

**ANALYSIS OF KISAN CREDIT CARD SCHEME IN DISTRICT MANDI
OF HIMACHAL PRADESH**

Project Report

by

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(H-2021-07-ABM)

submitted to



**Dr. YASHWANT SINGH PARMAR UNIVERSITY OF
HORTICULTURE & FORESTRY
SOLAN (NAUNI) HP - 173 230 INDIA**

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partial fulfilment of the requirements for the degree

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CERTIFICATE-I

This is to certify that the project report titled, “**Analysis of Kisan Credit Card Scheme in District Mandi of Himachal Pradesh**”, submitted in partial fulfilment of the requirements for the award of the degree of **Master of Business Administration (Agribusiness)** in the discipline of **Agribusiness Management** to Dr. Yashwant Singh Parmar University of Horticulture and Forestry, (Nauni) Solan (HP) – 173 230 is a bonafide project work carried out by **Deeksha Bali (H-2021-07-ABM)** daughter of Shri Ashok Bali under my supervision and that no part of this project report has been submitted for any other degree or diploma.

The assistance and help received during the course of this investigation have been fully acknowledged.

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CERTIFICATE-II

This is to certify that the project report titled, “**Analysis of Kisan Credit Card Scheme in District Mandi of Himachal Pradesh**”, submitted by **Deeksha Balia (H-2021-07-ABM)** daughter of Shri Ashok Balia to the Dr. Yashwant Singh Parmar University of Horticulture and Forestry, (Nauni) Solan (HP) – 173 230 India in partial fulfilment of the requirements for the degree of **Master of Business Administration (Agribusiness)** in the discipline of **Agribusiness Management** has been approved by the Advisory Committee after an oral examination of the student in collaboration with an External Examiner.

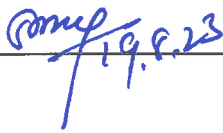
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To erris human. I solely claim the responsibility for the short comings and limitations in this work.

Place: Nauni, Solan

Date:

(Deeksha Bali)

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LIST OF ABBREVIATIONS

&	:	and
<i>et al.</i>	:	and others
No.	:	Number
H.P	:	Himachal Pradesh
i.e.	:	that is
Rs.	:	Rupees
KCC	:	Kisan Credit Card
RRB	:	Regional Rural Bank
NABARD	:	National Bank for Agriculture and Rural Development
ATM	:	Automated Teller Machine
RBI	:	Reserve Bank of India
GDP	:	Gross Domestic Product
SHGs	:	Self Help Groups
PACS	:	Primary Agriculture Cooperative Societies
Fig.	:	Figure

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INTRODUCTION

1.1. Background

Indian agriculture holds a prominent position in the country as the largest private-sector enterprise, involving over 110 million farmers. It is a major employer, employing two-thirds of the workforce and contributing around 26 per cent to the GDP. (Manohar 2021) Additionally, it plays a vital role in the economy by contributing nearly one-sixth of the total export earnings. To ensure sustained growth and performance of the Indian economy, it is essential to maintain a steady flow of credit in the agriculture sector. Credit plays a crucial role in supporting farmers and enabling agricultural activities to flourish. However, availing of credit was difficult at that time. Recognizing the challenges faced by farmers in accessing credit, Shri Yeshwanth Sinha, the Union Minister at that time (June 1998-99), urged NABARD (National Bank for Agriculture and Rural Development) to develop a model scheme for providing credit cards to farmers. This led to the inception of the Kisan Credit Card (KCC) Scheme, which aimed to facilitate easier access to credit for farmers. The Reserve Bank of India (RBI) has also played a significant role in ensuring smooth credit flow to the agricultural sector. Over time, there have been notable improvements in the credit delivery system, enabling the provision of institutional credit to a large number of farmers, particularly small and marginal ones. However, financing agricultural activities remains a challenging task for banks, given the substantial credit requirements and the unpredictable nature of agriculture. Banks face the challenge of meeting the diverse credit needs of farmers, including purchasing agricultural inputs, managing working capital, and investing in farm infrastructure. Striking a balance between ensuring credit availability and managing risks is crucial for sustaining the growth and development of the agricultural sector. Addressing these challenges necessitates continuous efforts to streamline credit delivery systems, enhance financial literacy among farmers, and develop risk mitigation strategies. By effectively addressing the credit needs of farmers, the agricultural sector can continue to thrive, making significant contributions to the overall growth and development of the Indian economy.

In 1998, the Kisan Credit Card (KCC) Scheme was unveiled. The purpose of this programme was to help farmers who needed short-term finance to cultivate crops by supporting them through the banking system. The credit that farmers obtain enables them to buy the supplies needed for the agricultural season. To assist farmers in obtaining sufficient

financing, the Government of India, NABARD, and RBI jointly created the scheme. For their short-term credit needs, such as production credit, consumption credit, and investment credit, farmers are given financing under the system. This scheme aims to provide farmers with flexible financing based on their actual needs without necessitating frequent visits to the bank. Credit is also made available for marketing the produce and for costs incurred after harvest. The family consumption needs of farmers and the investments needed for agricultural and related activities like the purchase of sprayers, pump sets, etc. Additionally, it intends to cover the costs associated with farm asset maintenance, the care of dairy animals, and other related tasks. In essence, the programme was created to pay for all costs associated with growing crops, from seed to harvest to marketing (Kaur and Dhaliwal 2018).

The KCC scheme provides farmers with several advantages, including timely credit for their agricultural endeavors, a waiver of interest for prompt repayment, insurance coverage for crops and other related activities, and the opportunity to buy inputs like seeds, fertilizer, and pesticides at a reduced cost. It has been extensively examined and evaluated how well the Kisan financial Card Scheme works to address the financial demands of farmers and how it affects the Indian agricultural industry. The results of numerous studies that examined the application and effects of the Kisan Credit Card Scheme have helped to improve the programme. Small, marginal, and tenant farmers are the types of farmers who are eligible for the KCC programme. The Self Help Groups (SHGs) or joint liability groups are also eligible for the program's benefits. The KCC programme offers the ability to use an ATM-enabled Rupay card, one-time documentation, cost escalation incorporated into the cap, and any amount of withdrawals up to the cap. In 2004, the programme was further expanded to cover farmer's needs for investment loans for ancillary and non-farm industries. The post-harvest warehouse storage-related credit needs, the acquisition of agricultural equipment, the establishment of micro dairy or poultry, and the land holding and crop grown are all taken into account when determining the loan limit for marginal farmers, which ranges from Rs10,000 to Rs50,000.

A simplified card-passport known as the Kisan Credit Card was given to the beneficiaries. According to the plan, a credit card acts as a passbook that includes information like name, address, information about land ownership, borrowing limit, validity duration, etc. and is used for both ongoing transactions and as an identification card. Farmers can ask for it from their local Primary Agricultural Cooperative Societies (PACS) or bank branches. The farmer or borrower must submit an application for the KCC issue. The applicant must present

the following documents: original copies of the title deed, the latest land tax receipt, no dues certificates from other financial institutions, copies of the land record, and the latest agricultural income tax receipt (Bagh and Chandrakar 2019).

Therefore, increasing agricultural production must be done quickly in order to not only fulfil the rising food demand and the total GDP objective of 8 per cent for the 12th Plan but also to promote inclusivity by raising the incomes of those who depend on agriculture. Agriculture finance has always been a monumental undertaking for banks due to the size of the credit requirements on the one hand and the whims of nature on the other. The necessity for creative loan interventions by institutional entities to benefit farmers was also underlined by the financial reforms. To address the farmer's needs for production finance in a timely and hassle-free manner, the Kisan Credit Card (KCC) arose as an innovative credit distribution system. The Kisan Credit Card (KCC) programme represents a turning point in India's history of rural financing. One of the primary items created to broaden the reach of banks and simplify the credit distribution system is the mechanism of credit cards (Marichamy and Aananthi 2014).

Since it has been in operation for more than ten years, the KCC plan has played a significant role in the Indian government's recent efforts to promote financial inclusion, particularly in rural areas. More than 100 million KCC accounts were granted by the year 2011 at a rate of fast expansion. In fact, commercial, rural, and cooperative banks established annual goals to eventually cover 100 per cent of eligible farmers with the programme. It makes sense to inquire whether this strategy has made any influence on agricultural growth (Chanda 2019).

1.2. Advantages of Kisan Credit Card Scheme to the farmers

Farmers have access to timely and appropriate credit. Also, the borrower's full-year credit requirement has been satisfied, followed by the least amount of paperwork required and the least complicated possible documentation for bank withdrawals. The freedom to withdraw money at any moment and purchase inputs based on the farmer's requirements. Moreover, three years of approval for the facility conditioned on an annual evaluation, successful operations, and improvements. Additionally, farmers who are eligible for the KCC programme will be given a savings account with a reasonable interest rate. The KCC scheme will facilitate a hassle-free disbursement procedure and a flexible repayment loan (Dashrath 2020 : Gaikar 2021 : Sannathi and Kheni 2022)

1.3. Constraints faced by the farmers while availing Kisan Credit Card scheme

The constraint viewed by the KCC beneficiary was the difficulty in finding a guarantor to avail credit under KCC, followed by the need to obtain suitable security and the involvement of too many intermediaries. There was also an issue with insufficient credit availability and a high rate of interest. Moreover, the attitude of loan officers was significant challenge. Additionally, obtaining a no-due certificate and dealing with bribery charges were also identified as obstacles, while the illiteracy of borrowers added to the difficulties (Bhattacharjee and Sharma 2021 : Sharma 2014 : Vangeto and Sharma 2018).

1.4. Need of the study

The Indian government has implemented a number of policy steps to improve the credit delivery system in order to meet the expanding credit needs of the agricultural sector with a particular focus on small and marginal farmers and the weaker sections of society. These policies have placed a strong emphasis on the progressive establishment of timely credit support to the farmers cost-effectively and flexibly. This will allow them to adopt modern technology and improved agricultural practices to increase agricultural production and productivity. The objective of the study is to evaluate how the KCC scheme affects the production of important crops as well as the difficulties that farmers encounter when adopting the program. This study will make the government develop such policies that can help farmers encounter credit problems and banks make adjustments that are needed. This study will also help me enhance my knowledge of Kisan Credit Card scheme.

1.5. Objectives of the study

1. To study the awareness and perceptions of the farmers for the Kisan Credit Card Scheme.
2. To study the extent of satisfaction of beneficiaries for Kisan Credit Card Scheme.
3. To identify constraints faced by the farmers while availing loan for Kisan Credit Card Scheme and obtain suggestions to overcome them.

REVIEW OF LITERATURE

Review of literature deals with a brief review of work done in the past on the subject concerned. Review of prior research aids in classifying the study's topic and methods in addition to highlighting the work's limits. It gives a thorough summary of the research that has already been done, points out knowledge gaps, and lays the foundation for future study. For the purpose of this research, the following study was consulted and discussed:

Udaykumar and Thatil (2001) examined the implementation of the Kisan Credit Card (KCC) scheme in India and Kerala. The study found that a total of 28,164,437 KCCs, amounting to Rs.3,108 crores, were issued by 293 banks, among these banks, 152 were Central Cooperative Banks, accounting for 51.88 per cent, and 141 were other banks, representing 48.12 per cent of the total. The author also put forth that the Central Cooperative Banks issued 27,690,000 KCCs, with a sanctioned amount of Rs.2,973 crores, which accounted for 95.66 per cent of the total. Further, the study highlighted that other banks issued 47,437 cards, amounting to Rs 135 crores, making up 4.34 per cent of the total. The study also reported that 86 per cent of KCC holders withdrew the sanctioned amount as ready cash, while the remaining 14 per cent utilized it through checks and the funds were primarily utilized for agricultural purposes, particularly for purchasing agricultural inputs such as fertilizers and seeds, land development, tractor purchases, and payment of labor charges

Rao and Sahu (2005) conducted a study on the Orissa State Co-Operative Bank's IT project and Kisan Credit Card programme. The main objective of the study effectiveness of Kisan credit card scheme. The study was carried out through visits to two PACS, the District Central Co-Operative Bank, and the Head Office of the Orissa State Co-Operative Bank in Bhubneswar. The analysis of the data found that the current KCC method did not include a benefit for timely payments. Further, it was found that the KCC system has guaranteed prompt institutional credit availability, but it has not addressed the members ' security needs. The Bank did not address the farmers' need for financing for personal spending. One of the main aspects of the KCC system adopted by the OSCB Offering is the tight commitment to a schedule for timely disbursement of loans for productive credit.

Singh and Sekhon (2006) conducted a study on the cash benefits of the Kisan Credit Card (KCC) scheme in Punjab, India with the specific objective of studying the existing procedures of advancing credit under Kisan Credit Card Scheme and to examine the

adequacy of credit extended under Kisan Credit Card Scheme. The data was collected with a sample of 10 per cent of KCC holdings, consisting of 26 small (less than 2 ha), 38 medium (2-6 ha), and 11 large farmers (above 6 ha) were selected. The non-KCC holders comprising 11 small and 14 medium holders were selected. The study revealed that during the study period, the functioning of the KCC scheme in Punjab had been successful. At the all-India level, the cumulative number of Kisan credit cards issued by all implementing agencies as of March 31, 2004, stood at 413.19 lakhs, with Punjab accounting for 13.78 lakhs of them. The study found that 65 per cent of Kisan credit cards were issued by Co-operative Banks, and 63.7 per cent of the sanctioned loans were provided by these banks. The analysis further highlighted that Punjab had the highest penetration ratio of the Kisan Credit Card scheme among farmers in India. The majority of farmers in Punjab were found to utilize the KCC scheme effectively, making it one of the top-performing states in terms of proper utilization and adoption of the scheme. It was also concluded that the major constraints in the working of the KCCs were too many intermediaries in obtaining suitable securities and finding the guarantor. Overall, the study shed light on the successful implementation of the KCC scheme in Punjab, where Co-operative Banks played a significant role in issuing Kisan credit cards and sanctioning loans. The high penetration ratio in Punjab indicated the positive response and effective utilization of the scheme by farmers in the state.

Mahavir (2010) conducted an evaluation of the Kisan credit scheme in Belgaum (Karnataka) and Sangli (Maharashtra). The study aimed to study the growth of KCC users, assess the impact of the scheme on crop productivity, evaluate its cost-effectiveness, and identify operational constraints. The data was analyzed using percentages, averages, arithmetic mean, growth rate, and the Cobb-Douglas production function. Interviews were conducted with sample farmers and bank managers. The findings revealed that there was consistent growth in the issuance of KCCs, with a compound growth rate of 28.69 per cent per annum in Karnataka and 24.96 per cent per annum in Maharashtra. However, in Belgaum, the growth rate for the number of accounts issued and amount sanctioned was negative, while in Sangli, the number of accounts showed positive growth, but the amount sanctioned exhibited a negative growth rate. The study found that the impact of the KCC scheme on crop productivity was not significant and largely depended on factors such as landholding size and resource utilization. The cost of credit was higher in the non-Kisan credit card category compared to the Kisan credit card category. The main constraints identified included high interest rates, limited availability of credit for activities other than production, and inadequate

credit availability. To promote further growth, the study recommended educating farmers about the scheme. Additionally, extending the coverage of the KCC scheme to include term loans and loans beyond crop loans was suggested. The study highlighted the growth of KCC users, the limited impact of the scheme on crop productivity, the cost-effectiveness of the KCC compared to non-Kisan credit cards, and the operational constraints faced. The study provided recommendations to enhance the scheme's effectiveness and address the identified constraints.

Bista et al. (2012) conducted a study focusing on the progress and performance of the Kisan Credit Card (KCC) scheme in Bihar. The main objective of the study was to compare the progress of the KCC scheme in Bihar in terms of the number of KCC issuances, loan amounts per KCC, and coverage of holdings. The study compared the progress in terms of the number of cards issued, amount of loan disbursed per KCC and the coverage of holdings with regional and statewide data. The study also examined the margin and returns for both KCC beneficiaries and non-beneficiaries. The research employed both primary and secondary data sources. Primary data were collected through a pre-structured schedule from 60 beneficiaries and 60 non-beneficiaries for comparison. Similarly, samples were collected from two other districts, resulting in a total sample size of 360, with 180 beneficiaries and 180 non-beneficiaries. The Cobb-Douglas production function was used to assess resource-use efficiency among KCC holders. Secondary data on the number of KCCs issued and the loan amounts sanctioned by various institutions and regions were collected from publications of NABARD, RBI, the Government of Bihar (2008-09), and the Government of India (2010-11). The study identified factors influencing the adoption of the KCC scheme using a logit model and ranked the constraints faced by farmers using Garrett's ranking technique. The study results indicated higher returns and net margins for KCC beneficiaries compared to non-beneficiaries. Additionally, the study identified factors influencing the adoption of the KCC scheme and the constraints perceived by farmers.

Dhanabhakym and Malarvhizi (2012) conducted a study that focused on the awareness, utilization, and challenges associated with the usage of the Kisan Credit Card (KCC) offered by Canara Bank, specifically in the Coimbatore District of Tamil Nadu. The main objective of their study was to check the awareness and attitude of KCC borrowers and to review the utilization of the KCC scheme in the Coimbatore District. Both primary and secondary data were used in the study. Primary data were collected through interview schedules. The secondary data were collected through pamphlets, brochures, various reports

of Canara Bank, and newspapers. The researchers randomly selected 66 KCC. It was found that 41 per cent of respondents comes to know about Kisan Credit Card through agricultural officers, 23 per cent respondents comes to know about this card through bank employees respectively, 61 per cent respondents are polite and 38 per cent are not polite, 41 per cent are quick and promote the services and 59 per cent are not quick and promote the services provided by bank. The study concluded that the agriculturalists in Coimbatore area are well aware of the Kisan credit card scheme. Most of them are utilizing this loan in an efficient manner. Even though there are various agricultural credits provided by the banks. Kisan credit card is prepared by most of the banks.

Parwate et al. (2012) conducted an investigation into the utilization of the Kisan credit card among farmers in Raipur, Chhattisgarh. The main objective is to study the utilization of beneficiaries under KCC scheme. The study involved collecting data through personal interviews from a sample of 120 farmers who were randomly selected from 12 villages. The data was analyzed using a four-point scale. The findings revealed that 95.66 per cent of farmers utilized the benefits of the Kisan credit card for crop insurance, while 85.33 per cent utilized the full credit limit for various purposes. Additionally, 40 per cent of farmers utilized the loan facilities provided under the Kisan credit card throughout the entire cropping season. Based on the study results, it was recommended that efforts should be made to popularize the use of the Kisan credit card to increase productivity and promote sustainable development in the agricultural sector. In summary, they investigated the utilization of the Kisan credit card among farmers in Raipur. The findings highlighted the significant utilization of the card for crop insurance and accessing the full credit limit by a majority of farmers. The study emphasized the need to promote and popularize the Kisan credit card to enhance productivity and contribute to sustainable agricultural development.

Patra et al. (2012) conducted a study of determinants of credit under Kisan Credit Card to examine the impact and determinants of credit under the Kisan credit card scheme in India. The study was carried out in the Cuttack district of Odisha state, and the parameter used to measure the impact was the number of cards issued. Sample farmers were randomly selected based on their landholding size. The collected data was analyzed using statistical tools such as mean, standard deviation, percentage share, weighted average, and growth rate. The study found that the Kisan credit card scheme effectively provided institutional loans to farmers, leading to an increase in the number of new borrowers each year. The cost of cultivation was identified as the most significant determinant of credit requirement for

farmers. It was further suggested that banks should take initiatives to promote self-help groups, farmers' clubs, and innovative insurance products, and adopt a more productive approach to make the Kisan credit card a farmer-friendly and efficient instrument for the credit delivery system. Overall, the study examined the impact and determinants of credit under the Kisan credit card scheme. The findings highlighted the effective provision of institutional loans and the increase in new borrowers. The cost of cultivation was identified as a key determinant of credit requirement. The study recommended initiatives to promote self-help groups, farmers' clubs, and innovative insurance products, as well as a more productive approach by banks to improve the efficiency and farmer-friendliness of the Kisan credit card scheme.

Santhi (2012) conducted a study to assess the impact of the Kisan credit card scheme on farmers in Kanyakumari district. The main objective of the study was to review the period-wise progress of Kisan credit card scheme and to study the agency-wise progress of Kisan credit card scheme. The data has been taken for the financial years 1998-99 to 2012-13. The progress has been calculated by using mean, coefficient of variation, and exponential growth rate and presented in the form of tables. The data has been accumulated from various reports of NABARD and publications of Reserve Bank of India. The agency-wise analysis has been done for commercial banks, regional rural banks, and co-operative banks providing Kisan credit card scheme during the period. The findings indicated that there was no significant relationship between the volumes of crop loans and the utilization of the Kisan credit card. This suggested that the availability of a Kisan credit card did not necessarily translate into increased crop loan volumes for the farmers in the district. Additionally, the study revealed that a significant number of Kisan credit card holders lacked awareness about the benefits and uses of the Kisan credit card scheme. This lack of awareness might have hindered the effective utilization of the scheme among the farmers in Kanyakumari district, highlighting the importance of providing sufficient information and education to enhance the understanding and utilization of the Kisan credit card scheme in the region.

Uppal and Juneja (2012) evaluated the performance of various banks in issuing Kisan credit cards and determining credit limits through these cards for the period 2009 to 2011. The primary objective of the study was to analyze the features of the Kisan credit card, examine the progress of the card on an agency-wise and state-wise basis, and evaluate the performance of commercial banks, state regional rural banks, and state co-operative banks. The study was conducted on the basis of statistical techniques such as arithmetic mean,

percentage, and growth rate. Parameters such as the number of Kisan credit cards issued and the amount sanctioned were selected for performance evaluation. The findings revealed that commercial banks were the most successful in meeting the objectives set by NABARD, followed by regional rural banks. The study disclosed overall average percentage growth rate of all bank groups was 0.323 per cent, indicating the efficient performance of the Indian banking industry in serving the agriculture sector. Based on the study results, it was suggested that by strengthening co-operative banks, a higher growth rate in issuing Kisan credit cards could be achieved. Overall, the study focused on evaluating the performance of banks in issuing Kisan credit cards and determining credit limits. The study highlighted the success of commercial banks and regional rural banks in meeting the objectives of NABARD. The findings demonstrated the efficient performance of the Indian banking industry in serving the agricultural sector. Additionally, the study recommended focusing on strengthening co-operative banks to achieve further growth in the issuance of Kisan credit cards.

Arvind Sharma et al. (2013) analyzed the impact of the Kisan Credit Card (KCC) scheme among beneficiary farmers in the Sehore district of Madhya Pradesh. The objective of the study explored the adoption behavior of beneficiary farmers. A list of all the beneficiaries who had benefited under the KCC scheme was obtained from the State Bank of India, Ashta, to select respondents. The beneficiaries were being assisted with short-term crop loans. For the research study, only 120 beneficiaries were randomly selected from a total of 3,750. The findings related to the crop-wise distribution of income per hectare, before and after obtaining a loan under the Kisan Credit Card scheme revealed that beneficiaries obtained higher income per hectare after borrowing loans for the cultivation of soybean, arhar, wheat and gram crops. The magnitude of the increase in income was 39.14 per cent, 46.75 per cent, 75.28 per cent, and 68.78 per cent, respectively. This increase can be attributed to the availability of high-quality inputs and facilities after borrowing loans.

Laxyapathi (2013) conducted an evaluation of the Kisan Credit Card (KCC) scheme in India and Karnataka to analyze the growth rate of KCC users and examine the impact of the scheme on crop production and farmers' income. The study randomly selected respondents and collected data through questionnaires. The findings revealed an increase in the number of KCC users, as more farmers adopted the scheme each year. Additionally, there was a notable improvement in crop production, leading to increased yields and subsequently higher income for farmers. To enhance the effectiveness and farmer-friendliness of the KCC

scheme, several suggestions were put forward, including the introduction of biometric cards, implementing weather-based crop insurance schemes, simplifying loan procedures, encouraging commercial banks and state governments to take initiatives, and developing innovative insurance products. These recommendations aimed to make the Kisan Credit Card scheme a more efficient instrument for delivering credit to farmers.

Thakur and Barman (2013) examined the reasons behind the poor performance of disbursement of Kisan Credit Card (KCC) loans and the low recovery rate of those loans in three districts of Assam: Sibsagar, Golaghat, and Jorhat. The main objective of the study was to identify the reasons behind the poor performance of KCC loan disbursement and recovery in Assam. The study employed a qualitative approach, using semi-structured open-ended interviews to gather the opinions of both farmers and bank officials. The sampling strategy involved randomly selecting 25 KCC beneficiaries and 25 non-beneficiaries from each district, resulting in a total sample size of 150 respondents. Additionally, 15 bank officials were randomly selected for interviews. Statistical tools were not employed due to the qualitative nature of the study. The results of the study revealed 11 major reasons for poor disbursement and 12 major reasons for poor loan recovery. Some of the factors contributing to poor disbursement included extensive paperwork, issues related to land ownership, low repayment rates, the influence of money lenders, lack of awareness among farmers, challenges in opening bank accounts, geographical constraints, inadequate loan availability, negative experiences with peer groups, fear of defaulting, lack of motivation from bank officials, and insufficient credit limits. On the other hand, reasons for poor loan recovery included instances of double financing, misuse of ATM cards, and low repayment capacity among borrowers.

Bindage et al. (2014) studied the economic impact of the Kisan Credit Card (KCC) scheme on sugarcane crops 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 loans under the scheme compared to loans without KCC. For the purpose of the primary survey, data were collected from 60 KCC users and 60 non-KCC beneficiaries randomly selected. The study was conducted for the year 2010-11. A pre-tested and structured schedule was used to collect information regarding borrowings, repayment, interest, and cost of borrowing etc. Growth rate and tabular analyses were employed to study the growth of KCC users and compare the cost and adequacy of credit covered with KCC and those not covered with KCC. The study found that KCC users grew over the study period, but

they faced a slowdown in the last few years of the study. The cost of credit was higher for credit not covered by the KCC scheme. Furthermore, the credit was found to be inadequate in both cases: credit under the KCC scheme and credit not covered by the KCC. The study recommended that the banks should have made efforts to encourage and educate the farmers about the benefits of the KCC scheme as well as maximize their reach to cover all the farmers.

Godara et al. (2014) investigated the Kisan Credit Card (KCC) plan in Haryana with a specific focus on State Regional Rural Banks (RRBs) and State Cooperative Banks. The study aimed to analyze how these banks issued, sanctioned and distributed Kisan Credit Cards. Performance evaluation was carried out using the compound annual growth rate as a metric. The findings of the study indicated that regional rural banks outperformed cooperative banks in terms of their implementation of the KCC scheme. The study concluded that the performance of regional rural banks was satisfactory compared to their cooperative counterparts. This highlights the significant role played by regional rural banks in promoting and facilitating access to credit for farmers through the Kisan Credit Card system in Haryana.

Patil (2014) evaluated the importance of commercial banks in promoting financial inclusion in India through the KCC (Kisan Credit Card). The primary objective of the study was to analyze the issuance of credit to cardholders and the distribution of KCCs by banks. The current study is fully based on secondary data gathered from NABARD and RBI Journal publications, RBI reviews, research papers, etc. The findings revealed that all banks had donated considerably to provide financial assistance to poor farmers through the scheme. These contributions aimed to facilitate easy access to credit for farmers, enabling them to meet their agricultural needs such as purchasing inputs and covering production expenses. The study highlighted the significant role played by commercial banks in fostering financial inclusion by supporting and empowering farmers through the provision of credit via the KCC system.

Gandhimathi and Sumaiya (2015) assessed the impact of the Kisan Credit Card (KCC) system on the distribution of agricultural credit in the country. The study examined various factors and their significance in determining financial inclusion. Among the variables considered were rural branches of commercial banks, aggregate deposits, agriculture production, borrowing of commercial banks from the Reserve Bank of India, and the introduction of the KCC scheme. The findings of the study indicated that these selected variables played a significant role in determining the level of financial inclusion. Specifically,

rural branches of commercial banks, aggregate deposits, agriculture production, borrowing from the Reserve Bank of India, and the implementation of the KCC scheme were found to be influential factors. Furthermore, the study utilized regression analysis and logit analysis to examine the impact of the KCC scheme on financial inclusion in the agriculture sector. The results of these analyses provided evidence that the KCC system had a positive effect on enhancing financial inclusion within the agricultural sector. Overall, the study demonstrated that certain variables, including the KCC scheme, rural branches of commercial banks, aggregate deposits, agriculture production, and borrowing from the Reserve Bank of India, significantly influenced financial inclusion. The regression and logit analyses further supported the notion that the KCC scheme contributed to improving financial inclusion within the agriculture sector.

Jainuddin et al. (2015) studied the growth and performance of KCC and examined the crucial role of credit in the agricultural sector, specifically focusing on its distribution through the Kisan Credit Card (KCC) Scheme in India. The study aimed to analyze the number of KCCs issued and the amount sanctioned, considering India as a whole, Karnataka state, the North-East Karnataka region, and Bellary district. It utilized compound growth rate analysis and collected secondary data from RBI publications for the entire duration of the KCC scheme. For the specific regions of Karnataka, North-East Karnataka, and Bellary district, data were collected from 2006-07 to 2011-12. The study focused on three formal financial agencies: commercial banks, Regional Rural Banks (RRBs), and cooperatives. The findings revealed that at the national level, commercial banks issued the highest number of KCCs, accounting for 45.33 per cent of the total, followed by co-operative banks at 40.30 per cent, and RRBs at the lowest with 14.37 per cent. This pattern was consistent across Karnataka state and Bellary district. However, in the North-East Karnataka region, RRBs emerged as the primary issuers of KCCs. Furthermore, the study explored the percentage of operational holdings covered by KCCs, which serves as an indicator of the scheme's penetration. The North-East Karnataka region exhibited the highest coverage at 610.09 per cent, followed by Karnataka at 391.82 per cent, and Bellary district at 332.87 per cent. Overall, the study highlighted the prominent role of commercial banks in distributing KCCs throughout India, Karnataka, and Bellary district, while RRBs had a stronger presence in the North-East Karnataka region. The findings also emphasized the significant coverage of operational holdings by the KCCs, particularly in the North-East Karnataka region, indicating the scheme's impact on improving access to credit for agricultural purposes.

Reetu (2015) analyzed the trend and progress of the Kisan Credit Card (KCC) in India, issued by different agencies, which were explored between the years 1998-99 to 2012-13. The study relied on secondary data for information collection, and the analysis employed the compound annual growth rate and percentage methods. According to the study, the largest amount of Kisan Credit Cards was issued by commercial banks, while the Cooperative banks experienced a decline in their peak issuance. The study concluded that the total amount of Kisan Credit Cards disbursed by all three institutions was increasing. The study suggested the necessity of educating farmers and encouraging them to adopt the KCC scheme for their betterment and the growth of this credit scheme.

Mehta et al. (2016) focused on examining the function and impact of the Kisan credit card program in rural India. The primary objective of the research was to evaluate the purpose of the program and provide insightful recommendations for its expansion and improvement. The findings of the study indicated that the Kisan credit card program was widely embraced and proved to be an effective financial tool for rural farmers, enabling them to meet their financial needs responsibly. To ensure the inclusivity of the program, the study suggested that banks should have simplified the application and approval process, making it simpler and more accessible for farmers in underperforming regions and those with limited educational backgrounds. This way, the benefits of the Kisan credit card program could have reached a wider population of farmers and contributed to their financial stability and growth in rural India.

Sharma (2016) evaluated the "Comprehensive Study of Kisan Credit Card at Central Bank of India-A Useful Credit Tool for Rural Development," the author presented an analysis of the Kisan Credit Card (KCC) scheme and its effectiveness in fulfilling the needs of farmers for rural development. The study had several objectives, including analyzing whether these schemes could fulfill the needs of farmers or if they were rational to use, identifying gaps between the scheme, implementation, and utilization of the cards, spreading awareness of the procedures and utility among farmers, and exploring difficulties in the implementation process. Data for the study was collected from both primary and secondary sources. Primary data was collected from borrowers through a multistage stratified sampling design. The survey was conducted in the Ahmednagar district of Maharashtra at the Central Bank of India, based on the total number of cards issued up to March 2014. The final sample size consisted of 300 KCC holders. Pre-tested questionnaires were used to collect the primary data. The collected primary and secondary data were then tabulated and analyzed using

statistical tools such as mean, standard deviation, percentage share, weighted average, growth rate etc., to derive inferences. The study concluded that the KCC scheme should have reached every farmer for productive purposes. It highlighted a significant gap between the policy and the actual utilization of the scheme. The study suggested that this gap could be addressed through two methods: minimizing the minimum criteria for accessing the scheme and providing education on how to effectively utilize the KCC. Overall, the study emphasized the need to ensure widespread access to the Kisan Credit Card scheme for farmers and identified the gap between policy and utilization as a major challenge. The study proposed strategies such as reducing minimum criteria and providing education to bridge this gap and enhance the scheme's effectiveness in supporting rural development.

Vijaykumar et al. (2016) studied financial innovation in the Agricultural credit market. The study aims to support farmers by offering hassle-free credit under a single window, adopting a whole-farm approach. The study found that the Kisan Credit Card (KCC) was an innovative credit delivery system that was introduced in 1998-99 to provide timely and adequate credit to farmers. The KCC scheme achieved significant growth since its launch. Over 126.2 million Kisan Credit Cards were issued by banks, with a cumulative sanctioned amount of 7,542.3 billion rupees. Among the issuing agencies, commercial banks issued the highest number of KCCs, followed by co-operative banks and Regional Rural Banks (RRBs). The study concluded that the scheme played a pivotal role in boosting farming activities and increasing farm income, serving as a valuable tool for agricultural development and rural prosperity.

Chanda (2019) investigated the factors influencing the offering of Kisan Credit Card (KCC) across all states of India and the districts of Bihar, as well as the effects of the KCC scheme on agricultural growth and production. The study examined the effects of the scheme on agricultural growth and yields. The analysis of data includes the number of account holders and is also categorized by bank type i.e. commercial, regional rural, or cooperative. In addition to KCC credit, the data on commercial bank credit to agriculture and other sectors of the economy on an annual basis was also collected. The study revealed that states with a more effective approach towards rural credit exhibited higher levels of KCC borrowing, indicating the importance of a conducive credit environment in promoting access to agricultural finance. However, interestingly, the study did not find any significant indication of KCC borrowing influencing the efficiency of farming at either the state or district level. These findings of the study shed light on the complex relationship between KCC borrowing,

credit availability, and agricultural productivity, suggesting the need for further research and nuanced policy considerations to enhance the impact of the KCC scheme on agricultural development.

MATERIALS AND METHODS

Research is an investigation conducted systematically to fulfill the purpose of solving problems. Research methodology is tools, methods, and logic used to discover new facts with older ones. The research process starts with defining the problem, analyzing its need of it, identifying the major objectives, choosing the method, collecting primary or secondary data and finally interpretation of data in the form of a report.

3.1. Population and study area

The area of the study is the area where the study is being conducted. The present study has been conducted among farmers in the Mandi region who are the beneficiaries of the Kisan Credit Card Scheme.

3.2. Sampling size

The sampling size is the subset of the population that is used to represent the entire group as a whole. The sample size of the present study is comprised of 110 farmers from rural Mandi district areas.

3.3. Sampling technique

Sampling is the technique used in statistical analysis in which a predetermined number of observations are taken. The sampling technique is the process by which the entities of the sample have been selected. The sampling technique followed for the present study is both convenience sampling and snowball sampling to gather data. Convenience sampling is a way of gathering samples that are conveniently available near a site, and snowball sampling is a strategy in which existing participants offer referrals to recruit samples needed for the study.

3.4. Data collection

Data collection is the systematical approach to gathering and measuring information from a variety of sources to get a complete and accurate picture of an area of interest. The data for this study was gathered from both primary and secondary sources. A pre-designed questionnaire is used to collect primary data, while secondary data has been gathered from a variety of journals, articles, research papers, and books.

3.5. Data analysis

Data analysis is the process of looking through, eliminating, changing and modelling data. It include various tables and graphs as per the requirement of the study. Utilising statistical and mathematical methods like percentage, mean, standard deviation, and total weightage score, the information gathered from respondents has been examined.

Percentage analysis

Percentage means multiplying the number of observations/ frequency of data by hundred and dividing it by the total number of observation/ frequency. Percentage is calculated by the formula:

$$\text{Percentage} = \frac{X}{Y} * 100$$

Where, X= Number of respondents falling in specific category to be measured.

Y= Total number of respondents.

Arithmetic mean

Mean also known as arithmetic mean. It is the most common measure of central tendency and may be defines as the value which we get by dividing total of the values of various given items in a series by the total number of items. The formula used for arithmetic mean is:

$$X = \frac{\sum X}{N}$$

Where

X = Arithmetic mean

$\sum X$ = Sum of all the values of the variables

N = number of observations

Standard deviation

The standard deviation concept was introduced by Karl Pearson in 1823. The standard deviation measures the absolute dispersion, the greater the standard deviation, the greater will be magnitude of the deviation of the values from their mean. A small standard deviation means a high degree of uniformity of the observations as well as homogeneity of series; a large standard deviation means just the opposite. The formula used for standard deviation is:

$$\text{Standard deviation (S.D)} = \frac{\sqrt{\sum X^2}}{N}$$

Where

x= (X-mean)

N= number of observations

4. Total weightage score method (TWS):

The total weightage score method requires that we multiply the values of the items (X) by the specified weights (W) in order to calculate the final score. The total weights of all the things are then calculated by adding all the values. The item with the highest score will be ranked first, and the item with the lowest score will be ranked last.

RESULTS AND DISCUSSION

The present study entitled “Analysis of Kisan Credit Card Scheme in District Mandi of Himachal Pradesh” was conducted with the sample size of 110 farmers. The present chapter discuss the findings and results of the data gathered through primary survey. This chapter is divided into two parts. Part-A deals with the respondents profile and Part –B deals with the awareness of farmers, satisfaction of farmers with various aspects of KCC and problems faced by the farmers during adoption of KCC.

PART-A: Respondents profile

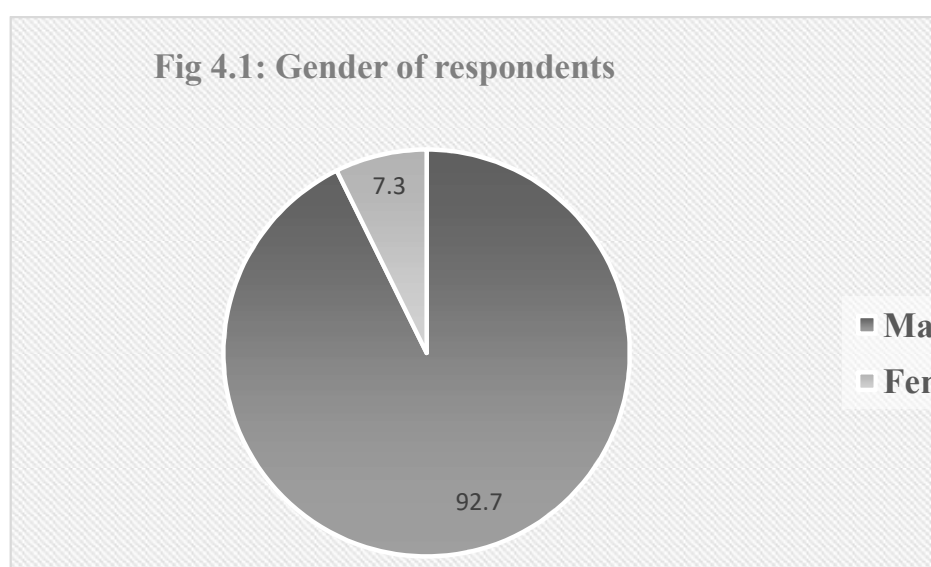
The profile of respondents has been represented in the form of tables and figures and is discussed below.

4.1 Gender-wise classification of respondents

Table 4.1 and figure 4.1 depicts the gender-wise classification of respondents. The analysis of data reveals that out of the total respondents, 92.7 per cent are males and 7.3 per cent are females.

Table 4.1: Gender status of respondents in the study area

Gender	Frequency	Percentage
Male	102	92.7
Female	8	7.3
Total	110	100.0

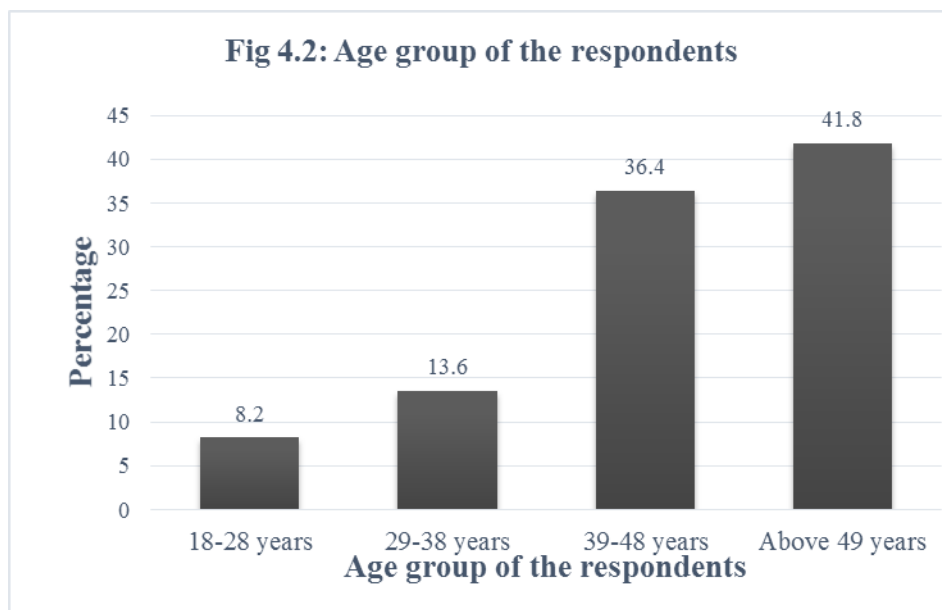


4.2 Age-wise classification of respondents

Table 4.2 and figure 4.2 shows the age wise classification of the respondents. The data shows that 41.8 per cent of the respondents are (above 49 years), 36.4 per cent of respondent's age lies between (39-48 years), 13.6 per cent of the respondent's age lies between (29-38 years) and 8.2 per cent of the respondent's age lies between (18-28 years).

Table 4.2: Age-wise classification of the respondents in the study area

Age(in years)	Frequency	Percentage
18-28 years	9	8.2
29-38 years	15	13.6
39-48 years	40	36.4
Above 49 years	46	41.8
Total	110	100.0

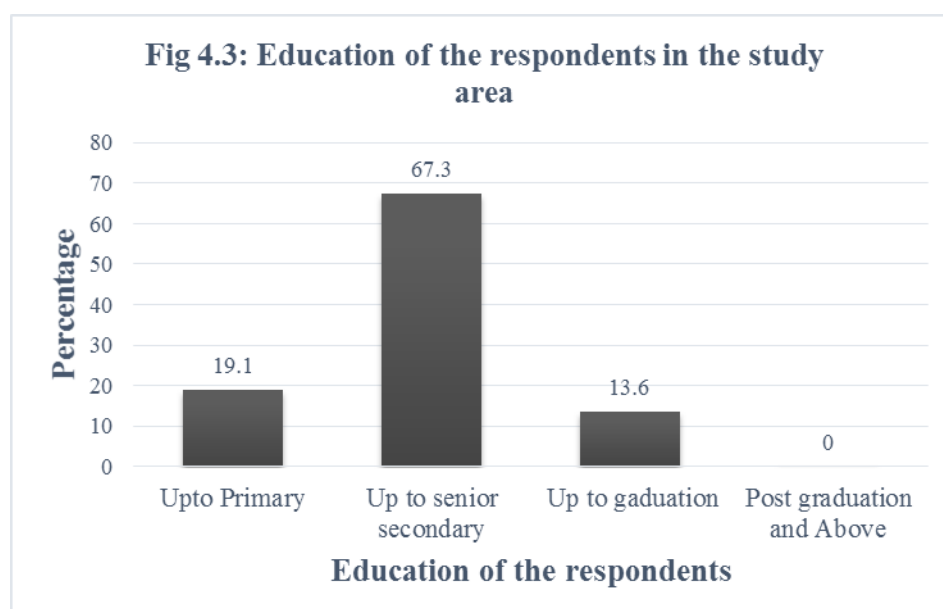


4.3 Educational status of the respondents in the study area

Table 4.3 and figure 4.3 illustrates the level of education among the respondents. Majority (67.3%) of respondents are educated up to senior secondary level followed by 19.1% per cent of the respondents who have attained educational qualification up to the level of primary. Further, 13.6 per cent of the respondents have attained educational qualification up to the level of graduation. Surprisingly, no sampled respondent has attained educational qualification up to post-graduation.

Table 4.3: Educational status of the respondents in the study area

Educational qualification	Frequency	Percentage
Up to primary	21	19.1
Up to senior secondary	74	67.3
Up to graduation	15	13.6
Post-graduation and above	0	-
Total	110	100.0

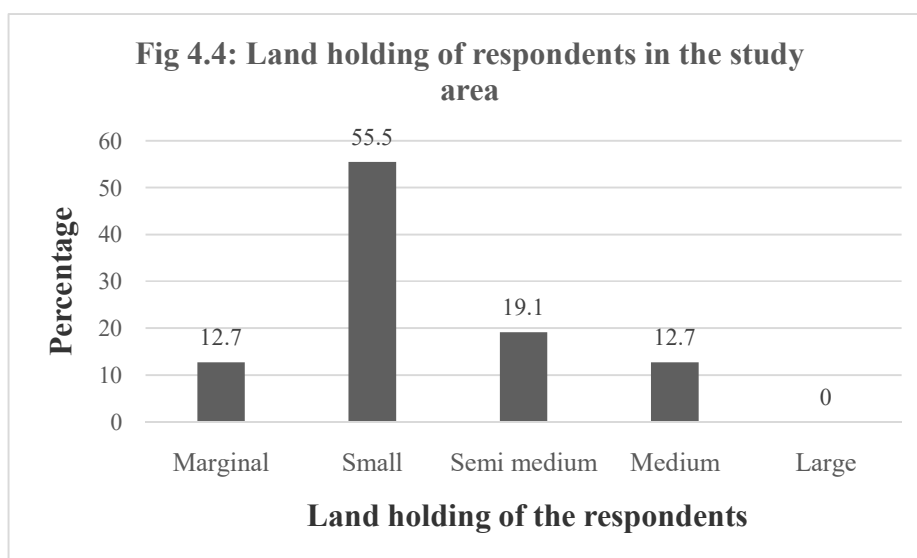


4.4 Land holding status of the respondents

Table 4.4 and figure 4.4 represents the land holdings of the respondents. Statistical analysis reveals that more than half (55.5%) of the respondents are small farmers, 19.1 per cent are semi- medium farmers, 12.7 per cent are marginal farmers, 12.7 per cent are medium and surprisingly no respondents are large farmers. This distribution highlights the prevalence of small and marginal farmers in the state of Himachal Pradesh as majority of farmers are small and marginal farmers (87.95%).

Table 4.4: Land holding status of the respondents in the study area

Total size of land(in hectare)	Frequency	Percentage
Marginal(below 1.0 ha)	14	12.7
Small(1.0-2.0)	61	55.5
Semi-medium(2.0-4.0)	21	19.1
Medium(4.0-10.0)	14	12.7
Large(above10.0)	0	-
Total	110	100.0

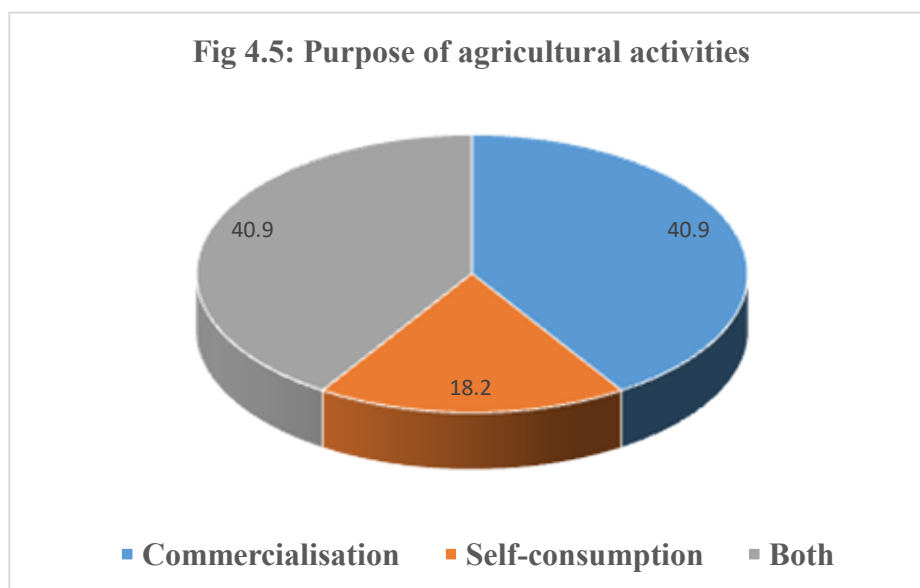


4.5 Purpose of agricultural activities

Table 4.5 and figure 4.5 depicts the purpose of agricultural activities of the respondents. Analysis of the table reveals that the same percentage of the farmers i.e 40.9 per cent are doing agriculture either for commercial purposes or for both commercial and self-consumption purposes and only 18.2 per cent are doing it for self- consumption.

Table 4.5: Purpose of agricultural activities in the study area

Purpose	Frequency	Percentage
Commercialization	45	40.9
Self-consumption	20	18.2
Both	45	40.9
Total	110	100.0

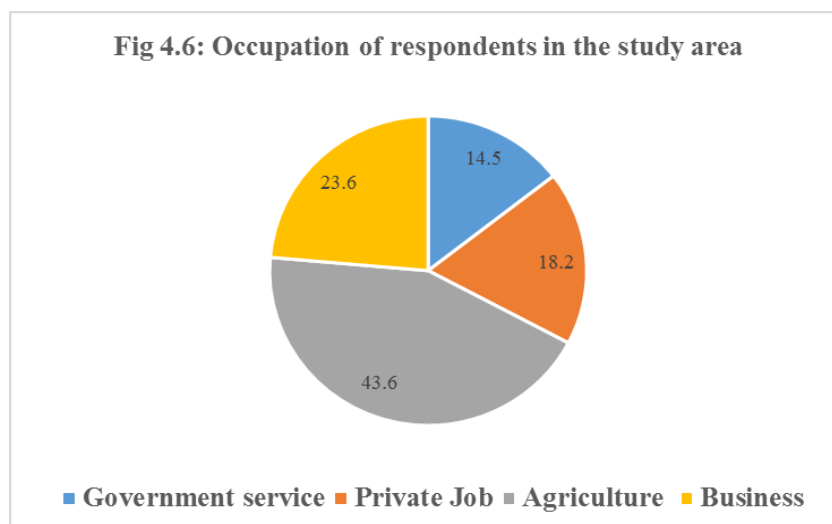


4.6 Occupation of respondents

Table 4.6 and fig 4.6 depicts the occupational status of the sampled respondents. Analysis of the table shows that 43.6 per cent of the respondents are engaged only in agricultural activities. Whereas, 23.6 per cent are engaged in business along with agriculture. Further, it was found that 18.2 per cent who are practicing agriculture are employed in private job and 14.5 per cent in government jobs.

Table 4.6: Occupation of respondents in the study area

Occupation	Frequency	Percentage
Only agriculture	48	43.6
Agriculture and government service	16	14.5
Agriculture and private Job	20	18.2
Agriculture and business	26	23.6
Total	110	100.0

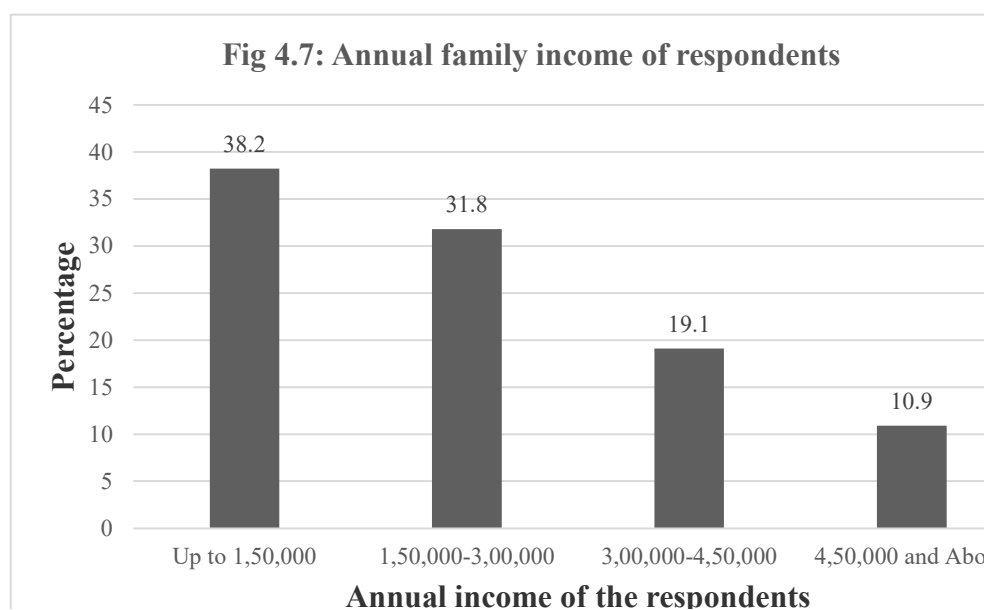


4.7 Annual family income of respondents

Table 4.7 and figure 4.7 shows the annual family income of the farmers. The data shows that 38.2 per cent of respondents have an annual income (up to Rs.1,50,000) followed by 31.8 per cent of the respondents with an annual income ranging from (Rs.1,50,000 to 3,00,000), 19.1 per cent of the respondents with an annual income ranging from (Rs.3,00,000 to 4,50,000) and 10.9 per cent of the respondents with an annual income of (Rs.4,50,000 and above).

Table 4.7: Annual family income of respondents in the study area

Annual Income (in Rs.)	Frequency	Percentage
Up to 1,50,000	42	38.2
1,50,000-3,00,000	35	31.8
3,00,000-4,50,000	21	19.1
4,50,000 and above	12	10.9
Total	110	100.0



PART-B

4.8 Farmers source of information about the KCC scheme

Table 4.8 shows the respondents source of information regarding the KCC scheme. The data shows that surprisingly the rural leader, progressive farmers, radio, television, newspaper, magazine, kisan mela, co-operative bank, pesticide dealers were not the source of information for any of the respondent about the KCC scheme. Further, it was observed that the major source of information of respondents was rural agricultural extension officer (31.8%) followed by commercial banks (25.5%), friends/relatives/neighbors (19.1%), krishi vigyan kendra (13.6%) and regional rural banks (9.1%).

Table 4.8: Farmers source of information about the KCC scheme

Sr. No	Source of information	Yes	NO
1.	Rural Leader	0	110(100.0)
2.	Friends /Relatives/Neighbors	21(19.1)	89(80.9)
3.	Progressive farmers	0	110(100.0)
4.	Radio	0	110(100.0)
5.	Television	0	110(100.0)
6.	Newspaper	0	110(100.0)
7.	Magazine	0	110(100.0)
8.	Krishi Vigyan Kendra	15(13.6)	95(86.4)
9.	Kisan mela	0	110(100.0)
10.	Regional Rural Bank	10(9.1)	100(90.9)
11.	Co-operative Bank	0	110(100.0)
12.	Commercial Bank	28(25.5)	82(74.5)
13.	Rural Agricultural Extension Officer	35(31.8)	75(68.2)
14.	Pesticide Dealers	0	110(100.0)

Note: Figures in parenthesis are in percentages.

4.9 Awareness about credit utilization purpose under KCC scheme to the respondents

The table 4.9 presents data on the awareness of the respondents with respect to credit utilization purposes under KCC scheme. Statistical analysis reveals that large majority of the respondents are aware that credit of KCC can be utilized for purchasing farm equipments as the statement ‘purchase of farm equipment’ has scored highest mean score (M=2.65). Further, the statement ‘investment in long term assets’ (M=2.61), ‘constructing greenhouse’ (M=2.45), ‘consumption of chemical fertilizers’ (M=2.32), ‘new harvesting techniques’ (M=2.26), ‘land development’ (M=2.24), ‘improved technology in agriculture’ (M=2.24), ‘high yield seed varieties’ (M=2.04) and ‘proper irrigation facilities’ (M=1.22) have also scored higher mean score implying that large majority of respondents were aware that credit extended under KCC can be utilized for these purposes.

Table 4.9: Awareness about credit utilization purpose under KCC scheme to the respondents

Sr. No	Credit utilization purpose	Fully aware	Partially aware	Not aware	Mean	SD
1.	High yield seed varieties	27(24.5)	61(55.5)	22(20.0)	2.04	0.668
2.	Consumption of chemical fertilizers	64(58.2)	18(16.4)	28(25.5)	2.32	0.857
3.	Proper irrigation facility	6(5.5)	13(11.8)	91(82.7)	1.22	0.536
4.	Improved technology in agriculture	55(50.0)	27(24.5)	28(25.5)	2.24	0.837
5.	Constructing greenhouse	71(64.5)	18(16.4)	21(19.1)	2.45	0.797
6.	Land development	61(55.5)	15(13.6)	34(30.9)	2.24	0.900
7.	Purchase of farm equipment	82(74.5)	18(16.4)	10(9.1)	2.65	0.641
8.	Investment in long term assets	76(69.1)	26(23.6)	8(7.3)	2.61	0.620
9.	New harvesting techniques	59(53.6)	21(19.1)	30(27.3)	2.26	0.863

4.10 Satisfaction of respondents with the availability of the various aspects of KCC

Satisfaction level of respondents with respect to KCC scheme have been presented in table 4.10. Analysis of the Table shows that respondents are not satisfied with ‘simplicity in annual renewing of KCC limit’(M=3.08), ‘renewable procedures’(M=2.43) and ‘sufficient credit limit as per requirement’(M=2.41). Overall, respondents are largely satisfied with ‘Credit repayment procedure’ (M=4.46) followed by ‘Timely availability of credit from KCC’ (M=4.45), ‘Low interest rate on credit under KCC’ (M=4.35), ‘Reduction of cost in accessing credit’(M=3.98), ‘in-built facility of crop insurance in KCC’(M=3.69), ‘Overall credit acquisition procedure in KCC’(M=3.66) and ‘reliable and transparent operational procedure of KCC account in bank’ (M=3.61).

Table 4.10: Satisfaction of respondents with the availability of the various aspects of KCC.

Sr. No	Aspects of KCC	(5)	(4)	(3)	(2)	(1)	Mean	S.D	TWS	Rank
1.	Timely availability of credit from KCC	87	5	5	7	6	4.45	1.178	490	II
2.	Sufficient credit limit as per requirement	5	3	40	47	15	2.41	0.922	254	X
3.	Renewable procedure	14	10	6	60	20	2.43	1.252	268	IX
4.	Reduction of cost in accessing credit	61	19	5	17	8	3.98	1.374	438	IV
5.	Simplicity is annual renewing of KCC limit	14	38	21	17	20	3.08	1.321	339	VIII
6.	Reliable and transparent operational procedure of KCC account in bank	40	30	5	28	7	3.61	1.367	398	VII
7.	Low interest rate on credit under KCC	70	21	10	6	37	4.35	1.036	479	III
8.	Overall credit acquisition procedure in KCC	29	43	18	12	8	3.66	1.190	403	VI
9.	In- built facility of crop insurance in KCC	49	20	10	20	11	3.69	1.444	406	V
10.	Credit repayment procedure	77	21	2	6	4	4.46	1.028	491	I

4.11 Problems faced by respondents during adoption of KCC Scheme.

Table 4.11 shows the problems faced by the farmers during the adoption of KCC scheme. From the above tabulation, it is found that largely respondents perceived major problems i.e 'fixed credit limit' (M=3.84) hinders the farmers' ability to meet their agricultural expenses adequately. followed by 'no assured availability of credit' (M=3.55) which poses uncertainties in obtaining credit when needed, 'insufficient credit amount' (M=3.45) indicating that the credit provided might not be sufficient to address the farmers' agricultural requirements fully, and 'no financial support given during any natural calamities/crop disease/other accidental activity' raises concerns about the scheme's effectiveness in providing timely aid during difficult situations. On the other hand, the problems that are not affecting much are 'complicated procedure for taking loan through KCC scheme' (M=2.10), 'problem of security' (M=2.03) and 'high rate of interest' (M=1.66).

Table 4.11: Problems faced by respondents during adoption of KCC Scheme.

Sr. No	Problems	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	SD
1.	Complicated procedure for taking loan through KCC scheme	9(8.2)	5(4.5)	15(13.6)	41(37.3)	40(36.4)	2.10	1.191
2.	High rate of interest	6(5.5)	3(2.7)	10(9.1)	20(18.2)	71(64.5)	1.66	1.111
3.	Unavailability of loan on time	7(6.4)	7(6.4)	16(14.5)	50(45.5)	30(27.3)	2.19	1.104
4.	Insufficient credit amount	43(39.1)	8(7.3)	25(22.7)	24(21.8)	10(9.1)	3.45	1.424
5.	Problem of security	7(6.4)	5(4.5)	15(13.6)	41(37.3)	42(38.2)	2.03	1.132
6.	No assured availability of credit	46(41.8)	17(15.5)	8(7.3)	30(27.3)	9(8.2)	3.55	1.462
7.	Unfriendly nature of bank officials	3(2.7)	3(2.7)	51(46.4)	40(36.4)	13(11.8)	2.48	0.843
8.	Problems in annual review of card	12(10.9)	8(7.3)	14(12.7)	65(59.1)	11(10.0)	2.50	1.123
9.	Difficulty in opening bank account	6(5.5)	11(10.0)	14(12.7)	60(54.5)	19(17.3)	2.31	1.048
10.	No flexibility in payment period	8(7.3)	14(12.7)	9(8.2)	60(54.5)	19(17.3)	2.38	1.133
11.	Fixed credit limit	54(49.1)	24(21.8)	3(2.7)	19(17.3)	10(9.1)	3.84	1.421
12.	Withdrawal through cheques is time consuming	7(6.4)	8(7.3)	12(10.9)	68(61.8)	15(13.6)	2.30	1.011
13.	Transaction costs are involved	19(17.3)	6(5.5)	24(21.8)	33(30.0)	28(25.5)	2.59	1.383
14.	No financial support given during any natural calamities/crop disease/other accidental activity	21(19.1)	52(47.3)	5(4.5)	20(18.2)	12(10.9)	3.45	1.289
15.	With the increase in costs of agricultural inputs, the credit limit is not increased under KCC scheme	41(37.3)	40(36.4)	7(6.4)	16(14.5)	6(5.5)	3.85	1.225

SUMMARY AND CONCLUSIONS

The study revealed that majority of respondents belonged to the age group above 49 years and were primarily small farmers with land holdings ranging from 1.0 to 2.0 hectares. The level of education played a significant role in the acceptance and implementation of new agricultural schemes. Educational status of sampled respondents reveals that 67.3 percent of farmers have received education up to the senior secondary level, 19.1 percent had completed primary education, and the remaining 13 percent were graduates. Additionally, it was observed that a significant number of farmers are engaged in agriculture for both self-consumption and commercial purposes, while others focused solely on commercialization.

Further, it was found that majority of respondents were engaged only in agriculture, while the remaining participants were involved in private jobs, business ventures, or government services along with agriculture. Notably, those who pursued agriculture for commercial purposes experienced positive outcomes, relying solely on agriculture as their primary source of income. All categories of respondents, including marginal, small, semi-medium, and medium farmers were engaged in agricultural activities for both commercialization and self-consumption purposes.

The respondents expressed a need for credit to cope with technological advancements, changing cropping patterns, increased commercialization, and the growing use of inputs in agriculture. The Kisan Credit Card (KCC) scheme plays a crucial role in assisting respondents by providing access to essential factors of production such as high-yield seed varieties, chemical fertilizers, agricultural inputs, and irrigation facilities. Through the provision of loans, respondents are able to adopt new technologies, greenhouse practices, and harvesting techniques, leading to increased crop production and enhanced profitability. The credit obtained by respondents is utilized for various purposes, including the purchase of seeds, pesticides, and chemical fertilizers, as well as the acquisition of farming equipment and machinery.

The study revealed that a significant proportion of respondents were not taking advantage of the services offered under the Kisan Credit Card (KCC) scheme due to a lack of awareness among them. Furthermore, banks were not actively promoting their schemes or providing adequate information about the various services and facilities available under the scheme, such as ATM facilities, crop insurance, health insurance, and asset insurance.

Consequently, respondents often relied on unreliable sources such as friends, relatives, and neighbors to gather information about the scheme.

The respondents expressed a positive belief in the usefulness of loans provided by banks, acknowledging their assistance. However, they also encountered several challenges during the loan application and repayment process. Issues such as the unavailability of a guarantor, uncertainty in accessing credit, high transaction costs, and natural calamities leading to loan repayment difficulties were identified as major concerns. Additionally, the fixed credit limit under the Kisan Credit Card (KCC) scheme posed a problem, as it was not adjusted to accommodate the rising costs of agricultural inputs. Despite these challenges, there exists significant potential for agricultural development among the respondents, with opportunities for income generation and increased crop productivity after availing the benefits of the KCC scheme.

Suggestions:

- It is suggested to increase the awareness about the Kisan Credit Card (KCC) scheme and its benefits through information campaigns and workshops.
- Farmers should not rely on the formal sources of information like commercial banks, regional rural banks and Krishi Vigyan Kendras, they should also seek information from other sources like progressive farmers, radio, television, newspaper, pesticide dealers etc.
- Farmers must establish a network among the fellow farmers to share experiences, knowledge, and best practices regarding the KCC scheme.
- Farmers should actively take advantage of the benefits provided under the scheme, such as ATM facilities, to enhance their standard of living, as well as crop insurance to safeguard their crops from potential natural calamities.
- There is a need to generate awareness regarding irrigation facilities and high yield seed varieties among farmers which can be attained by utilizing the credit under KCC scheme.
- Farmers are not much satisfied with the yearly renewable procedures, so it is suggested to make the fresh KCC limits according to the farmers need i.e within less than one year.

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APPENDIX-1

Questionnaire on- Analysis of Kisan Credit Card Scheme in District Mandi of Himachal Pradesh.

Dear Sir/Madam,

My name is Deeksha Bali, working on a project entitled 'Analysis of Kisan Credit Card Scheme in District Mandi of Himachal Pradesh' as a part of my MBA degree. Kindly read the following statements carefully and give your response. I assure you that whatever information is provided will be used for the research and academic purpose and will be kept confidential. I shall be highly grateful to you for your cooperation.

Part A – Demographic Profile

1. **Name of respondent:** _____
2. **District:** _____
3. **Block:** _____
4. **Panchayat:** _____
5. **Village:** _____
6. **Gender:**
 - a) Male
 - b) Female
7. **Family size:**

No. of members	Male	Female

8. **Age of respondent:**
 - a) 18-28 years
 - b) 29-38 years
 - c) 39-48years
 - d) Above 49 years
9. **Education:**
 - a) Up to Primary
 - b) Up to senior secondary
 - c) Up to graduation
 - d) Post-graduation and above

10. Land holding:

- a) Marginal(below 1.0 ha) d) Medium(4.0-10.0 ha)
b) Small (1.0-2.0 ha) e) Large(above 10.0 ha)
c) Semi-Medium (2.0-4.0 ha)

11. Purpose of agricultural activities:

- a) Commercialization c) Both
b) Self-consumption

12. Occupation:

- a) Agriculture and Govt. service c) Only agriculture
b) Agriculture and private Job d) Agriculture and business

13. Annual family income:

- a) Up to 1,50,000 c) 3,00,000-4,50,000
b) 1,50,000-3,00,000 d) 4,50,000 and above

Part-B

1. What was your source of information about the KCC scheme?

Sr. No	Source of information	Yes	No
1.	Rural leader		
2.	Friends /relatives/neighbours		
3.	Progressive farmers		
4.	Radio		
5.	Television		
6.	Newspaper		
7.	Magazine		
8.	KrishiVigyan Kendra		
9.	Kisan mela		
10.	Regional Rural bank		
11.	Co-operative bank		
12.	Commercial bank		
13.	Rural Agricultural Extention Officer		
14.	Pesticide dealer		

2. Are you aware of the following credit utilisation purposes under KCC scheme?

Sr. No	Credit utilisation purposes	Fully aware	Partially aware	Not aware
1.	High yield seed varieties			
2.	Consumption of chemical fertilisers			
3.	Proper irrigation facility			
4.	Improved technology in agriculture			
5.	Constructing greenhouse			
6.	Land development			
7.	Purchase of farm equipment			
8.	Investment in long term assets			
9.	New harvesting techniques			

3. Are you satisfied with the availability of the various aspects of KCC?

Sr. No	Aspects of KCC	Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied
1.	Timely availability of credit from KCC					
2.	Sufficient credit limit as per requirement					
3.	Renewable procedure					
4.	Reduction of cost in accessing credit					
5.	Simplicity in annual renewing of KCC limit					
6.	Reliable and transparent operational procedure of KCC account in bank					
7.	Low interest rate on credit under KCC					
8.	Overall credit acquisition procedure in KCC					
9.	In- built facility of crop insurance in KCC					
10.	Credit repayment procedure					

4. Any problem faced during adoption of KCC scheme?

Sr. No	Problems	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1.	Complicated procedure for taking loan through KCC scheme					
2.	High rate of interest					
3.	Unavailability of loan on time					
4.	Insufficient credit amount					
5.	Problem of security					
6.	No assured availability of credit					
7.	Unfriendly nature of bank officials					
8.	Problems in annual review of card					
9.	Difficulty in opening bank account					
10.	No flexibility in payment period					
11.	Fixed credit limit					
12.	Withdrawal through cheques is time consuming					
13.	Transaction costs are involved					
14.	No financial support given during any natural calamities/crop diseases/other accidental activity					
15.	With the increase in costs of agricultural inputs, the credit limit is not increased under KCC scheme					

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Title of the Project	:	Analysis of Kisan Credit Card Scheme in District Mandi of Himachal Pradesh
Name of the Student	:	Deeksha Bali
Admission Number	:	H-2021-07-ABM
Degree Awarded	:	Masters of Business Administration (Agribusiness)
Year of Award of Degree	:	2023
Major Advisor	:	Dr. Rashmi Chaudhary
Major Subject/Discipline	:	Agribusiness Management
Minor Field	:	Agribusiness Management
Total pages in Project Report	:	36+iv
Total words in Abstract	:	226

Abstract

The present study entitled “Analysis of Kisan Credit Card Scheme in District Mandi of Himachal Pradesh” was conducted during 2022-2023. The study was conducted with three main objectives viz., to study the awareness and perceptions of the farmers for the Kisan Credit Card Scheme, to study the extent of satisfaction of beneficiaries for Kisan Credit Card Scheme and to identify constraints faced by the farmers while availing loan for Kisan Credit Card Scheme and to obtain the suggestions to overcome them. Convenience sampling and snowball sampling was used to gather data from various blocks in Mandi district. A sample of 110 farmers was selected. Both primary and secondary data was used for the study. Data was analyzed by using tools like percentage, mean, standard deviation and total weightage score method. The study depicted that farmers were highly aware about the farm equipments with rural agricultural extension officer and commercial banks as the main source of information. Among all the aspects studied, farmers were not satisfied with sufficient credit limit and were highly satisfied with credit repayment procedures. In addition, the major problem was perceived in fixed credit limit which further hindered their ability to meet agricultural expenses. Based on the findings of the study, it is suggested to increase the awareness about the Kisan Credit Card scheme. Farmers should actively avail benefits provided under the scheme.

Signature of Student
Name: Deeksha Bali
Date:

Signature of the Major Advisor
Name: Dr. Rashmi Chaudhary
Date:

Countersigned

Professor and Head
Department of Business Management
Dr YS Parmar University of Horticulture and Forestry
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BRIEF BIO-DATA

Name : Deeksha Bali
Father's Name : Mr. Ashok Bali
Mother's Name : Mrs. Uma Bali
Date of Birth : 24.03.1998
Permanent Address : V.P.O Chambi, Tehsil Sundernagar District
Mandi (H.P.)

Academic Qualification

	Year	School/University	Board/ University	Marks (%)	Division
10 th Class	2013	Govt. Senior secondary Model School, Sundernagar	CBSE	62%	First
12 th Class	2015	Vardhman Mahavir Public Senior Secondary School, Pungh, Sundernagar, Mandi (H.P.)	H.P.B.O.S.E	74%	First
B.Sc. Hons. (Agriculture)	2020	CSKHPKV, Palampur (H.P)	CSKHPKV, Palampur (H.P)	69.2%	First

Fellowships/Scholarships/Gold Medals/Awards/any other Distinction: University stipend
Year: 2021-23

Publications: No

Research Papers: No

Scientific Popular Articles: No

Others: No

Visits aboard along with duration and purpose of visit: No

(Deeksha Bali)