

## **GROWTH AND AGENCY WISED INEQUALITY OF ISSUING OF KISAN CREDIT CARD (K.C.C.) IN INDIA**

**Somjit**

Research Scholar

Indira Gandhi University Rewari (Haryana)

**Dr. Sanjay Kumar**

Assistant Professor

Indira Gandhi University Rewari (Haryana)

### **Introduction**

Agriculture has got important role in Indian economy. The growth of Indian economy depends upon the growth and performance of agricultural and allied sector as it accounts for about 55 percent employment of total labour force of the country even through the contribution of agriculture sector to our GDP is about 17.7 percent of year 2017-2018.

However, the importance of this sector cannot be under estimated for performance of Indian economy. Thus, there is a need to sustain the growth of agriculture sector. Many efforts have been made by the Indian government. One of these is to provide adequate credit to the agriculture sector to fulfill the need of farmer and his farm for required input of farm. In the earlier credit delivery system, there was no provision of feed and machines for live stock maintained by the farmer. Repairs and maintenance of farm equipments and machinery which is an unforeseen expenditure that many be arise in his day to day was not treated well.

So there a need to bring change in Agriculture farming Strategy (Policy) Modern farming credit has become one of the crucial input for the purposed Agriculture occupies a significant place and has been regarded as the back borne of Indian economy. India is a country of villages. Agriculture is no doubt an important industry and like other industries, it also requires capital. Among various factors for growth of agriculture and non-agriculture, credit is one of the reasons for low productivity and agriculture cannot develop unless credit facilities are available to the peasants. It is also axiomatic that the credit requirement cannot be provide by private individuals in Agriculture principle of source. The private money lenders do not provides capital to the farmers and they cannot fulfill desirable requirement of the farmers. The financing principal have also not helped the needy

farmers. The farmer is not only to be helped with a loan but also be given the necessary guidance to make the most effective use of finance so that they may maximize their earnings from the land sources. The Government provides different types of agriculture loans to farmers such as short term loan, Medium term loans and Long term loans. This classification of loan is based on the time periods for which the loan is granted to them. This is to meant for meeting the varying needs of farming community.

### **Short Term Loans (K.C.C. Scheme)**

The short term loan which is also know as the crops loan is provided for 6 months to 12 months time period and is meant for meeting the needs of seed fertilizers, labour cattle feed. etc. The farmer can repay the loan after harvesting of crops.

### **KCC Scheme introduced by NABARD Bank**

KCC scheme was introduced in 1998-99 to facilitate farmer to access short term credit from the formal financial institution. The credit under this scheme is sanctioned in production to the size of owned land but there is some flexibility for the farmer cultivating leased in hand in addition to their own holding, the KCC scheme has made a rapid progress number of KCC issued in recent years increased at fast rate.

This has simplified the credit system for farmer and Reserve Bank of India has constituted one man committee of R.V. Gupta in December, 1997. The committee submitted its report's in April, 1998. It was against the background of his Committee reports submitted to which mentioned about RBI in 1998 derailed in all public sector banks.

### **Objective of the study:**

- To find out Agency wise inequality towards K.C.C schemes.
- To find out growth in issuing of K.C.C in India

### Research Methodology

Research is a scientific and systematic search for finding information on a particular subject matter. The goal of a research proposal is known for methodological arrangement and planning. Describes about relevance of study, research objectives, research design, sample design statistical techniques and organization of the study. The findings of the results were given on the basis of issuing of K.C.C. in India for farm households in this research study.

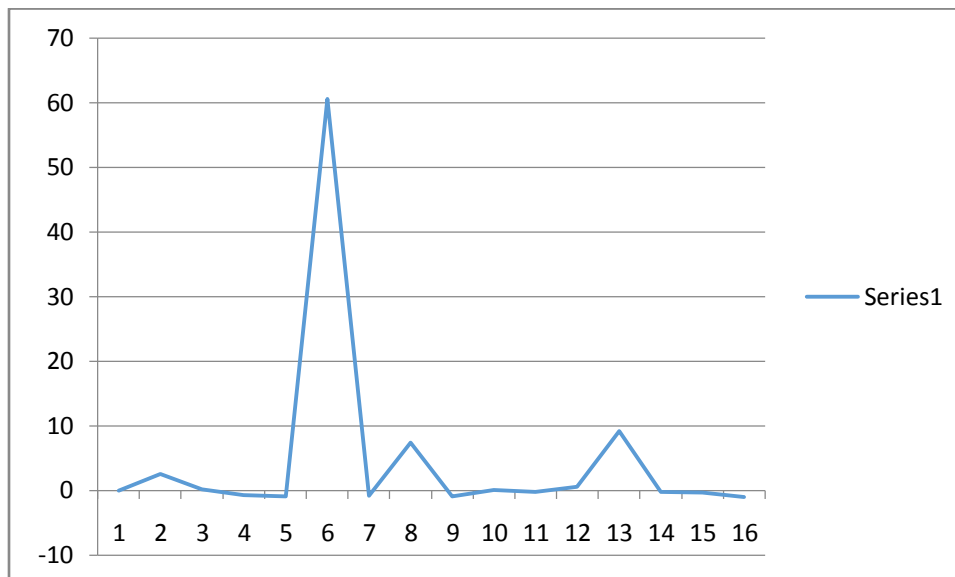
### Statistics Tools and Technique

Ginni coefficient with Lorenz curve and percentage method was used for finding in-equality in number of K.C.C issued to farm house holds among all the states of India for the period from 2010 year to year 2015.

**Table 4.11 : Year wise growth towards issue of K.C.Cs (2000-2015)**

Years	Total Nos. of K.C.Cs issue	(%) Percentage of K.C.Cs issued
2000	5741306	0
2001	20715790	02.608%
2002	23734191	00.146%
2003	8223766	-00.654%
2004	776185	-00.906%
2005	47803050	60.587%
2006	8012251	-00.832%
2007	67544938	07.43%
2008	8592473	-00.873%
2009	9006123	00.048%
2010	7262507	-00.194%
2011	11757659	00.619%
2012	120337778	09.235%
2013	101094187	-00.16%
2014	74094090	-00.267%
2015	71474	-00.999%

Source: India stat



When the growth towards issue of K.C.Cs in the states was checked on the basis of years from the period 2000-2015 as given in table no. 4.11, it has been found that there is fluctuation in growth towards issue of K.C.C. to the farm house holds during this period. The growth rate has been in the years from 2011 to 2012 on increasing side. There is no growth in issue of K.C.Cs to the farm house holds during rest of the period. The growth rate has also been seen on negative side for some of the periods 2002 to 2003, 2003 to 2004, 2005 to 2006, 2007 to 2008, 2009 to 2010, 2012 to 2013, 2013 to 2014 and 2014 to 2015.

Therefore, it can be concluded that there is no constant growth in issue of K.C.C. to farm house holds among all the years during the period from 2000 to 2015.

**Agency wise Inequality toward KCC toward Issued of K.C.C. (2000 -2015)**

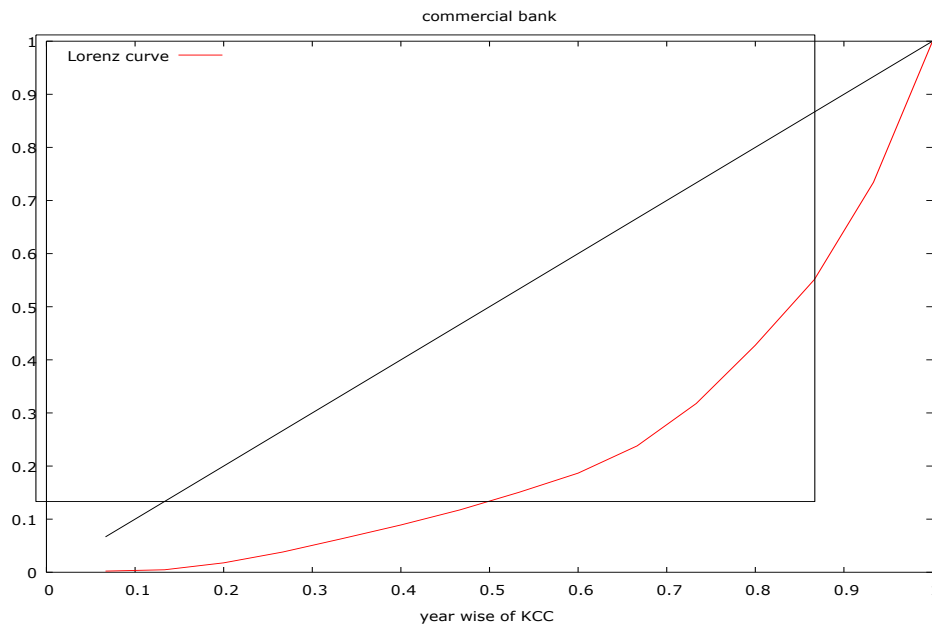
Agency Year	Total Number of K.C.C. by commercial bank	In-equality % of Issued KCC	Total Number of K.C.C. Issued by co-operative bank	Inequality % of Issued K.C.C.	Total Number of K.C.C. Issued By R.R.B	Inequality % of Issued K.C.C.	Total Number of K.C.C. by all Three Agency
2000	527215	0.1298	3204807	0.7610	484537	0.13064	4216559
2001	5149607	0.2207	15462409	0.6628	2716471	0.11644	23328487.88
2002	7395499	0.3374	13554898	0.6185	964108	0.04392	21914505.96
2003	2679915	0.3066	4579751	0.5240	1478878	0.16923	8738544.83
2004	507710	0.1184	3304805	0.7709	474423	0.11066	4286938.88
2005	16362210	0.0557	271918170	0.9265	5186973	0.01767	293467354
2006	4178948	0.4870	3095167	0.3607	1306775	0.15228	8580890.84
2007	25368552	0.3057	48598663	0.5856	8714481	0.10501	82681696.89
2008	449275	0.0308	9241276	0.6347	4869265	0.33443	14559816.67
2009	5822411	0.5468	3410890	0.3203	1414747	0.13286	10648048.87
2010	5309772	0.5030	3296435	0.3122	1949652	0.18469	10555859.82
2011	10544542	0.6446	2763248	0.1689	3050072	0.18645	16357862.81
2012	6793801	0.5781	2962054	0.2520	1995818	0.16983	11751673.83
2013	54501882	0.4538	46336826	0.3858	19238578	0.16021	120077286.8
2014	37571569	0.4477	35765178	0.4262	10578418	0.12606	83915165.87
2015	22513387	0.3039	39226593	0.5295	12341468	0.16659	74081448.83

Source: India stat

After analysis the table of inequality in agency wise distribution of K.C.C scheme in the years 2001-15. It has been found that the highest number of K.C.C issued were 839157.87 lakh in 2014 by Commercial banks. Lowest number of K.C.C issued by R.R.B in 2014 and in the year 2004 Commercial bank has issued lowest Number of K.C.C which were in 507710 lakh.

It has also noted that share of commercial was largest among all the three agency whereas R.R.B. has lowest show in issued of K.C.C to farm house hold.

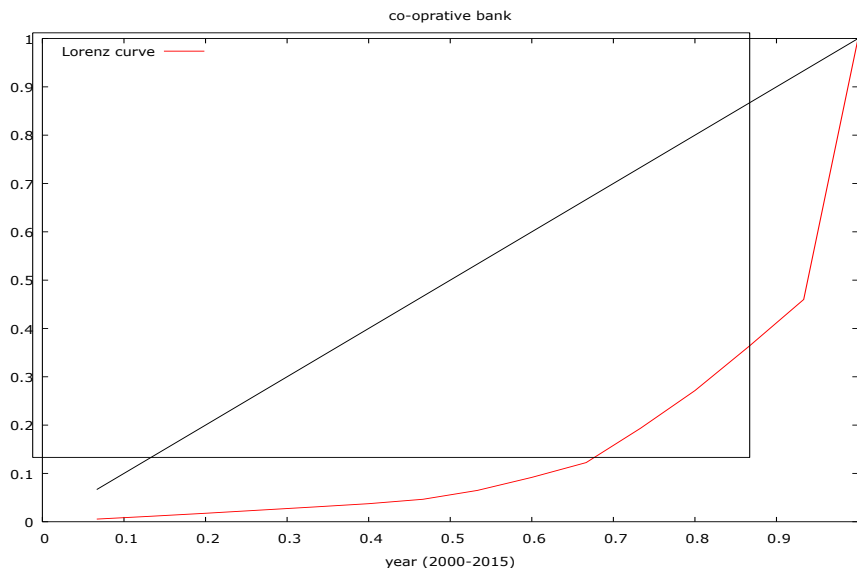
In the year 2005, Co-operative bank has highest number of KCC which was noted as 2071918170 lakh. R.R.B. has issued the lowest number of KCC which were 5186973 lakh in 2005.



Number of observations = 15	Mean	1.3677
Sample Gini coefficient = 0.541533	Median	6.7938
Estimate of population value = 0.580214	Standard deviation	1.540

### K.C.Cs issued by Commercial Banks

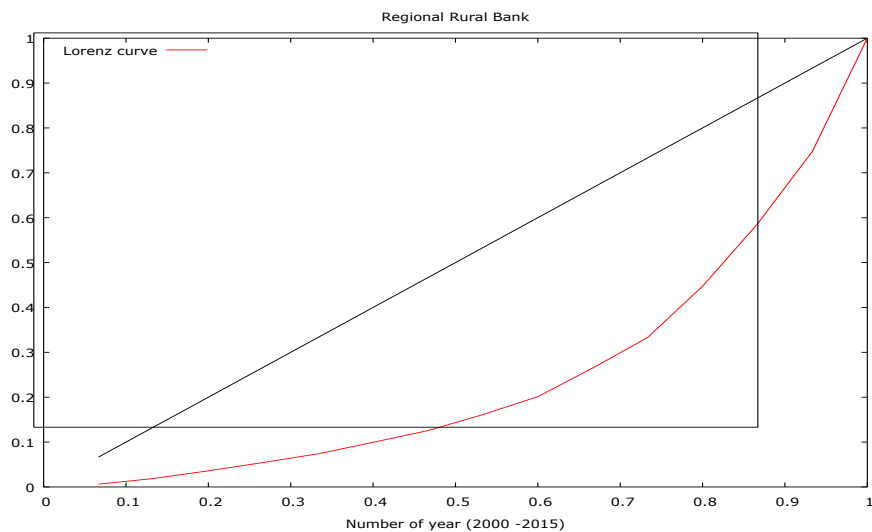
After analyzing the Lorenz Curve of commercial banks, number of observations are 15 (per year) Sample Gini Coefficient is 0.541533 out of estimated population value which is 0.580214. Here mean value is 1.3677, median is 6.7938 where standard deviation is 1.540. Both Lorenz Curve and Gini Coefficient depict that there were variation and inequality in issuing KCC to framers by commercial banks.



Number of observations = 15	Mean	3.3568
Sample Gini coefficient = 0.701279	Median	9.2413
Estimate of population value = 0.751371	Standard deviation	6.8114

### Co-operative Bank

After studying the Lorenz Curve of Co-operative Bank, there are 15 observations whose Sample Gini Co-efficient is 0.701279 from estimated population value is 0.751371. Its mean value is 3.3568, median is 9.2413 and standard deviation is 6.8114. So we can say that both the shape of Lorenz Curve and Gini Co-efficient shows that there were variation and inequality in issuing KCC to farmers by co-operative Bank.



Number of observations = 15	Mean	5.0853
Sample Gini coefficient = 0.512476	Median	2.7165
Estimate of population value = 0.549082	Standard deviation	5.3752

### Regional Rural Bank

After analyzing the Lorenz Curve with 15 observations the Gini Co-efficient value is 0.512476 from the estimated population value which is 0.549082. The mean value is 5.0853 and median is 2.7165 where as standard deviation is 5.3752. So both the shape of Lorenz Curve and value of Gini co-efficient depict that there were inequality in the distribution of KCC to farmers by the Regional Rural Bank.

### Conclusion

When the growth towards issue of K.C.Cs in the states was checked on the basis of years from the period 2000-2015 as given in table No. 1. It has been found that there is fluctuation in growth towards issue of K.C.C. to the farm house holds during this period. The growth rate has been in the years from 2011 to 2012 on increasing side. There is no growth in issue of K.C.Cs to the farm house holds during rest of the period. The growth rate has also been seen on negative side for some of the periods 2002 to 2003, 2003 to 2004, 2005 to 2006, 2007 to 2008, 2009 to 2010, 2012 to 2013, 2013 to 2014 and 2014 to 2015. Therefore, it can be concluded that there is no constant growth in issue of



K.C.C. to farm house holds among all the years during the period from 2000 to 2015. After interpreting the result for analyzing the agency wise inequality among all the three banks such as commercial banks, regional rural banks and co- operative bank, it has been found that most of the K.C.C were issued by the commercial banks to farm hose hold during the periods from 2000-2015 year. It has also been found that co- operative bank have issued the lowest number of K.C.C to farm house hold among all the three agencies (finical institutions) and the variation has also been noted in issue of K.C.Cs to farm house holds by all three agencies for the period from 2000-2015. Therefore, it can be concluded that inequality in issue of K.C.s among all three finical institutions (i.e commercial banks , regional rural banks and co-operative banks) found during this period. Though, regional rural banks and co-operative banks have not issued K.C.Cs equivalent to commercial banks and this may be lack of resources and implantation of policies on K.C.Cs.

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