



Study on Repayment Behavior of Beneficiary Farmers among Kisan Credit Card Scheme in Dewas District of Madhya Pradesh

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DOI: 10.47856/ijaast.2022.v09i03.004

Abstract: India lives in villages. The majority of our country's population depends upon agriculture. Hence, there is a great need for inclusion of rural people in the financial framework. When it is considered rural credit system to facilitate various financial needs of the rural folks or farmers, it has many dimensions. Over the years, NABARD has taken initiatives to supply adequate credit to farmers, which has made the rural finance system more efficient. Kisan credit card users were determined on the basis of the time to which they repaid their loan and categorized into three groups i.e. those who repaid their loan in schedule date termed as 'regulars'. Those who repaid their loan after scheduled date of repayment termed as 'irregulars'. Those who failed to repay their loan on schedule date termed as 'defaulter'. Finding reported that repayment behaviour of KCC holders the result showed that the majority (46.67 per cent) of the respondents were found to repay their credit on timely, 29.17 per cent respondents were found who not capable to repay their credit on time schedule and 24.16 per cent respondents were found who had defaulter

Introduction-

The emergence of "Green revolution" in India in the late sixties, has radically changed the character of Indian agriculture, there was a growing tendency among the farmers to replace the traditional farm practices with scientific and modern practices, which is reflected by the inputs i.e. use of high yielding variety seeds, fertilizers, pesticides, irrigation, machinery and equipments etc. require heavy financial investments, which the majority of the farmers cannot afford from their own savings, therefore they have to depend on borrowed funds. This had naturally increased the demand of providing credit to a large number of farmers, agricultural credit. Therefore, assumes greater importance in the transformation in Indian agriculture from the traditional type of farming to the commercial farming. Credit is essential for adoption of agricultural technology, purchase modern inputs and implements, land development,



purchase of live stock, raw material etc. credit is also essential for non productive requirements including expenses for marriage, death, serious illness and other social happenings in the family.

Kisan Credit Card (KCC) has now been regarded as the only medium of short-term credit for agriculture. The Kisan Credit Card (KCC) scheme was introduced by the Finance Minister in his budget speech in the year 1998-99. From the year 1998-99, the scheme was implemented by public sector commercial banks, RRBs and cooperative banks in the country. It has emerged as an innovative credit distribution system to meet the production credit requirements of the farmers in a timely and easy manner.

According to an announcement made on 26 August 2019, the Reserve Bank of India (RBI) will be providing a 2% subsidy on the rate of interest for any short-term loans of a maximum of Rs.2 lakh that have been availed by farmers who are engaged in animal husbandry and fisheries via the Kisan Credit Card (KCC).

Objective

To measure the repayment behaviour of KCC beneficiary farmers.

Review of Literature-

Bindage *et al*. (2014) studied the economic impact of kisan credit card scheme for sugarcane crop in Kohlapur (Maharashtra). The main objective of the paper was to review the development in the number of Kisan credit card consumers and examine the rate and adequacy of loan under the scheme as compared to loan without KCC. It was recommended that the banks should make efforts to encourage and educate the farmers about the benefits of KCC scheme as well as maximize their reach to cover all the farmers.

Maurya (2015) studied the role of co-operative banks in agriculture in district Mohali (Punjab) with the purpose to assess the impact of agriculture credit provided by co-operative banks in the study area. Further, it also studied the attitude of borrowers and lending agents towards farmers and assessed the impact of credit on assets, level of income, employment, savings etc. it was also found that there was increase and decrease in the rural farm credit by institutional and non-



institutional agencies during the last five decades but the lending institutions faced many problems such as over dues and defaults. It was recommended that instead of giving cheaper credit, banks should also try to inculcate saving habit and monitoring arrangements and controls should be tightened.

K Shama *et al* (2018) Studied that average number of renewal was found to be 5.73 times. It was also found that a total of 43.3 per cent of respondents renewed 5- 7 times followed by 40 per cent of them renewing <5 times. In case of beneficiaries of SBI 46.6 percent respondents renewed <5times followed by 40 percent of them renewed 5-7 times. In case of beneficiaries of Co-operative bank 46.6 per cent of them renewed 5-7 times followed by 33.3 per cent of them renewed <5 times.

Gandhimathi and Sumaiya (2015) evaluated the role of kisan credit card system in the distribution of agricultural credit in the country. It was found that among the selected variables, rural branches of commercial banks, aggregate deposits, agriculture production, borrowing of commercial banks from Reserve Bank of India and the introduction of KCC scheme were significant to determine financial inclusion. Further, it was observed that the regression analysis and logit analysis proved that KCC improved the financial inclusion in the agriculture sector.

Method & Material-

Dewas was selected purposively for the present study due to the fact that this block is one of the important crop cultivation area which needs higher financial assistance according to central bank of India data. In the second stage, block wise list of villages of KCC holders was prepared. Dewas block is constituted of 221 villages according to central bank of india data. And all villages come under KCC scheme. Out of this list 10 villages was selected randomly for the present study. Village wise list of KCC beneficiaries was taken from central bank of india branch Nimarkheri of ten villages. 12 KCC beneficiaries was select randomly from each village. In this way a total of 120 KCC beneficiaries' farmers was taken as respondents for collection of data for this study. The data wascollected through personal interview with the help of a schedule and analyzed with appropriate statistical tools.



Result & Discussion-

1. To measure the repayment behaviour of KCC beneficiary farmers.

Kisan credit card users were determined on the basis of the time to which they repaid their loan and categorized into three groups i.e.

- Those who repaid their loan in schedule date termed as ‘regulars’.
- Those who repaid their loan after scheduled date of repayment termed as ‘irregulars’.
- Those who failed to repay their loan on schedule date termed as ‘defaulter’.

Table - Distribution of the respondents according to their repayment behaviour (n=120)

S. no.	Categories	Frequency	Per cent
1.	Regular	56	46.67
2.	Irregular	35	29.17
3.	Defaulter	29	24.16

Table 4.11 reported that repayment behaviour of KCC holders the result showed that the majority (46.67 per cent) of the respondents were found to repay their credit on timely, 29.17 per cent respondents were found who not capable to repay their credit on time schedule and 24.16 per cent respondents were found who had defaulter.

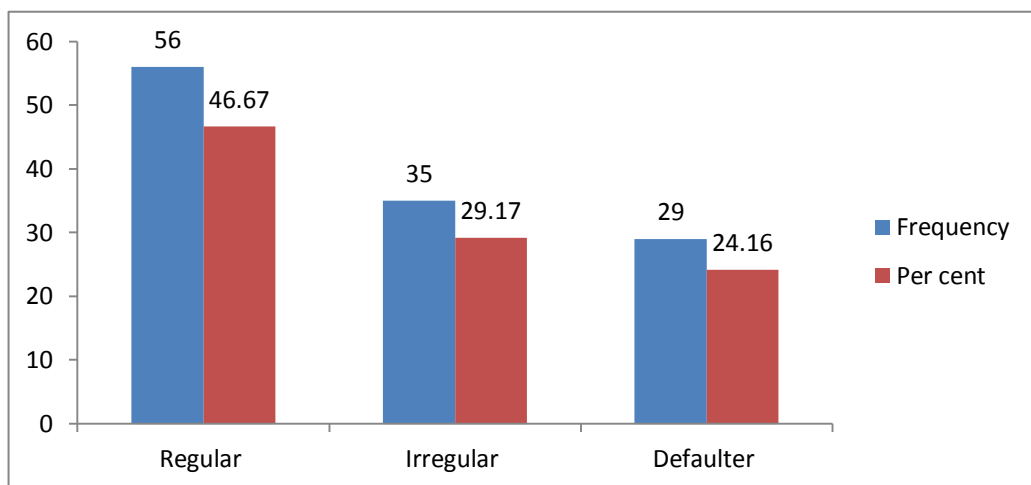




Table- Repayment behaviour of beneficiaries of Kisan credit card holders
(n=120)

S. no.	Statements	Always	Often	Occasionally
1.	Timely repayment	56(46.67%)	35(29.17%)	29(24.16%)
2.	Repayment according to your facilities	60(50.00%)	42(35.00%)	18(15.00%)
3.	Agriculture practices done by successfully	51(42.50%)	45(37.50%)	24(20.00%)
4.	Obtain Loan was sufficient according to need	63(52.50%)	38(31.67%)	19(15.83%)
5.	Loan are availed by all the banks as per the requirement	49(40.83%)	39(32.50%)	32(26.67%)
6.	KCC is fast moving plan to adopt advanced technology	37(30.83%)	56(46.67%)	27(22.50%)
7.	There is no difficulty in getting the loan	42(35.00%)	49(40.83%)	29(24.17%)
8.	Loan scheme is beneficial	62(51.67%)	35(29.16%)	23(19.17%)
9.	Increase production by taking advantage of loan scheme	55(45.83%)	30(25.00%)	35(29.17%)
10.	Family support is obtained by taking a loan	48(40.00%)	33(27.50%)	39(32.50%)
11.	Always use the loan for agriculture work	79(65.83%)	28(23.33%)	13(10.83%)
12.	You are not much attracted towards the loan waiver schemes of the governments	46(38.33%)	49(40.83%)	25(20.83%)



**Table - Receipt of adequate credit from the central bank
(n=120)**

S. no.	Statements	Always	Often	Occasionally
1.	Loan is obtained from the bank as per the requirement	49(40.83%)	39(32.50%)	32(26.67%)
2.	It is easy to get loan	50(41.67%)	46(38.33%)	24(20.00%)
3.	Provides loan under the scheme at any stage in the agriculture business	56(46.67%)	42(35.00%)	22(18.33%)
4.	The loan received was beneficial for you in agriculture business	59(49.17%)	32(26.67%)	29(24.17%)
5.	KCC scheme also give information on agriculture inputs	63(52.50%)	42(35.00%)	15(12.50%)
6.	Not have much problem in taking loan from the bank	48(40.00%)	52(43.33%)	20(16.67%)
7.	Administrative officers also provide full support and facilities to uneducated farmers	46(38.33%)	43(35.83%)	31(25.83%)

Table - Distribution of KCC holders according to use distribution channel(n=120)

S. no.	Statements	Always	Often	Occasionally
1.	Passbook/ATM	55(45.83%)	45(37.50%)	20(16.67%)
2.	Mobile transactions	32(26.67%)	40(33.33%)	48(40.00%)
3.	Check payment	49(40.34%)	46(38.33%)	25(20.83%)



**Table - Distribution of KCC holders according to reason for delayed repayment of loan
(n=120)**

S. no.	Statements	Low	Medium	High
Reason of low income				
1.	Large size of family	32	53	36
2.	Children education	51	42	27
3.	Marriage	46	52	22
4.	Domestic problems	53	39	28
Average	46(38.33%)	47(39.17%)	27(22.50%)	
Family problems				
5.	More number of dependant members	38	43	39
6.	Religious rituals	42	56	22
7.	Long illness	61	39	20
8.	Accident	67	43	10
Average	52(43.33%)	45(37.50%)	23(19.17)	
Natural disasters				
9.	Lack of rain	48	50	22
10.	Scarcity of water resources	52	42	26
11.	Heavy rain/flood	42	53	25
12.	Diseases and pests of crops	33	50	37
Average	44(36.67%)	49(40.83%)	27(22.50%)	

Repayment behaviour of KCC beneficiary farmers

Kisan credit card users were determined on the basis of the time to which they repaid their loan and categorized into three groups i.e. those who repaid their loan in schedule date termed as ‘regulars’. Those who repaid their loan after scheduled date of repayment termed as ‘irregulars’. Those who failed to repay their loan on schedule date termed as ‘defaulter’. Finding reported that repayment behaviour of KCC holders the result showed that the majority (46.67 per cent) of the respondents were found to repay their credit on timely due to probable reason that Better economic condition, Being a small family, the family expenses are less, Good literacy rate, High annual income, Medium to large land holding, Earn more



income by doing intensive farming and Increase income through ancillary businesses. And 35 KCC farmers were found who cannot repay their loan on time or irregular pay due to probable reason that Lower to medium economic condition, Failure to arrange inputs on time, Scarcity of water resources, Large family size, Low to medium annual income, Low to medium literacy rate, Small to medium land holding, Domestic problems and Children education and 29 farmers found who were defaulter due to the reason More number of dependent variable, Low family income, No source of additional income, Large family size, Natural disasters, Wedding expenses, and Long illness. This finding was supported by K.Shama *et al* (2018).

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