Envelope Analysis (DEA) is employed for the study.
KEY WORDS: *Agricultural Loan Advancement, Public and Private Sector Banks, State Level Bankers Committee, Annual Credit Plan, Data Envelope Analysis*

INTRODUCTION
Banks play a vital role in ensuring the growth and development of any economy by serving as the backbone of financial stability and economic progress. They mobilize savings from the public and channel them into productive investments, thereby stimulating industrial and commercial activities. Through their credit and lending facilities, banks enable entrepreneurs, businesses, and individuals to access the necessary capital for expansion and innovation. Moreover, banks facilitate trade, both domestic and international, by providing financial instruments such as letters of credit and foreign exchange services. Their role extends to maintaining monetary stability through coordination with the central bank, which formulates monetary policies. The close relationship between the political administration and the banking sector is crucial because government policies on taxation, subsidies, and public expenditure often depend on effective banking systems. Thus, banks not only support private enterprises but also act as key instruments for implementing government economic and development policies.

In the banking industry, institutions are broadly classified into Private Sector Banks and Public Sector Banks, both of which contribute significantly to the economy in distinct ways. Private Sector Banks are owned, controlled, and managed by private individuals or corporate entities. They often focus on profitability, efficiency, and innovation, offering advanced services and technology-driven solutions to attract customers. These banks play a vital role in fostering competition and improving service quality in the banking industry. On the other hand, Public Sector Banks are primarily owned and managed by the government. Their main objective is to promote financial inclusion, ensure credit availability to priority sectors such as agriculture, small industries, and rural development, and support the overall socio-economic goals of the country. They are often instrumental in implementing various government welfare schemes and rural development programs. While Private Sector Banks drive modernization and efficiency, Public Sector Banks ensure stability and social equity in the financial system. Together, both sectors form a balanced and comprehensive banking network that strengthens the economy by combining innovation with inclusivity.

BANKING PROFILE OF MIZORAM
The population (as per 2011 Census) served per branch comes to 5931. However, the location of branches in the state has been skewed in cities and urban centres. There are many villages devoid of banking services even with a radius of 80-100 kms. The main reason is setting up of scattered village with a small number of household which makes branch banking unviable. There are a total of 233 Bank branches in Mizoram as on 31st March, 2020 comprising branches of Public Sector Bank, Regional Rural Bank, State Cooperative Apex Bank branches as well as Private Sector Banks including Non-Banking Financial Institution (NBFIs).

The State Level Bankers' Committee (SLBC) has been constituted in April 1977, as an apex inter-institutional forum to create adequate coordination machinery in all States, on a uniform basis for development of the State. SLBC is chaired by the Chairman & Managing Director (CMD) of the convenor bank/Executive Director of the convenor bank It comprises representatives of commercial banks, RRBs, State Cooperative Banks, RBI, NABARD, heads of Government departments including representatives from National Commission for

ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 11| November 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188

Scheduled Castes/Tribes, National Horticulture Board, Khadi & Village Industries Commission etc. and representatives of financial institutions operating in a State, who come together and sort out coordination problems at the policy implementation level. Representatives of various organizations from different sectors of the economy like industry bodies, retail traders, exporters and farmers' union etc. are special invitees in SLBC meetings for discussing their specific problems, if any. The SLBC meetings are held on quarterly basis.

STUDY AREA

According to the State Level Bankers' Committee (SLBC), the record for Quarter Ended Report 31st March, 2023 reveals that there are 24 banking institution in Mizoram as far as the record is concerned. The banking industry plays a crucial role for the survival as well as for the competition among the various sectors of the economy within the state. Banking sectors are well organized in Mizoram under The State Level Bankers' Committee.

OBJECTIVES OF THE STUDY

1. To compare the overall performance of these selected banks under Annual Credit Plan (ACP) disbursement in agriculture.
2. To analyse the bankwise progress under investment credit under agriculture-outstanding report of Mizoram.
3. To study the overall progress under agricultural outstanding report within the study area.

METHODOLOGY

There are 24 banks in Mizoram out of which 2 banks each from public sector and private sector banks were randomly selected for the study. The study was based on secondary data of the State Level Bankers Committee (SLBC)'s quarterly reports from 2020-2021 to 2022-2023 which were analyzed for the study.

The performances of these selected banks were analyzed based on Annual Credit Plan (ACP) disbursement, investment credit under agriculture and progress under agriculture outstanding report. The four banks selected for the study were Punjab National Bank (PNB), State Bank of India (SBI), AXIS Bank and Housing Development Finance Corporation Bank (HDFC).

ANALYSIS

Agricultural sector in the modern age requires a huge investment to meet the basic need for purchase of crops, chemical fertilizers, machinery and equipment. In Indian agriculture sector, the agricultural workers often faced different natural calamities which lead to a loss of their production. The farmers therefore require refinancing to recover their loss or to start up a new venture. In this regard, the participation of the banks comes into the picture by way of providing seed capital for these farmers. Therefore, financing this sector is of at most importance in uplifting the status of the agriculturists.

The need for financial assistance is essential for the successful implementation of any agricultural policy either in the micro level and the macro level as well. In due course, the financial resources could no longer be supported by the government alone, it demands the supply of other financial resources and this insist the involvement of the banking institutions throughout the country. One of the major contributors of agricultural finance in India is that of the National Bank for Agriculture and Rural Development (NABARD). Under the function of NABARD, various agricultural loans are sanctioned with respect short term, medium term and long term respectively. While the financed from NABARD is also contributing much to the development of agricultural sector, the contribution of other banking institutions are inevitable for the fulfilment as well. The condition is also applicable even in the state of Mizoram where various banks are participating in the agricultural financing apart from NABARD financed.

So far, the participation of the banking institution for agricultural finance is not sufficient despite the great requirements from the farmers and cultivators. Speaking of agricultural sector it is a vast subject and that farming alone is not the aim here. The various agricultural sector like fisheries, cultivation in terms of Wet Rice Cultivation, jhuming cultivation, poultry, dairy farming, livestock etc. are included in the agricultural sector. To finance abundantly to entire sector may be far from the reach due to economic instability within the state. But there are certain extents to which the various banks contribute to this agricultural sector from the state of Mizoram.

The contribution of the various banks under the agricultural sector can be compared with the data maintained by the SLBC during three consecutive financial years, with respect to the quarter end report of each Financial Year (FY) as shown in the following table, Table No.1.

ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 11| November 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188

Table No.1: Agricultural Loan Advancement by Selected Public Sector and Private Sector Banks in Mizoram

Sl. No.	NAME OF BANKS	2020-2021			2021-2022			2022-2023			TOTAL		
		Progress Under ACP Disbursement	Progress Under Investment Credit	Progress Under Agricultural Outstanding Report	Progress Under ACP Disbursement	Progress Under Investment Credit	Progress Under Agricultural Outstanding Report	Progress Under ACP Disbursement	Progress Under Investment Credit	Progress Under Agricultural Outstanding Report	Progress Under ACP Disbursement	Progress Under Investment Credit	Progress Under Agricultural Outstanding Report
1.	PNB	238.19	89.50	3416.73	7.68	94.11	3413.83	33.77	98.95	3345.19	**279.64**	**282.56**	**10175.75**
2.	SBI	2213.07	621.08	3480.50	4492.62	2124.89	4385.58	5394.46	1686.20	4910.32	**12100.15**	**4432.17**	**12776.40**
3.	AXIS	1.83	0.00	714.31	122.85	0.00	154.36	0.00	0.00	2077.72	**124.68**	**0.00**	**2946.39**
4.	HDFC	915.82	547.47	1056.07	1214.77	998.98	1290.01	2922.26	2415.51	2521.94	**5052.85**	**3961.96**	**4868.02**

Source: SLBC Record for Mizoram, Quarter End Report of FY 2020-21 to Quarter End Report of FY 2022-23

ISSN (Online): 2455-3662
EPRA International Journal of Multidisciplinary Research (IJMR) - Peer Reviewed Journal
Volume: 11| Issue: 11| November 2025|| Journal DOI: 10.36713/epra2013 || SJIF Impact Factor 2025: 8.691 || ISI Value: 1.188

In the given analysis table we observed that State Bank of India (SBI) has achieved the highest Annual Credit Plan (ACP) as much as Rs 12,100.15 lakh in all the three years of study. From the analysis table we found that AXIS Bank has the lowest achievement under ACP in which the total amount of Rs. 124.68 lakh during the three years of study. It can also be stated from the analysis table that public sector banks have achieved Rs. 12379.79 lakh during three consecutive financial years whereas private banks have achieved an amount of Rs. 5177.53 lakhs as far as the achievement under ACP is concerned.

Therefore, it can be concluded that the best performing bank among the selected four banks under the achievement of ACP during three consecutive financial years is the SBI followed by HDFC Bank Ltd. In the second place, where PNB and AXIS Bank and in the third and fourth place respectively.

The analysis table also revealed that that State Bank of India (SBI) has attained the highest progress under investment credit with reference to the first year of the study (2020-2021) where the amount was Rs. 621.08 lakh, such that at the end of the final year of the study (2022-2023) the amount is Rs. 4332.17, which results to the total progress of Rs. 3811.09 lakh during the study period. Similarly, when the final year of study is compared to the first year of the study, HDFC Bank stood in the second place under the progress of investment credit which amounts to Rs. 3414.49 lakh during the study period. PNB has come to the second place with the progressive amount of Rs. 193.06 lakh, while there is no investment credit under AXIS bank. The overall progress under the Agricultural Outstanding Report which is measured in terms of INR has disclosed that public banks has as much as Rs. 29,952.15 lakh and that of the private banking sectors has the amount of Rs. 7,814.41 lakh under the Agricultural Outstanding Report as far as the study period is concerned.

FINDINGS

The analysis has revealed that public sector banks performed better than those of the private banks under the achievements of ACP during the three consecutive years of the study. The reason being that public sector banks are more stable in financial status which earned the interest of the public when it comes to the risk taking situation of investment. Under the achievement of ACP, the best performing bank among the selected four banks is the SBI which is a public sector bank. *(Objective No. 1)*

The average performance of public sector bank in terms of progress under investment credit is higher in SBI, which is a public sector, compare to HDFC Bank Ltd., which is a private sector bank. Even though HDFC Bank Ltd. is higher than PNB, since AXIS bank has no records under investment credit, public sector banks, again public sector banks has the better achievements under investment credit after a series of analysis in bankwise. *(Objective No. 2)*

The overall performances of the selected banks when compared in terms of Agricultural Outstanding Report has disclosed that public sector banks has perform better that the private sector banks during the study period. *(Objective No.3)*

- Some of the select banks failed to report their quarterly achievement to the State Level Banker's Committee (SLBC), this leads to the missing record of SLBC data.
- During the study it was also found that the data submitted to the SLBC by the banks were often entered wrongly by the SLBC office. This reflects the technical inefficiency of SLBC.
- Due to the pandemic season which struck the financial institution during the first two years of the study, both the private and public sector banks have undergone certain hindrances in the achievement of their ACP and that of the progress in various sector of the economy.

SUGGESTION BASED ON FINDINGS

- There are certain years where the farmers did not meet the criteria for availing agricultural loans as well as any other benefits from the banking institutions. The owners of agricultural lands are the low-income group so the criteria for availing loans should be made simple and accessible even by the agriculture workers.

REFERENCE

1. *Agostino Mariarosaria and Trivieri Francesco (2010), 'Is banking competition beneficial to SMEs? An empirical study based on Italian data', Small Business Economics, Vol. 35, No. 3 pp. 335-355.*
2. *Bridadevi V. (2013), 'A Study on Profitability Analysis of Private Sector Banks In India' IOSR Journal of Business and Management, Volume. 13, Issue -4, pp.45-50.*
3. *Chaudhary, Garima (2014), ' Performance Comparison of Private Sector Banks with the Public Sector Banks in India', International of Emerging Research in Managenment & Technology, Volume. 3, Issue-2.*
4. *Chen, Xiaofen (2005), 'Financial Liberalization, Competition, and Bank Loan Quality', Journal of Economic Integration, Vol. 20, No. 1, pp. 109-122.*
5. *Levitin J. Adam (2016), 'Safe banking: Finance and Democracy', The University of Chicago law Review, Vol. 83, No. 1, pp. 357-455.*
6. *Liscow, Zachary (2016), 'Counter-cyclical Bankruptcy Law: An Efficientcy Argument for employment Preserving Bankruptcy Rules', Columbia Law Review, Vol. 116, No. 6, pp. 1461-1501.*
7. *Sinha, Ram Pratap and Chatterjee, Biswajit (2008), ' Fund-Based Activity of Indian Commercial Banks: A Malmquist Approach' Indian Economic Review, Vol. XXXXIII, No. 1, 2008, pp. 83-102 .*
8. *SLBC Record, Between FY of 2020-2021 and FY of 2022-23.*
9. *Statistical Handbook, Mizoram 2020.*