

## CHAPTER 6

### MAJOR FINDINGS, CONCLUSIONS, POLICY IMPLICATIONS AND LIMITATIONS

#### 6.1 Major Findings

This paper shows the performance of KCC scheme in India with state level analysis.

This study have the three objectives and by achieving these objective the study have some major findings. These are as follows:

- ✓ The Commercial banks are at the top in amount sanctioning and credit card issuing.
- ✓ The highest growth rate is achieved by the Commercial banks (27.2%) and lowest growth rate is achieved by Cooperative banks (1.9%).
- ✓ The highest growth regarding to the no. of cars issued and amount sanctioned is shown during the years 2007-08 and 2012-13. The reason behind this is the financial inclusion and introduction of Rupay Kisan Credit Card scheme.
- ✓ The lowest growth rate is shown by Cooperative banks due to the poor infrastructure, lack of technology and lack of supervision.
- ✓ Among the states Orissa, Karnataka and Haryana are showing the poor progress regarding to KCCs issue and amount sanction.
- ✓ Andhra Pradesh, Uttar Pradesh, Karnataka and Gujarat are those states which have got highest amount of Kisan credit card on the bases of their land holdings. This means that KCC scheme is working properly according to their rules that KCC loan is given on the basis of operational land holdings. But their compound growth is not as much as could be.

- ✓ The lowest KCCs number and amount sanctioned by Assam state because Assam has the fragmented lands and KCC loan is given on the basis of land holdings. Assam state have the marginal and tenant farmers.
- ✓ The highest growth rate is also shown by the Assam state beyond the above limitations. This means that the fertility of land and productivity is good in Assam state and they are utilising the loan in a proper way.
- ✓ The expansion of credit is not equal among the states.
- ✓ Haryana growth rate is founded negative. This means that the debt repayment problem occurs in Haryana so the banks are not issuing the new credit cards.
- ✓ The KCCs number issued by the Assam state have an impact on agricultural productivity.
- ✓ The KCCs number issued and amount sanctioned by Kerala state have an impact on their agricultural productivity.
- ✓ All the 13 states among fifteen except Kerala and Assam does not have impact on agricultural productivity.
- ✓ Assam state have the highest growth rate but lowest number of KCCs issued and amount sanctioned and its KCCs number have an impact on productivity. This means that the farmers are utilising KCC credit in a very efficient way.
- ✓ In India KCC scheme does not have impact on Indian agricultural productivity.
- ✓ The land holdings are not the correct measure on the basis of which credit is given to farmers because the tenant farmers ,marginal farmers and those who works on leased lands they does not get the proper credit and only large farmers get benefit from this scheme this is the reason behind the no impact of KCC on productivity.

- ✓ The performance of KCC scheme in India is quite impressive.

## **6.2 Conclusion**

Kisan credit card is the most innovative scheme for providing the credit to the farmers for purchasing the agricultural inputs and consumption purpose, so it very essential to know the progress of this scheme. After analysing this paper many conclusions came regarding this scheme. Through the interpretation this paper concludes that the trend and performance of KCC scheme is impressive. The Commercial banks are the major source among banks for providing the credit and these banks are also showing the highest growth in number of KCCs issuing and amount sanctioning. The RRBs are showing the increasing growth but the progress and performance of Cooperative banks are very poor. There is a need to enhance the Commercial banks and improve the situation of Cooperative banks in order to better performance of Kisan credit card. The trends of KCC among these banks are fluctuating due to the introduction of other agriculture credit opportunities in agriculture sector like MFI (Micro Finance Institutions) and other Self Help Groups. The state wise progress of KCC scheme is also good. The highest growth rate is shown by Assam followed by Bihar, Punjab, Tamilnadu, Kerala, Rajasthan, West Bengal regarding to amount sanctioned and lowest growth rate is shown by Orissa, Karnataka, Gujarat and Haryana. In regard to the credit cards number issued by this scheme the highest growth rate is shown by Assam followed by Bihar, Rajasthan, Tamilnadu ,Gujarat and Andhra Pradesh and lowest growth rate is shown by Orissa, Karnataka and Haryana. This means there is a need to improve the scheme among Orissa, Karnataka and Haryana. This shows that the expansion of Kisan credit card is not equally among the states. In some states the progress was good at the time of implementation of the scheme but later on their

growth declines, the fact behind this is debt repayment. After the analysis the study concludes that the Kisan Credit Card scheme does not have any impact or little bit impact on agricultural productivity. Among the fifteen states who are representing the India's performance regarding the KCC scheme (contributing 70%-80% to KCC) there are only two states Kerala and Assam where the KCC scheme have an impact on agricultural productivity and other states have no impact on agricultural productivity. This study concludes that the performance of KCC scheme is satisfactory.

### **6.3 Policy Implications**

The important suggestions that have been observed in the course of the study are summarised as below:

1. The Commercial banks performance is good regarding the KCC scheme so there is a need to open more and more braches of these banks in rural areas so that KCC scheme moves towards more achievements.
2. According to findings there is no impact or little bit impact of KCC scheme on agricultural productivity so there is a need to enhance the loan amount given under this scheme.
3. For the better performance of Kisan credit card scheme, there is a need to solve the land holding problem by making the verified database of farmers which will help the banks to find out the needy ones.

#### **6.4 Limitations of the Study**

Following are the limitations of the study:

1. The study has taken the trends and performance of KCC of three Public institutions i.e., RRBs, Commercial Banks and Cooperative Banks. However the study can be enlarged by taken the Private sector institutions.
2. The nature of study depict the requirement of secondary data. The Non-availability of secondary data is always a constant. Hence in this study the data of initial three years of the scheme i.e., 1998 -2000 is not taken due to the unavailability.