IMPACT ANALYSIS OF CREDIT THROUGH DISTRICT CO-OPERATIVE BANK ON AGRICULTURAL DEVELOPMENT OF BENEFICIARY FARMERS IN RATLAM DISTRICT OF M.P.

THESIS

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by

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R.A.K. College of Agriculture

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CERTIFICATE-I

This is to certify that the thesis entitled **"IMPACT ANALYSIS OF CREDIT THROUGH DISTRICT CO-OPERATIVE BANK ON AGRICULTURAL DEVELOPMENT OF BENEFICIARY FARMERS IN RATLAM DISTRICT OF M.P."** submitted in partial fulfilment of the requirements for the Degree of **MASTER OF SCIENCE** in **Agricultural Extension Education** of Rajmata Vijayaraje Scindia Krishi Vishwa Vidyalaya, Gwalior is a record of the bona-fide research work carried out by **Mr.Manish Patidar** under my guidance and supervision. The subject of the thesis has been approved by the Student's Advisory Committee and the Director of Instructions.

No part of the thesis has been submitted for any other degree or diploma or has been published. All the assistance and help received during the course of this investigation has been acknowledged by scholar.

Date:
Place: Sehore

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Chairman of the Advisory Committee

MEMBER OF STUDENT'S ADVISORY COMMITTEE

(Chairman) Dr. K.N.Pathak **……...**

(Member) Dr.P.K.Malviya **……...**

CERTIFICATE-II

This is to certify that thesis entitled **"IMPACT ANALYSIS OF CREDIT THROUGH DISTRICT CO-OPERATIVE BANK ON AGRICULTURAL DEVELOPMENT OF BENEFICIARY FARMERS IN RATLAM DISTRICT OF M.P."** submitted by **Mr.Manish Patidar** to the Rajmata Vijayaraje Scindia Krishi Vishwa Vidyalaya, Gwalior in partial fulfilment of the requirements for the degree of Master of Science in **Agriculture** in the Department of **Agricultural Extension Education** has been accepted after evaluation by the External Examiner and approved by the Student's Advisory Committee after an oral examination of the same.

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(Member) Dr.P.K.Malviya **……...**

Head of the Department: **……**

Dean of the collage: **…….**

Director of Instructions: **…….**

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CHAPTER - I

INTRODUCTION

Improvement in agricultural production and productivity in India is of paramount importance today, not merely because it provides food and wage goods to the rising population, but also because it ensures a strong base for future development of the industrial sector. It has been very rightly pointed out that the country is poor not because it is agricultural in nature, but in fact, it is so, because its agriculture is backward due to traditional farming in nature. Indian agriculture, as is well known, has been starved of capital investment, firstly, because of poverty or low levels of income of majority of the farming community, and Secondly, because of Indian agriculture that has been traditionally considered as “way of life” and not “business proposition”.

The main reason for the backwardness of Indian agriculture may be attributed to the neglect of credit provision to the agricultural sector of the economy. To improve the productivity of Indian agriculture and to free the cultivators from the vicious circle of poverty, a breakthrough has to be achieved by supplying adequate amount of investible credit to the cultivators in the country.

Providing appropriate finance to the agricultural sector is like, oiling agriculture to make its wheels move swiftly and smoothly. More so in the context of India, which is jamming packed with small farmers, who have almost no resources and are in dire need of resources. The problem is big and long standing and unless solved on a sound basis, the existing inadequate, and in many respects, defective system will continue to obstruct the expansion and modernization of agriculture. Making available credit and ensuring its productive use should therefore forms basic planks of any credit policy to foster progressive rural economy.

Like any productive activity, agriculture needs financing for its various activities production – processes, purchase of inputs, sale of output, improvement in land etc. All these involve payments for which money has to be found out. These needs are there even in the case of traditional agriculture. But, these are much more in relation to agriculture, which is in the process of modernization. Present day trend of increasing application of new agricultural technology has generated a large increase in the demand for credit. The new technology calls for combined and optimal application of several different inputs but the one input that can help the

farmer to apply other inputs, is the financial one namely credit.

The century old plight of Indian cultivators particularly in terms of their perpetual and heavy debt burden was first tract traced out very concretely and comprehensively by the All India Rural Credit Survey of 1951-52. The survey revealed that in 1951-52, 7.3 per cent of rural credit was supplied by institutional sources of the government, co-operatives and commercial banks and remaining 92.7 per cent by a host of non-institutional sources comprising professional money lenders, agriculturist money lenders, landlords, traders, commission agents and relatives. The above figures show that during 1951-52, the cultivators were almost totally dependent on non-institutional credit agencies for their credit requirement. The borrowers were subjected to exorbitant rates of interest and unfavourable terms and condition of loaning which often led not only to chronic indebtedness but also sale of land for repayment of debt.

Among the institutional credit agencies, co-operatives have a long history of development, dating back to 1904, with the primary object of providing cheap credit to farmers and protecting them from exploitation by the private money lenders. But, it was revealed that the co-operative movement, since half a century could not achieve more than 3.1 per cent involvement in the total rural credit supply. This was because of a number of shortcomings in the co-operative movement on rural credit front. First, the coverage of co-operative credit in terms of primary co-operative societies and co-operative membership was too inadequate to fill up the gap of different types of credit requirement. Secondly, the management of cooperative societies at the village level was concentrated in the hands of some big farmers who enjoyed lion’s share of credit from the societies. Finally, the co-operative credit was not at all supervised, so that it could be put to productive use. The rate of default was high. Thus, the basic weakness of the co-operative movement could be traced to human factors i.e., lack of serious participation by the members who were supposed to be alert and responsible both in the matter of taking loans, their productive use and timely repayment.

Since, the effort to increase the percentage of rural credit supply by co-operatives was not very encouraging, as it is evident from the surveys conducted by Reserve Bank of India, steps have been taken by the government of India, to induce commercial banks to play a vital role in supplying credit to agricultural sector. Commercial banks have started financing the agricultural sector from 1950. But, they

neither could nor make significant dent on the agricultural development. Commercial bank too had their weakness. Even with much increased network of rural branch offices, the commercial banks could not reach out to the interior and rural hinterlands. The commercial bank continued to use the deposits mopped up by their rural branches for meeting the credit need in urban areas. The review committee on Regional Rural Banks observed that the agricultural credit by the commercial bank has been additive and has not helped to cover the geographical areas not having the availability of credit facility from the co-operatives (RBI, 1978). The high cost structure and lack of rural orientation was their major handicaps. Over the years, the productivity, efficiency and profitability of the system have suffered.

The Banking Commission in 1972 mooted the proposal for setting up of some sort of rural banks. It recommended such banks for compact group of villages. The government of India also felt that it was necessary to establish new institutions on the basis of altitudinal and operational ethos entirely different from that of the public sector banks. In pursuance of this view, the Government of India appointed a working group on Rural Bank on 1st July 1975 under the Chairmanship of Sri. Narasimham to examine in-depth setting up of new rural banks as subsidiaries of the public sector banks to cater to the financial requirements of rural people. The committee recommended for establishment of “Regional Rural Bank” which should be state sponsored, regionally based, and rural oriented and with the blend spirit of co-operatives as well as business outlook of the commercial banks. Focused attentions were given to rural lending and weaken section by identifying the poorest among the poor with appropriate subsidy – linked government programme, thereby dependence of the rural people on credit from commercial banks and co-operative societies has increased. The beneficiaries, however, diverted funds for social obligation and unproductive purposes and could not even manage their livelihood. The RRB, which form the third constituent of the multi agency credit system for agricultural and rural development were intended to focus exclusively on the small, marginal farmers, agricultural labourers and rural artisans. The first five banks established in four different states commenced functioning from second October 1975. The basic philosophy underlying the establishment of RRB was to combine in them the local feel and familiarity with rural problem and the co-operative and the modern business, organization, commercial discipline of business, ability to mobilize deposits, access to central markets and modernized outlook which the commercial

bank possessed. The formation of RRB is another step to exclusively meet the credit needs of the rural population. Inspite of vagaries of nature like failure of monsoon, occurrence of floods etc. some RRB's have been functioning profitably and are economically quite viable. As on 31st March 1999, there were 196 Regional Rural Banks operating in 451 districts with a network of 14,475 branches. Their outstanding advances stood at Rs. 9860.8146 crores and the total deposits amounted to Rs. 17,970.19 crores.

In nutshell, it is found that agriculture credit plays an important role in maintaining agricultural production by allowing producers to meet their credit need during the entire cycle of crop production and at the same time provides funds for investment purposes. With increased commercialization of agriculture and increase in the use of modern inputs, the amount and share of purchased inputs in the total production is increasing rapidly. Besides, private investment in different types of assets like irrigation equipments, farm machinery, and land improvements are required for efficient production and for maintaining faster agricultural output growth. Farmers have to avail credit either from institutional sources or from non- institutional sources like private money lenders. Loans from non-institutional sources though very common, are often exploitative, with very high interest rate, and from such sources the borrowers often fall into debt trap. Realizing these difficulties, the government has initiated several measures to galvanize the institutional credit system to make it more responsive to the needs of farmers.

The objective of the Agricultural Credit Policy in India since Independence has been gradual replacement of moneylenders by institutional sources and a lowering of interest rates. Until banks were nationalized, cooperative institutions were the only source of institutional credit in rural areas. Since nationalization, scheduled commercial banks and regional rural banks (RRBs) have also been part of the formal credit system. The share of commercial banks has substantially increased from 53 percent in 2000-01 to 74.5 percent in 2010-11. As percentage of agricultural GDP, institutional credit to agriculture has increased from 2.56 percent in 1970–1971 to 7.11 percent in 1980–1981 to 11.47 percent in 2000–2001, and 32.21 percent in 2010-11, although studies do suggest asymmetries in distribution of credit across farm size and across regions. But small farmers continue to resort to informal lenders (despite Kisan credit cards), as the current system of institutional credit to farmers suffers from non-farmer friendly practices, delays in credit delivery and

collateral problems.

Keeping in view the importance of flow of credit to agriculture, in particular to the smaller borrowers who may not have the necessary assets as collateral, the banks have been advised to waive margin and security requirements for agricultural loans up to Rs.100,000. The “No Due Certificate” for small loans to small farmers and marginal farmers, share croppers, etc. have been dispensed with and instead banks have been instructed to obtain self declaration from the borrowers.

District Co-operative Agriculture and Rural Development Bank, Ratlam is one of the leading agricultural financing banks providing the loan to the farmers for various agricultural uses. Hence, their contribution needs to be examined and estimated. This study is, therefore, an attempt in this direction with the following objectives:

Objectives of investigation:

1. To study the profile of beneficiaries.
2. To analyse the impact of credit through district co-operative bank on agricultural development of beneficiaries.
3. To know the association between profiles and impact of credit through district co-operative bank on agricultural development of beneficiaries.
4. To identify the constraints and suggestion for repayment of credit by beneficiaries.

Significance of the Study

Farmers are the backbone of agricultural economy. As we know that finance is one of the most important aspects to increase agricultural output and also to improve the socio economic condition of farmers at all the extent. For a long period, it has been assumed that Indian farmers born with debt and die with debt. The debt gets transferred from generation to generation. The informal loans availed from the money lender, commission agents and relative, who are charging high rate of interest as a result of this barrowers were unable to pay back the loan, instead of that they were paid only interest and principal amount which would continue to accelerate whatever additional income derived by farmers was used to pay only interest. Hence, farmers were unable to invest on their socio-economic development. Apart from this, the informal sector lending loan without considering the priority to productive or non-productive purpose. India is the largest country among the South Asian Countries. Agriculture is one of the largest sectors in the Indian economy.

Hence, improving the productivity of agricultural sector requires a greater effort either from the Government or the NGOs. Consequently, agricultural finance is one, which could play a greater role to enhance the level of agricultural output. The Indian farmers could be categorized on small, marginal, medium, semi-medium and big farmers. The Indian farmers are the largest serving body, who are currently facing their epidemic of suicide. For a country, the Indian farmers were dependent on subsistence farming. However, in the recent time, particularly after the green revolution, the agriculture in India is not only serving as subsistence but also it serves for the improvement of the socio-economic development of the farmers. In order to empower the farmers, the government of India has formulated several policies, plans and programme. Expansion of institutional credit was found to be inadequate and direct policy intervention by the government in the field of institutional credit was envisaged. This made the central government to issue special directives to give priority to small and marginal farmers both in credit disbursement and credit linked subsidies. These policy interventions are small Farmers Development Agency (SFDA), Marginal Farmers and Agricultural Laborer (MFAL), Differential Rate of Interest Scheme (DRI), and Integrated Rural Development Programme (IRDP) had an impact and the increased the share of institutional credit to the small and marginal farmers and agricultural laborers. This includes the establishment of the nationalization of banks, introducing Lead Bank Schemes, NABARD, revitalized credit system in India, and however the availability of institutions that provides a credit to the farmers is still in their early stages. In this regard, several studies have been conducted at different geographical areas in the state in connection with the contribution made by the institutional credit in the field of agriculture. The credit through district co-operative bank is important for providing loan as per investment requirement in production process. It needs to be verifying the level of usefulness of the scheme for beneficiaries as feed back information for the planner.

Limitations of the study

1. The study was undertaken by a single investigator and as such, the work had the constraints of time, finance and other resources.
2. The universe of investigation was restricted to one block of one district. As such generalization of the results of the study could only be restricted to the area under investigation in particular and the areas where similar conditions prevail in

general.

3. Since, most of the data and information were based on the verbal responses of the respondents the chance of bias is there. Further, it is also likely that some of the answers might not fully and correctly reflect the inner thoughts and aspirations of the respondents about farm financing operations of banks.
4. The other limitation of study lies with the inadequacy of the sample. This being a student project, it was not possible to take large sample.

Scope of the study

Bank are not mere money lenders but are also powerful instruments of social change. Hence, their duty to ensure that desirable change is to be brought about in the farming community from time to time. An impact study of this nature about identified institutions involved in the same job was first of its kinds. Hence, insights provided by this study would help the personnel involved in planning of rural based financial institutions. The findings of the present study would help them to modify the policies and procedures, which in turn help in improving agricultural development strategies.

CHAPTER - II

REVIEW OF LITERATURE

Scanning of relevant literature is helpful in formulating the framework of research problem undertaken. The researcher would be able to make an improvement over the existing studies and also expend the horizon of investigation on the subject matter. The review could also help in refracting the concept and statement, which were made in the earlier studies as well as for supporting of the present study. The attempt of new research worker is to study the literature related to the problem undertaken. Therefore, it forms an integral part of any systematic research work. In present study, few relevant review of literature related with problems undertaken. The review of literature is mainly presented as per the objective of the study in following heads.

1. Socio personal characteristics of credit scheme beneficiaries.
2. Impact of credit on socio economic change of beneficiaries.
3. Association between socio personal characteristics and socio economic status of credit scheme beneficiaries.
4. Constraints and suggestions of credit scheme.

2.1 Socio personal characteristics of credit scheme beneficiaries:

Age:

More (1997) observed that majority of the beneficiaries (55.00%) were from middle age group followed by young age (24.29%). It was also observed that only 18.33 per cent beneficiaries were from old age category.

Prita (2001) in her study reported that majority of the respondents (68.70 per cent) were middle aged while 18.32 per cent were young and the remaining was old.

Bevenahalli (2005) reported that majority of the respondents (70.33 %) were middle aged, while 28.33 per cent were young age and remaining (1.33 %) were old age.

Joseph and Easwaran (2006) in the study conducted at Aizawl district of Mizoram reported that majority of the respondents were aged between 40 and 60 years, followed by 30.77 per cent falling below 40 years and 15.38 per cent falling above 60 years. The mean age of members was found to be 48 years.

Sharma (2006) revealed that majority (54.17%) of the respondents were middle aged followed by 35.00 and 10.83 per cent of the respondents who belonged

to young and old age categories respectively.

Dashawant (2007) reported in his study “Impact of Karnataka Vikas Grameena Bank on agriculture development of beneficiary farmers” that majority of the respondents belonged to middle age group.

Parmar (2008) reported that the higher percentage of beneficiaries (52.50%) was found in middle age group.

Gole (2013) reported that majority of the respondent 40.00 per cent were of middle age group followed by old age group 32.50 per cent and young age group 27.50 per cent respectively.

Education:

Naidu *et al.* (1986) concluded that credit users belonging with higher percentage educated family members.

Vasudevarao (2003) conducted a study in three districts of Andhra Pradesh and reported that illiterates formed only 11 per cent, while 60 per cent had formal schooling.

Sharma (2006) revealed that education level, 41.67 per cent of the respondents had studied upto primary level and 32.50 per cent had studies upto middle school level.

Dashawant (2007) reported in his study “Impact of Karnataka Vikas Grameena Bank on agriculture development of beneficiary farmers” that majority of the respondents belonged to educated upto middle school.

Sowjanya (2007) reported that 39.29 per cent of respondents were functionally literate followed by primary school education (16.07%).

Parmar (2008) reported that the higher percentage of the beneficiaries (25.00%) had education up to high school level.

Gole (2013) reported that majority of the respondent 36.67 per cent were of illiterate group followed by primary + middle education group 34.17 per cent and H.S.S.C and above education group 29.16 per cent respectively.

Size of land holding:

Naidu *et al.* (1986) concluded that maximum number of credit users belongs to large size of holding.

Chaudhari *et al.* (1996) reported that majority of IRDP beneficiaries (80.46%) were landless, 18.49 per cent were marginal farmers, while 1.06 per cent were small farmers in West Bengal.

Satyanarayana *et al.* (2002) in a study on SGSY beneficiaries revealed that vast majority of beneficiaries were landless (62.86%) followed by medium farmers (17.14%) and small farmers comprised only 11.43 per cent of beneficiaries.

Joseph and Easwaran (2006) reported that 33.33 per cent of the members had land holding of medium size (5-10 acres) following 28.21 per cent of members each with small (2.5-5 acres) and marginal (1-2.5 acres) of land holding. The mean size of holding was found to be 5.67 acres.

Sharma (2006) revealed that 46.66 per cent of the respondents had small land holding while 42.50 per cent had semi medium land holding

Dashawant (2007) reported in his study "Impact of Karnataka Vikas Grameena Bank on agriculture development of beneficiary farmers" that majority of the respondents had small land holdings.

Parmar (2008) reported that a higher percentage of the beneficiaries (53.83%) had medium size of land holding.

Gole (2013) reported that majority of the respondent 36.67 per cent have medium size of land holding followed by small size of land holding 32.50 per cent and large size of land holding group 30.83 per cent respectively.

Annual income:

Shashidhara (2003) in his study revealed that 42.44 per cent of the respondents belonged to medium level of income (Rs.1-2 lakh) and in low income category 30.00 per cent of respondents were noticed, whereas 27.70 per cent of the farmers belonged to high income group.

Sharma (2006) revealed that higher percentage 45.00 percent of the respondents belonged to medium annual income category.

Sowjanya (2007) reported that majority (57.14%) of the respondents belonged to medium income groups, while 71.42 per cent of the respondents belonged to low income category groups.

Parmar (2008) reported that a higher percentage of the beneficiaries (43.33%) had medium level of annual income.

Gole (2013) reported that majority of the respondent 36.67 per cent were of medium annual income group followed by high annual income group 32.50 per cent and low annual income group 30.83 per cent respectively.

Social participation:

Palwe (1995) in his study on impact of TRYSEM found that more than half of

the TRYSEM beneficiaries had low social participation (58.00%). While 84.00 per cent had medium social participation and only 8.0 per cent had high participation.

Chavai (2000) in his study found that 74.32 per cent of the TRYSEM beneficiaries had medium social participation, while 14.87 per cent and 10.81 per cent beneficiaries had high and low participation respectively.

Sonkamble (2000) revealed that majority (90.00%) of IRDP beneficiaries had no social participation, 6.00 per cent had low social participation, while only 1.40 per cent had higher social participation.

Dashawant (2007) reported that cent per cent of the respondents have medium social participation.

Parmar (2008) reported that most of the beneficiaries (43.33%) were had medium social participation.

Gole (2013) reported that majority of the respondent 43.33 per cent found to medium social participation group followed by high social participation group 29.17 per cent and low social participation group 27.50 per cent respectively.

Extension contact with extension agencies:

Naik (1994) conducted a study in Dharwad district of Karnataka and reported that majority (97.00%) of the farmers had high level of contact with extension agencies.

Puthiraprathap *et al.* (1999) found out that majority of the respondents were in low category of extension contact.

Sharma (2006) revealed that majority of the respondents (62.50%) had regular contact with agriculture supervisor (once in a fortnight) whereas half of the respondents met AAO once in a month.

Dashawant (2007) reported that cent per cent of the respondents have high extension contact.

Anuj Kumar *et al.* (2008) reported that across the systems majority (47.33%) of the IVLP farmers had medium extension contact and 32.67 per cent had higher extension contact. Majority (53.34%) of the IVLP farmers of irrigated agro eco-systems had higher extension contact while most of the farmers of rain fed agro eco-systems fell in medium (49.33%) and low (38.67%) extension contact categories.

Parmar (2008) reported that a higher percentage of the beneficiaries (46.67%) had low contact with extension personnel.

Doddamani (2010) reported that 36.47 per cent of respondents belonged to

low extension contact category followed by medium (35.29%) and high (28.24%) extension contact categories, respectively.

Gole (2013) reported that majority of the respondent 37.50 per cent found to low extension contact with extension agencies group followed by medium extension contact with extension agencies group 32.50 per cent and high extension contact with extension agencies group 30.00 per cent respectively.

Extension participation:

Venkataramalu (2003) indicated that majority of the farmers participated in discussion with village extension workers (70.00%), Krishimela (62. 50%) and some exhibitions on agriculture (61.67%).

Sowjanya (2007) reported that with respect to extension participation 75 per cent of the respondents had regularly participated groups.

Parmar (2008) reported that higher percentage of beneficiaries (42.50%) had low extension participation.

Doddamani (2010) reported that majority of the respondents 42 per cent belonged to 'medium extension participation' category.

Gole (2013) reported that majority of the respondent 38.33 per cent found to high extension participation group followed by medium extension participation group 33.33 per cent and low extension participation group 28.33 per cent respectively.

Information source:

Patel (2012) study showed that out of the total respondents, majority of the respondents 41.67 per cent had medium level of information seeking behaviour followed by 30.00 per cent high and 28.33 per cent had small information seeking behaviour respectively.

Gole (2013) reported that majority of the respondent 34.17 per cent found to low information source group followed by medium information source group 33.33 per cent and high information source group 32.50 per cent respectively.

Attitude towards credit scheme:

Parmar (2008) reported that a higher percentage of beneficiaries (44.17%) had low attitude towards Kisan credit card scheme

Gole (2013) reported that majority of the respondent 35.83 per cent found to medium attitude towards KCC scheme group followed by high attitude towards KCC scheme group 35.00 per cent and low attitude towards KCC scheme group 29.17 per cent respectively.

Knowledge about credit scheme:

Arul (2004) in his study on SGSY in Salem and Thiruvallur district of Tamil Nadu state reported that 70.83 per cent of the beneficiaries had medium level of knowledge, whereas, 15.83 per cent and 13.33 per cent of them had low level and high level of knowledge.

Bheemappa (2006) in a study on awareness of Gram Panchanayat members found that majority (65.83%) of the members had medium level of knowledge whereas, 18.33 and 15.84 per cent of them had low and high level of knowledge regarding the details of SGRY programme.

Kenchanagoudra (2007) reported that 40 per cent of beneficiaries medium had knowledge about KCC programme, followed by low (32.67%) and high knowledge respectively.

Parmar (2008) reported that higher majority of the beneficiaries (68.33%) had medium knowledge about Kisan credit card scheme.

Gole (2013) reported that majority of the respondent 35.00 per cent found to high knowledge about KCC scheme group followed by medium knowledge about KCC scheme group 32.50 per cent and low knowledge about KCC scheme group 32.50 per cent respectively.

2.2 Impact of credit scheme on socio economic change of beneficiaries:

Suryawanshi *et al. (*1978) studies the availability and requirement of credit and the gap existing in agricultural finance in an irrigated tract of Jalagaon district in Maharashtra. They observed that the big farmers received a larger share of the loans advanced. Hence, the institutional agencies like the co-operatives and commercial banks had not made much impact on the small and semi-medium cultivators even in the irrigated area. The average cash expenditure worked out to Rs.814.18 per hectare. A slightly declining trend in the credit gap was noticed with an increase in the size of the holding.

Shivaprasad (1980) conducted a study in Shimoga district of Karnataka to know the impact of Syndicate Bank finance on farm income and to proper optimum cropping pattern for the sample farmers using linear programming technique. He found that through resources reorganization with higher by Rs. 1174.39 for small and 9935.05 for large farmers. The opinion survey indicated that majority of the farmers were satisfied with the credit operation of the bank such as the time taken to sanction the loan, time spent by the farmers to obtain loan and procedure adopted

for sanctioning the loan. He concluded that Syndicate Bank finance had helped the farmers to augment the net farm income.

Jain and Sarawgi (1981) study is to assess the impact of farm loans on farm production, income and employment of selected tribal farmers in Dindori block of Mandla district of Madhya Pradesh found that there was 43. 04 per cent increase in the total farm production with loan facilities. Study revealed the total income of borrowers before loan which accounted for 28 per cent increase in the total income of borrowers. They concluded that the farm credit had the positive impact in rising the farm production and income in the area of their study.

Mishra *et al. (*1981) studied the impact of farm loans on the net farm income of the farmers in Shahpur of Jabalpur district, Madhya Pradesh. Their study revealed that before taking the crop loan the net farm income was Rs.246366, Rs.417760 and Rs.417760 and Rs.819930 are small, medium and large size group, respectively with loan it increased to Rs.338993, Rs.6548. 60 and Rs.1253596, respectively on the three size groups of farmers. It was concluded that the change in the net farm income was due to the crop loan which resulted increase of cropping intensity and ultimately the yield.

Gadgil (1994) discussed the likely impact of financial sector reforms on the formal agricultural credit system in India. Movements of interest rates on agricultural loan over the period 1980-94 are studied. It was observed that the new rates on crop loans to farmers have not been high enough to enable Co-operative and Regional rural banks (RRBs) to meet the financial transaction and risk costs, necessitating continued subsidization by the National Bank for Agriculture and Rural Development (NABARD) / Reserve Bank of India. The researcher then discussed the restructuring of RRBs and rural branches of Commercial banks and the future role of NABARD under the situation of total deregulation of interest rates.

Hosmani (1995) studied the Performance and impact of a RRB, (Malaprabha Grameena Bank) in Karnataka. A multistage stratified random sampling procedure was used for selecting the requited samples. The pattern of credit flow was analysed using Kendall's coefficient of concordance and the inequality index (Gini coefficient) was used to know the extent of concentration. A comparative assessment has also been made for the period of establishment and period of development. He found that liquidity ad solvency position of the bank was sound. The pattern of credit flow to beneficiaries· remained unchanged as indicated by significant Kendall's

Coefficient of Concordance (0. 90) and Gini Coefficient (0. 12) indicated a lower inequality in credit distribution among beneficiaries. Operating NRI account, export financing, procedure simplification, credit enhancement, long run planning and periodical evaluation were some of the recommendations made for enhancing the performance of grameena banks.

Kaushik (1995) studied the impact of credit of Regional Rural Banks (RRB) on income generation and poverty alleviation of rural beneficiaries. The educational and skill status of more than 50 per cent of sample beneficiaries was found to be poor, the poverty alleviation had been found to be highest in the case of small businesses followed by animal husbandry, rural industry and agriculture.

Deshpande *et al. (*1998) studied the impact of deregulation of interest rates in turning the loss making RRBs to profit making institutions. A sample of 15 RRBs were taken for the study and the information was obtained for the period 1996-97. They found that impact of deregulation of interest rates on profitability was felt more strongly via advances (through increased interest cost) compared to decomposits (through increased interest income) compared deposits (through possible reduction in interest cost) and the combined impact on both advances and deposits on profitability was found to be limited.

Kumar and Simon (2001) focused on strengthening of rural credit delivery system through kisan credit cards. The small farmers with low income were getting benefited through the scheme, however, repayment was slow and misutilization of credit was emerging as a major problem.

Bhukta (2003) revealed the financial sector reforms since 1969. The share of agriculture in the total bank credit was found to be declining after 1990s. In post reform era public investment in agriculture also showed a steadily declining trend. Thus agricultural production has also started declining from 3.4 per cent to 2.2 per cent in the post reform period. This will have an adverse impact on income, employment, price level and similar macro-economic variables.

Ruston Ali Ahmed (2004) study conducted on impact of financing by Rajshahi Krishi Unnayan Bank on agricultural development of Bangaldesh has revealed that variations in farm and off farm production, income from agro-based trade, intensity of cropping, amount of cultivated area of uncommon crops, total and per capita consumption expenditure of the borrowers are found statistically significant higher

than the non-borrowers. On the other hand, insignificant relations of working capital investment for farming and use of inputs with demand of bank credit are observed in case of small and large farms, but those are found significant in case of medium farmers credit delivery procedures and services of the sample bank do not satisfy the expectations of the borrowers. The study embodies that, the major problems associated with the bank financing are diversion of the borrowed fund, poor recovery of loans and high default rate, which are attributed to both the borrowers and the bankers.

Dashawant (2007) reported in his study “Impact of Karnataka Vikas Grameena Bank on agriculture development of beneficiary farmers” that in the agriculture development, the dimensions like annual income (48.70% before and 58.30% after), asset acquisition (72.30% before and 22.30% after), consumption pattern (41.70% before and 13.90% after), cropping pattern (62.50% before and 64.60% after), employment generation (50.00% before and 55.60% after) and land productivity for groundnut (61.20% before and 51.40% after) and for cotton (61.20% before and 51.40% after) had positive and significant impact on the agriculture development of beneficiaries.

Thamilsaran (2009) studied the impact of institutional credit on employment, income, occupation and assets of the borrowers. He found that the employment generation increased by 44.61 per cent over a pre loan period, average income increased by Rs. 577.84 per house. He recommended that there should be a mechanism to monitor proper utilization of credit in order to increase employment generation. Also retail trade in consumer durables might be encouraged in rural areas to improve their living conditions.

2.3 Association between socio personal characteristics and socio economic status of credit scheme beneficiaries:

De (1987) socio-economic status was positive correlated with credit behaviour of farmers with result, therefore it could be inferred that the farmers having better socio-economic status were subjected to acquire, utilize and repay the credit with more changes of success. This may be due to fact that higher socio-economic status signifies better education, higher farm size, more social participation and assured repaying capacity.

Roy *et al.* (2003) studied Burdwan district of West Bengal. Among the 14 socio economic and situational variables, age, educational level and farm power

availability with the loanees had shown significant impact in changing the income level of borrowers and repayment behaviour.

2.4 Constraints and suggestions of credit scheme.

Garg and Varshney (1960) said that provision of cooperative credit is not limited, but that the farmers have to go to borrow from village Mahajan, which might be the cause of either the procedural difficulties in getting loan or its repayment.

Dinesh (1970) reported that procedural financing by commercial banks is easier and quicker and their services are more personal than that of co-operatives. The respondents faced so many problems in getting the credit from cooperatives.

Sharma (1974) reported that small farmers were fearful in taking loans from banks. He also reported that small farmers perceived a lot of procedural difficulties in getting the desired amount of loan.

Shrivastava (1976) observed that non-availability of loan at proper time, non-cooperation of block and revenue departments and short period repayment are the major difficulties faced by the farmers.

Rai (1977) that commercial banks had to face real problems while effecting recoveries of loans in accordance with the repayment schedule from the farmer borrowers and dealing with willful defaulters amongst them.

Raut and Singh (1977) found in their study that majority of the respondents were high defaulters 67 percent of whom failed from the medium socio-economic class although statistically the socio-economic class, although statistically the socio-economic status had no significant influence on the defaulters of the loonies. They further reported that 60 percent of the respondents said crop failure as the cause of non-repayment.

Muthayya and Prasad (1984) revealed that the procedural aspects like need to visit banks more often and complicated procedures were mentioned as the problem in getting loan sanctioned. Most of the beneficiaries generally felt difficulty in repayment because of economic reasons as either the scheme did not work-out to their advantage or they did not get the supportive services to manage the scheme efficiently.

Sinha (1991) studied the financial status of Regional Rural Banks (RRBs) which were setup in India by the government in order to build credit links between financial institutions and rural areas and indicated the need of fund management within the banks. The creation of deposits, the use of funds and interest rate policies

were reviewed. It was recommended that RRBs, by offering higher interest rates, should mobilize resources and encourage the creation of deposits. The banks were also urged to invest in approved securities as part of a long-term strategy. Some other measures were also suggested for more efficient operation of RRBs.

Dashawant (2007) reported that problems expressed by respondents regarding borrowing the loan were, amount of loan was not sufficient (34.80%), loan was not sanctioned in time and it involves cumbersome procedure (55.60%) followed by problems expressed with regard to loan utilization for non-agriculture purpose include, spending on children's education (45.20%) repayment of other debt (27.80%), to meet family expenditure (34.80%), and marriage of daughters (41.70%), problems faced in making delay in repayment includes low market price for the produce (34.80%),Due to low yields (27.80%) and repayment of other debts(17.40%). Study also reported that majority (66.67%) of the beneficiaries were of the opinion that the loan provided by the bank was not sufficient and 59.02 per cent of them expressed procedure involved in sanctioning the loan too lengthy and it should be simplified and (83.33%) expressed that, the rate of interest charged on the loans should be reduced. Majority of borrowers (76.38%) opined that KVG Bank to give more time for repayment of loan when there is crop failure and majority (55.50%) of farmers expressed that KVG Bank have to consider genuine reason for delay in repayment.

Singh and Shakya (2007) conclude that the average availability of loan per farm came to Rs.8500. the per farm available of loan from State bank of India came to Rs.6125 and Rs.10875 in case of marginal and small farm size groups respectively. The major problem faced by borrower farmers in the study area was not actual requirement amount of loan availed, on an average credit gap per farms about 26 per cent. The credit gap in case of marginal and small farms size groups came to 28.47 and 24.35 per cent respectively.

Sharma *et al.* (2007) revealed that the respondents when asked suggest amendments in the scheme 32.35% mentioned that loan should be available in an adequate amount and should be give at and appropriate time as it often get delayed.

Parmar (2008) in his study reported that maximum numbers of beneficiaries (45.83%) got credit hardly due to some constraints faced by them.

Satyasai (2008) in view of the importance of rural credit to agriculture and rural development, this paper has examined a few structural constraints that hamper

the credit delivery and has discussed some of the measures taken to improve the situation. The public policy on rural credit in India has been focused on institutionalization as a means of providing cheaper credit to farmers. As a result, the share of private moneylenders has decreased substantially from 93 per cent in early-1950s to 31 per cent by 1991. Disturbingly enough, they have emerged as an important source, more so for the resource-poor with a share of 39 per cent by 2002. The multi-agency system onset for giving a wide choice to farmers has turned out to be ineffective due to deficiencies of design and architecture. Also, ailing cooperatives, backtracked RRBs and commercial banks with waning interest in rural credit have contributed to the ineffectiveness of the multi-agency system, hampering the credit delivery. Several measures have been taken to revitalize the system from time to time. Cooperatives are being given package assistance for revival following the Vaidyanathan Committee Report. RRBs have been amalgamated and are being given capital to cleanse up their balance sheets. Commercial banks have been successfully involved in 'Farm Credit Package' for doubling the credit and other initiatives of Government of India. The SHG-bank linkage has been promoted on a large scale to supplement rural credit delivery. But, its high transaction costs make it a costly alternative, especially when the business is handled solely by NGOs/MFIs. A thorough overhauling of the rural credit system and its restructuring is the need of the hour. However, it cannot be effective if done alone in isolation without revitalizing the Indian agriculture itself.

Gole (2013) reported that the high intensity problems faced by Kisan Credit Card users were high cost involved in obtaining credit followed by lack of credit in time, supply loan is less than demand and not favourable installment decided by bank respectively.

CHAPTER – III

MATERIAL AND METHODS

Every research carried out on scientific line should have a research design to be applied as per the stated problems. For this, in the present study a design has been drawn for classification of research method adopted. In this chapter various steps applied to the study of the problem. The material and methods are described in the following sub heads:

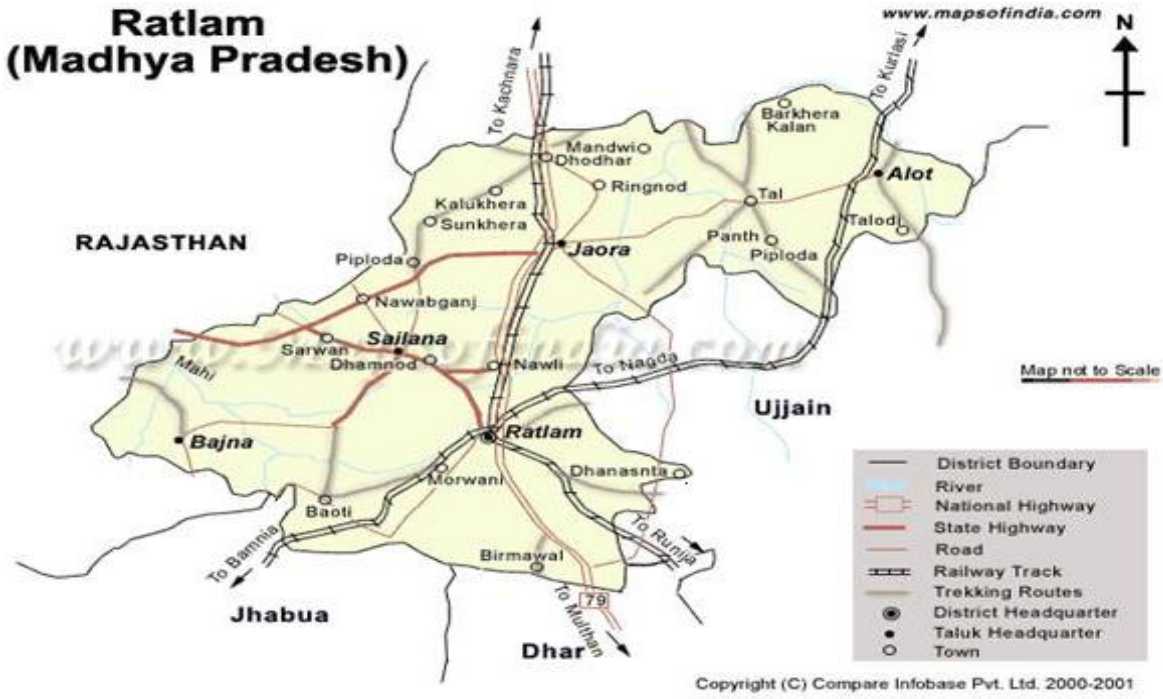
- **I.** Location of study area
- **II.** The problem
- **III.** Variables used in the study
- **IV.** Concept and operationalization
- **V.** Statement of the hypotheses
- **VI.** Sampling design
- **VII.** The research instrument
- **VIII.** Procedure of data collection
- **IX.** Processing of data
- **X.** Statistical tools used

3.1 Location of study area:

The description about background information of study area is essential, so that researchers can correlate the findings with the prevailing conditions under study as a local base and agro climatic condition.

Location:

The study was conducted in Ratlam district of Madhya Pradesh.



Ratlam district comes under Malwa Plateau agro climatic zone of Madhya Pradesh. It lies between 23°31' North Latitude and 75°07' East Longitude. Ratlam district covers the 486000 hectare of geographic area.

Climate:

Ratlam district has a tropical wet and dry climate and a humid subtropical climate. Summer is extremely hot and dry and it lasts from the mid of March till mid of June with the temperature above 40^{o}C during April May, during these months the dry and hot wind blows in this area widely affects the local ecology. The temperature also remains quite high during the night. The monsoon season arrives in late June, with temperatures around 29^{o}C. The average annual rainfall of about 939.4 mm. The rainy season is humid and experiences considerable rainfall.

Soil and crops:

Sandy loam deep soil is generally found in the area. This soil is quite suitable for growing soybean, maize, chickpea, wheat and mustard.

3.2 The problem:

In the process of modernization, agriculture has become more capital intensive requiring higher use of purchased inputs (may be called variable cost). Many steps have been taken by the government from time to time to provide financial assistance to the farmers in the form of strengthening of cooperative institutions, nationalization of commercial banks, creating new credit institutions, initiating special credit linked programmes for the target group. Among these credit

scheme is important one introduce in 1965 with the main twin aim of treating crop as security instead of landed property and fixing the scale of finance depending upon the actual farm expenditure.

The credit is required not only for current inputs but also for lumpy investments in the light of multiple cropping, increased cropping intensity, timeliness and precision required in agricultural operations in the new strategy and increased irrigation and other agricultural management. To provide adequate and timely credit support from the banking system to the farmers for their cultivation needs and to improve farmers' accessibility to credit for production purposes, the credit delivery mechanism is being simplified and more flexibility in the use of credit. In the light of all these issues, there is need to assess the impact of credit scheme and to assess also factors responsible for positive role of the scheme.

3.3 Variables used in the study:

Success of a research to a considerable extent depends on the selection of the appropriate variables. Irrational, inappropriate and inconsistent selection of variables may lead to misleading and unfruitful results. The researcher keeping all these in mind took adequate care in selecting the variables of the study. Before the conducting of the study the researcher visited the study area several times and talked to the credit scheme beneficiaries intimately. Moreover, visiting several time the study area, feel able to observe the socio-personal factors of the farmers which the researcher assumed might have influenced on the reliability of information. Based on this practical knowledge, side by side an extensive literature review and discussions with relevant experts and academicians, the researcher selected 10 independent variables and 1 dependent variable for study. Following independent and dependent variables were study in present investigation.

Independent and Dependent Variables:

To keep the research manageable, following independent variables and dependent variable were selected:

	(A) Independent Variables:	**Measurement**
	Age	As per chronological
	Education.	Structural schedule
	Size of land holding	Structural schedule
	Annual income	Structural schedule

	Social participation	Self scoring
	Extension contact with extension agencies	Structural schedule
	Extension participation	Structural schedule
	Information source	Structural schedule
	Attitude towards credit scheme	Self scoring
	Knowledge about bank credit	Self scoring
(B) Dependent Variable:		
Impact of credit on gain of benefits by users.		Index will be developed

3.4 Concept and operationalization:

In this study various terms and concept with specific meaning were used and defined as follows:

A. Independent variable:

1. Age:

The age of the beneficiaries was measured in terms of actual years from the birth to the time of interview on the basis of their statement. The score was allotted on chronological age method. The categorization of beneficiaries as per age was as follow:

S.No.	**Categories**	**Characteristics**	**Scores**
1.	Young	(Upto 25 years)	**1**
2.	Middle	(26 to 50 years)	**2**
3.	Old	(above 50 years)	**3**

2. Education:-

Education of beneficiaries was measured in terms of years of schooling completed by them. The score was allotted by structural schedule method. The categorization of beneficiaries was made as “illiterate and formal education”, “primary and middle education” and “higher education” on 3 points with the help of mean ±S.D. of total score:

S.No.	Education	Scores
1.	Illiterate	0
2.	Formal education	1
3.	Primary school	2
4.	Middle school	3
5.	Higher secondary	4
6.	College	5

3. Size of land holding:

Land holding is the area of land possessed by individual beneficiaries which is uses under cultivation. The land holding was measured with the help of structural schedule method. The categorization of beneficiaries as per size of land holding was as follow:

S.No.	Categories	Characteristics	Scores
1.	Small	up to 2 hectare	**1**
2.	Medium	2- 5 hectare	**2**
3.	Large	more than 5 hectare	**3**

4. Annual income:

It refers to the total amount individual beneficiaries earned through their occupation and other sources. This was calculated by summing up the total rupees earned from all the sources in the year of survey with existing prices of different gains and summed up to find out the total annual income into rupees. The categorization of beneficiaries as per annual income was as follow:

S.No.	Categories	Characteristics	Scores
1.	Low	Below Rs.1,00,000	**1**
2.	Medium	Rs.1,00,000 to Rs.1,50,000	**2**
3.	High	Above Rs.1,50,000	**3**

5. Social participation:

It refers to the participation of credit scheme users in any social or political organization. Social participation was measured with the help of structural schedule method. This attribute have 6 statements. The responses of the respondents were obtained on 2 point continuum i.e. member and organizing member. The scoring was done in the order of 1 and 2 respectively on each item. On the basis of mean ±SD of total score the respondents was categorized into 3 categories as below:

S.No.	Category	Score
1.	Low	Mean –S.D
2.	Medium	Mean ±S.D.
3.	High	Mean +S.D.

6. Extension contact with extension agencies:-

It is a degree to extent of involvement by the farmers with extension personnel of different extension agencies. The respondents were asked to mention how many times during the crop season he had contacted. It is measured through structural schedule. This scale consists of 5 statements. The responses of the respondents were obtained on 3 point continuum never, some time and always. The scoring was done in the order of 1, 2 and 3 respectively. On the basis of mean ±SD it was categorized into 3 categories as below:

S.No.	Category	Score
1.	Low	Mean –S.D
2.	Medium	Mean ±S.D.
3.	High	Mean +S.D.

7. Extension participation:

Extension participation refers to the different extension activities conducted by the different extension agencies. The extension participation of respondents was measured with the help of structural schedule method. This attribute have 7 statements. The responses of the respondents were obtained on 3 point continuum never, sometime and always. The scoring was done in the order of 1, 2 and 3 respectively. On the basis of mean ±SD it was categorized into 3 categories as

below:

S.No.	Category	Score
1.	Low	Mean –S.D
2.	Medium	Mean ±S.D.
3.	High	Mean +S.D.

8. Information Source:

For any action or behaviour, an individual gets information regarding adoption of technology. It was thought essential to know the different types and number of sources from which farmers can get information. It was measured with the help of scale of structural schedule method. This scale contents 10 statements. The responses of the beneficiaries were obtained on 3 point continuum i.e. never, sometime and always. The scoring was done in the order of 1, 2 and 3 respectively. On the basis of mean ± SD of total score the categorization of beneficiaries was made as below:

S.No	Category	Score
1.	Low	Mean –S.D.
2.	Medium	Mean ±S.D.
3.	High	Mean +S.D.

9. Attitude towards credit scheme:-

Attitude has been defined as the degree of positive or no effect associated with some psychological object. Attitude in this study refers to the feeling and reaction of the farmers towards the credit scheme. It was measured with self scoring method. This scale consists of 5 statements. The responses were recorded on 5 point continuum ranging from perfect disagree, disagree, neutral, agree and perfect agree with scores of 1, 2, 3, 4 and 5 for positive statements. On the basis of mean ± SD of total score the categorization of beneficiaries was made as below:

S.No	Category	Score
1.	Unfavorable	Mean –S.D.
2.	Neutral	Mean ±S.D.
3.	Favorable	Mean +S.D.

10. Knowledge about credit scheme:

The knowledge level for the purpose of present study was operationalized as the amount of understanding information possessed by the farmers regarding credit scheme. A set of questions about credit scheme was asked from each of the beneficiaries. It was measured with self scoring method. This scale consists of 8 statements. The responses were recorded on 3 point continuum ranging from perfect knowledge, partial knowledge and no knowledge with scores of 3, 2 and 1 for positive statements. On the basis of mean ± SD of total score the categorization of beneficiaries was made as below:

S.No	Category	Score
1.	Low	Mean –S.D.
2.	Medium	Mean ±S.D.
3.	High	Mean +S.D.

B. Depended variable:

Based on the past reviews and discussions with experts and guide of advisory committee the socio economic status of the farmers responsive for change the dimensions of agricultural development were finalized to analyze the impact of credit scheme on socio economic change of beneficiaries. Among these socio economic status of the respondents 16 components were considered for present study as: credit scheme as beneficial scheme for adoption of new technology, improved system for adopting yield attributing inputs, increase in physical capital, enhance the production and productivity of crops, crop diversification, enhance the income, enhance the resources for income, enhance the employment availability, increase the saving, availability of balance diet, availability of nutritive food, enhance in literacy of the family, increase in working efficiency of the farmers, increase in technical knowledge of farming, social participation and increase in socio economic status.

Quantification of variables (socio economic status)

In the present investigation, ex-post facto research design was employed. This design was appropriate because the phenomenon had already occurred. The impact of credit scheme on change of socio economic status of beneficiaries has

been measured by improvement in the status as a result of the loan interventions. The information on the status before and after the credit taken by beneficiaries was evaluated by method of index developed by researcher himself. To measure the level of socio economic status of beneficiaries were asked to indicate their response for before and after undertaking the loan from credit scheme as high, medium and low. Accordingly the score 3, 2 and 1 was given respectively.

The score obtained by the beneficiaries for each statement was summed up to obtain the impact score. The impact index was calculated by formula as follows:

$$\text{Impact index} = \frac{\text{Actual score obtained by the respondents}}{\text{Maximum possible score}} \text{ X } 100$$

To assess the change in socio economic status, the beneficiaries were categorized as low, medium and high based on mean ±SD of total score.

S.No.	Category	Score
1.	Low	Mean –S.D
2.	Medium	Mean ±S.D.
3.	High	Mean +S.D.

3.5 Statement of the hypotheses:

'Hypotheses are a proposition, which can be put to a test to determine its validity.' It may prove correct or incorrect of a proposition. In any event, however, it leads to an empirical test. In studying association between variables, research hypotheses are formulated which state anticipated association between variables. However, for statistical test it becomes necessary to formulate null hypotheses. Null hypotheses state that there is no relationship between the variables. If null hypotheses are rejected on the basis of a statistical test, it is assumed that there is association between the concerned variables.

The following null hypotheses were formulated for this study:

Null hypotheses:

"There is no association between socio personal characteristics and socio economic status of credit beneficiaries".

1. There is no association between age and socio economic status of credit beneficiaries.

2. There is no association between education and socio economic status of credit beneficiaries.

3. There is no association between size of land holding and socio economic status of credit beneficiaries.

4. There is no association between annual income and impact of credit scheme on agriculture development dimensions.

5. There is no association between social participation and socio economic status of credit beneficiaries.

6. There is no association between extension contact with extension agencies and socio economic status of credit beneficiaries.

7. There is no association between extension participation and socio economic status of credit beneficiaries.

8. There is no association between information source and socio economic status of credit beneficiaries.

9. There is no association between attitude towards credit scheme and socio economic status of credit beneficiaries.

10. There is no association between knowledge about credit scheme and socio economic status of credit beneficiaries**.**

3.6 Sampling design:

Area of study:

The present study has been conducted in Ratlam districts of Madhya Pradesh. Ratlam district was selected for present study due to that this district is one of the developed agricultural district in Madhya Pradesh. The farmers in the district are found to well advance in respect to adoption of improved crop production technology, which needs to borrowed money, particularly the credit.

Multi stage sampling design has been adopted for selection of sample for study.

Selection of block:

At first stage of sampling, out of 6 the blocks Alot, Bajna, Jaora, Piploda, Ratlam and Sailana in the district, only Ratlam block was selected purposively due to availability of District Co-operative Bank branch which was selected for study.

Selection of villages:

A list of villages covered by District Co-operative Bank branch was

taken from the bank. From this list, among the total villages covered by bank, 10 villages were selected randomly for study.

Selection of respondents

Out of total credit scheme holders of selected villages, 15 credit scheme holders were selected randomly from each village. In this way total number of 150 credit scheme holders was selected as respondents for collection of data for study.

3.7 The research instrument:

An interview schedule was used as the research instrument in order to collect relevant information from the beneficiaries. The interview schedule was prepared considering the objectives of the study in mind. The questions and statements contained in the schedule were simple, direct and easily understandable by the beneficiaries without giving rise to doubt and misunderstanding in their minds. The schedule contained both opened and closed form of questions adopting the technique for measuring selected characteristics. Before finalization the interview schedule a pre-test was done in the study area in actual field situations. The pre-test was helpful to locate faulty questions. Alterations and adjustment were for the schedule on the basis of experience of the pre-test. During modification of the schedule the researcher incorporated valuable suggestions from his research supervisor and research co-supervisor into it. Finally, the schedule was replicated to 150 keeping in view the total number of the beneficiaries.

3.8 Procedure of data collection:

Data were collected by the researcher himself. The task was accomplished through a door to door visit to the selected beneficiaries using the structured interview schedule. The data was collected in the year of 2015-16.

The researcher could realize it very well that the collected data would be of no value if they are not valid. It also acted in the mind of the researcher that people, particularly in a traditional society, might view an outsider with suspicious. This might have unfavourable effect in obtaining valid and pertinent information from the beneficiaries. Having comprehended all these, the researcher had purposively chosen his well known area to overcome the difficulties. This made the researcher come closer to the beneficiaries easily as he was not regarded as an outsider in almost all cases. In the case where the beneficiaries was found an unknown

individual, the researcher made all possible efforts to establish proper rapport with him. That was not a difficult task for the researcher since he was well-conversant in the local language. All possible efforts were made by the researcher to explain the purpose of the study to the beneficiaries and their answers were carefully recorded. Whenever any beneficiaries faced difficulty in understanding a question, care was taken to explain the same adequately. Moreover, at the time of data collection, the researcher was also careful about side-talking and tried to avoid that problem tactfully.

3.9 Processing of data:

Editing:

The collected raw data were examined thoroughly to detect errors and omissions. As a matter of fact the researcher made a careful scrutiny of the completed interview schedules to make sure that they were entered as complete as possible and well arranged to facilitate coding and tabulation. Very minor mistakes were detected by doing this which was corrected promptly.

Coding and tabulation:

Having consulted with his research supervisor and co-supervisor the investigator prepared a detailed coding plan. Numerical figures were converted from Hindi to English and data were then coded into a coding sheet. In case of qualitative data, suitable scoring technique was followed by putting proper weightage against each of the traits to transform the data into quantitative forms. These were then tabulated in accordance with the objectives of the study.

Categorization of Data:

Following coding operation, the collected raw data as well as the beneficiaries were classified into various categories to facilitate the description of the independent and dependent variables. These categories were developed for each of the variables by considering the nature of distribution of the data and extensive literature review. The procedures for categorization have been discussed while describing the variables under consideration in chapter of result and discussion.

3.10 Statistical tools used:

The entire data were converted and transformed into normal score. The independent variable as well as dependent variable was categorized as low, medium and high or the term applicable so far on the basis of score obtained.

Keeping in view the objectives of the study and to draw logical conclusion, statistical test i.e. frequency, percentage, mean, standard deviation and chi square test analysis were used for analyzing and interpreting the data.

i) Mean:

Mean was obtained by dividing the sum of the scores by the total number of cases involved. The formula for determining mean is

$$\text{Mean} = \frac{\sum_{i=1}^{n} Xi}{n} \quad [i = 1,2,3,.....n]$$

Where,

$\overline{x}$ = mean

ΣX_i = sum of scores

n = no. of cases

ii) Percentage:

The term 'percentage' means a fraction whose denomination is 100 and the numeration of the fraction is called percentage. For calculating percentage, frequency was multiplied by 100 and divided by total beneficiaries' farmers.

$$P = \frac{X}{N} X\ 100$$

Where,

P = Percentage

X = Frequency of beneficiaries' farmers

N = Total number of beneficiaries' farmers

iii) Standard deviation

The standard deviation is the square root of the arithmetic average of the squared deviation of various from their arithmetic mean.

$$S.D. = \sqrt{\frac{1}{N}\left[\frac{\Sigma x^2 - (\Sigma x)^2}{n}\right]}$$

Where,

Σx = Deviation of the score from mean

n = Number of observation

vi) t-test:

For determination of impact, t-test was used:

$$t = \frac{|\bar{X}_1 - \bar{X}_2|}{\sqrt{\sigma_c^2 (1/n_1 + 1/n_2)}}$$

With (n-1) d.f

Where,

$\bar{X}_1$ and $\bar{X}_2$ = mean

σ_c^2 = Combined variance which was calculated as

$$\sigma_c^2 = \frac{(n_1-1) S_1^2 + (n_2-1) S_2^2}{n_1+n_2-2}$$

with n_1+n_2-2 d.f.

v) Chi-Square:

The association between dependent and independent variables was studied by using chi square test as follows:

$$\chi^2 = \sum \frac{(Oi - Ei)^2}{Ei}$$

With d.f. (r-1) (c-1)

Where,

Oi = Observed frequency of respondents

Ei = Expected frequency of the same respondents

r = No. of rows

c = No. of column

CHAPTER - IV

RESULTS

This chapter deals with the empirical statements in view of the objectives of the study, which are based on the information collected from the beneficiaries of credit scheme users. The different selected attributes of the beneficiaries were considered in this study, which has already been described in the chapter of materials and methods. Basic statistical values of these selected attributes are briefly discussed for clarity of understanding. The results obtained are presented under the following sections:

A. Socio personal characteristics of credit beneficiaries.
B. Impact of credit on socio economic change of beneficiaries.
C. Association between socio personal characteristics and socio economic status of credit beneficiaries.
D. Constraints faced by beneficiaries of credit scheme
E. Suggestions for overcoming the constraints.

4.1 Socio personal characteristics of credit beneficiaries:

The data in following tables determines the information regarding socio economic, personal characteristics of credit scheme users. The characteristics of credit scheme users are presented in terms of distribution as low, medium and high (or the term applicable) categories with respect to different attributes under selected characteristics. Basic statistical values of these selected attributes are briefly discussed for clarity of understanding.

1. Age:

The age of beneficiary was considered as length of number of years in their life. The detail distribution of beneficiaries according to their age was presented in table 4.1.1.

Table: 4.1 Distribution of beneficiaries according to their age.

S.No.	Age	Frequency	Percentage
1.	Young	39	**26.00**
2.	Middle	62	**41.30**

3.	Old	49	**32.70**
	Total	150	**100.00**

The data presented in table 4.1.1 showed that majority of the beneficiaries 41.30 per cent were of middle age group followed by old age group 32.70 per cent and young age group 26.00 per cent respectively.

Thus, it can be concluded that in study area, higher percentage of beneficiaries were in middle age group followed by old and young.

2. Education:

Education was considered as the standard of education acquired by the beneficiaries, which may affect the decision making process and development of agriculture as a business. The detail of distribution of beneficiaries according to their education was presented in table 4.1.2.

Table: 4.1.2 Distribution of beneficiaries according to their education.

S.No.	Education	Frequency	Percentage
1.	**Illiterate and formal education**	33	**22.00**
2.	**Primary and middle education**	66	**44.00**
3.	**Higher education**	51	**34.00**
	Total	150	**100.00**

The data presented in table 4.1.2 showed that majority of the beneficiaries 44.00 per cent were "primary and middle education" group followed by 34.00 per cent "higher education" group and 22.00 per cent were "illiterate and formal education" respectively.

Thus, it can be concluded that in study area, higher percentage of beneficiaries were found to "primary and middle education" followed by "higher education" and "illiterate and formal education" group.

3. Size of land holding:

It is the area of land possessed by beneficiaries. The detail distribution of

beneficiaries according to their size of land holding was presented in table 4.1.3.

Table: 4.1.3 Distribution of beneficiaries according to their size of land holding.

S.No.	Size of land holding	Frequency	Percentage
1.	**Small (upto 2 ha.)**	45	**30.00**
2.	**Medium (2 to 5 ha.)**	50	**33.30**
3.	**Large (Above 5 ha.)**	55	**36.70**
	Total	150	**100.00**

The data presented in table 4.1.3 showed that majority of the beneficiaries 36.70 per cent have large size of land holding followed by 33.30 per cent have medium size of land holding and 30.00 per cent have small size of land holding group respectively.

Fig:1: Distribution of beneficiaries according to their age

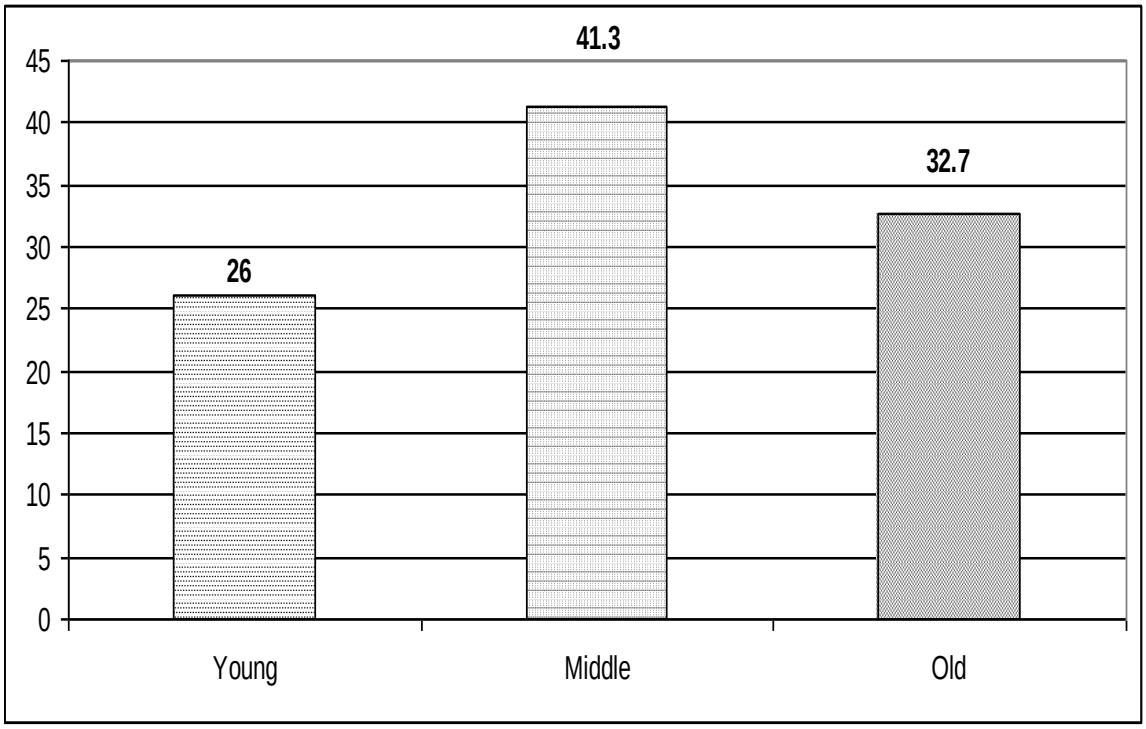


Fig:2: Distribution of beneficiaries according to their education

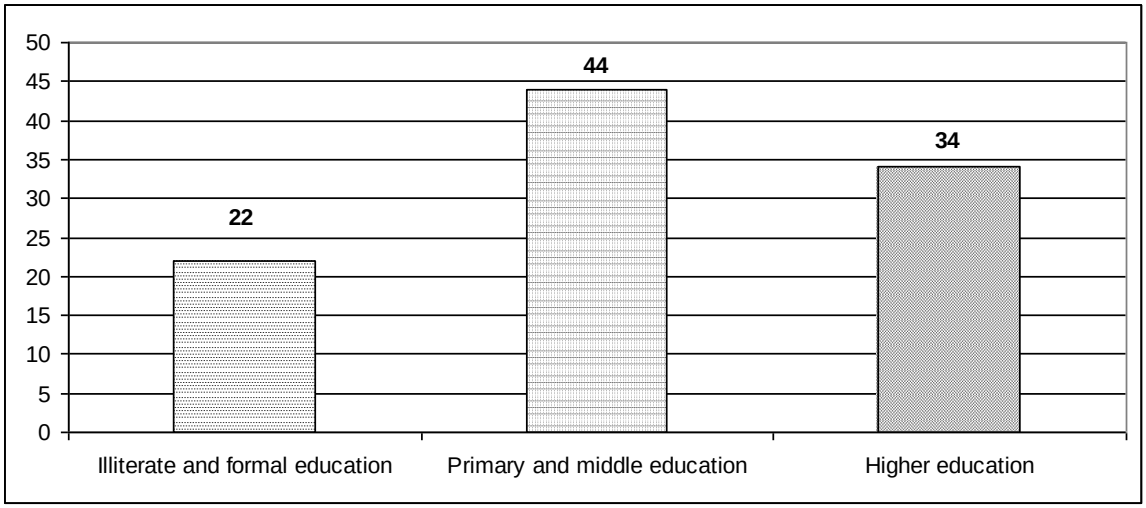
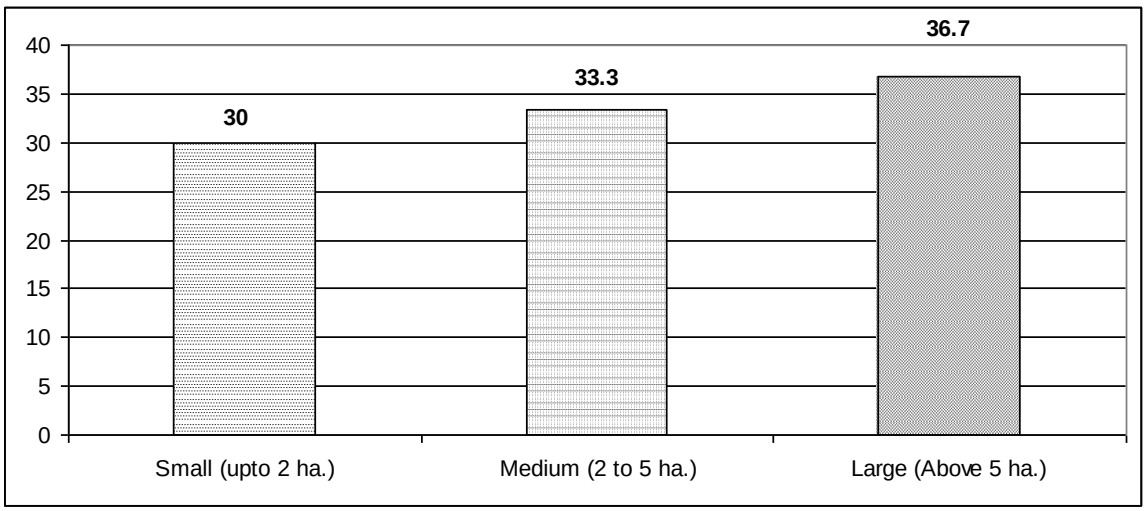


Fig:3: Distribution of beneficiaries according to their size of land holding.



Thus, it can be concluded that in study area, higher percentage of beneficiaries were have large size of land holding followed by medium and small size of land holding group.

4. Annual income:

Annual income operationally refers to combine influence on the economic status from various resources and inputs of beneficiaries as well as annual income in rupees from all the sources. The detail distribution of beneficiaries according to their annual income was presented in table 4.1.4.

Table: 4.1.4 Distribution of beneficiaries according to their annual income.

S.No.	Annual income	Frequency	Percentage
1.	**Low (Below Rs.1,00,000)**	44	**29.30**
2.	**Medium (Rs. 1,00,000 to 1,50,000)**	54	**36.00**
3.	**High (above Rs.1,50,000)**	52	**34.70**
	Total	150	**100.00**

The data presented in table 4.1.4 showed that majority of the beneficiaries 36.00 per cent were of medium annual income group followed by 34.70 per cent were high annual income group and 29.30 per cent were low annual income group respectively.

Thus, it can be concluded that in study area, higher percentage of beneficiaries were in medium annual income group followed by high and low annual income group.

5. Social participation:

The level of social participation or involvement in society reflected their contribution towards development of related enterprise. The detail distribution of beneficiaries according to their social participation was presented in table 4.1.5.

Table: 4.1.5 Distribution of beneficiaries according to their social participation.

S.No.	Social participation	Frequency	Percentage
1.	**Low**	57	**38.00**
2.	**Medium**	47	**31.30**
3.	**High**	46	**30.70**
	Total	150	**100.00**

The data presented in table 4.1.5 showed that majority of the beneficiaries 38.00 per cent found to low social participation group followed by 31.30 per cent found to medium social participation group and 30.70 per cent found to high social participation group respectively.

Thus, it can be concluded that in study area, higher percentage of beneficiaries were found to low social participation group followed by medium and high social participation group.

6. Extension contact with extension agencies:

Extension contact may be considered as instrument to motivating the human being towards innovation and adoption of new technology and practices. The detail distribution of beneficiaries according to their extension contact with extension agencies was presented in table 4.1.6.

Table: 4.1.6 Distribution of beneficiaries according to their extension contact with extension agencies.

S.No.	Extension contact with extension agencies	Frequency	Percentage
1.	**Low**	43	**28.67**
2.	**Medium**	61	**40.66**
3.	**High**	46	**30.67**
	Total	150	**100.00**

The data presented in table 4.1.6 showed that majority of the beneficiaries 40.66 per cent found to medium extension contact with extension agencies group followed by 30.67 per cent found to high extension contact with extension agencies group and 28.67 per cent found to low extension contact with extension agencies group respectively.

Thus, it can be concluded that in study area, higher percentage of beneficiaries were found to medium extension contact with extension agencies group followed by high and low extension contact with extension agencies group.

7. Extension participation:

Extension participation is giving vital idea to the farmers in respect of adoption of needed technology which required high decision making power. The detail distribution of beneficiaries according to their extension participation was presented

in table 4.1.7.

Table: 4.1.7 Distribution of beneficiaries according to their extension participation.

S.No.	Extension participation	Frequency	Percentage
1.	**Low**	45	**30.00**
2.	**Medium**	63	**42.00**
3.	**High**	42	**28.00**
	Total	150	**100.00**

Fig:4: Distribution of beneficiaries according to their annual income

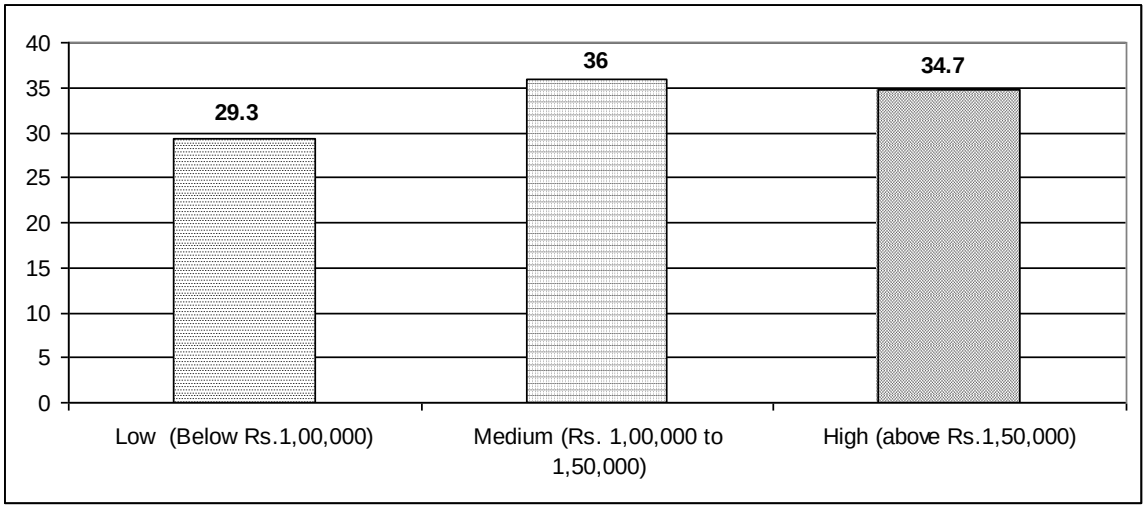


Fig:5: Distribution of beneficiaries according to their social participation

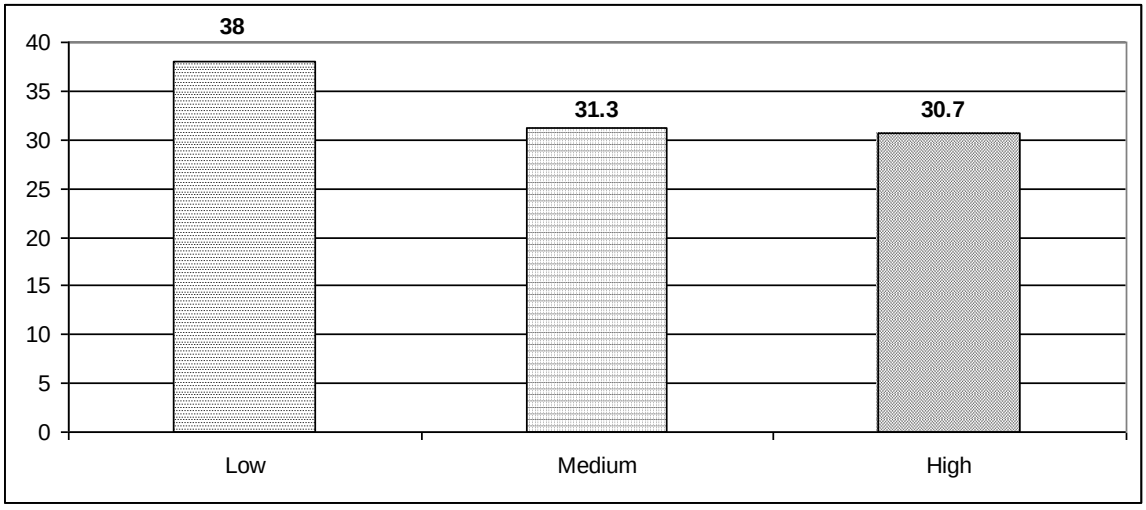
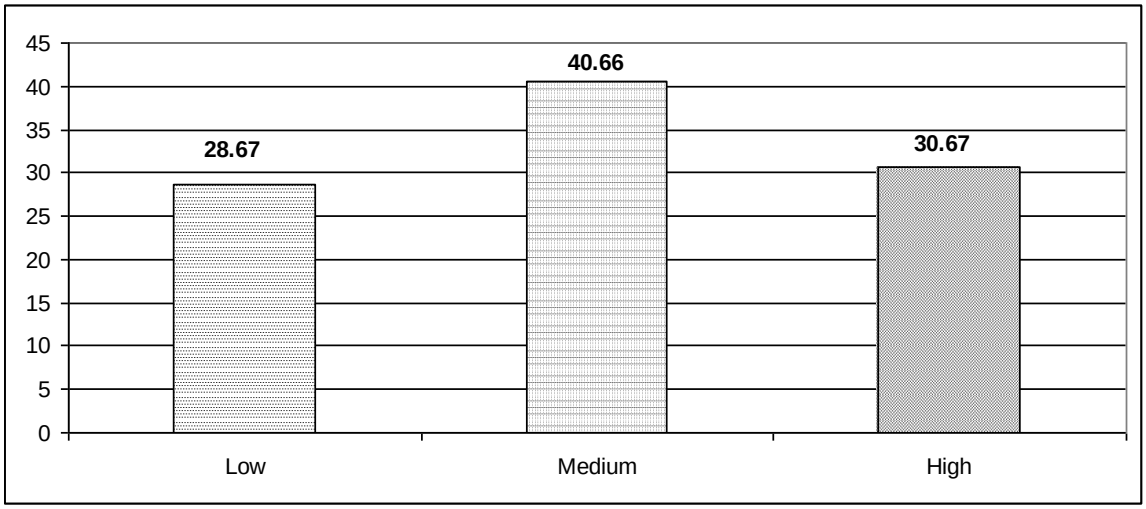


Fig:6: Distribution of beneficiaries according to their extension contact with extension agencies



The data presented in table 4.1.7 showed that majority of the beneficiaries 42.00 per cent found to medium extension participation group followed by 30.00 per cent found to low extension participation group and 28.00 per cent found to high extension participation group respectively.

Thus, it can be concluded that in study area, higher percentage of beneficiaries were found to medium extension participation group followed by low and high extension participation group.

8. Information source:

For any action or behaviour, an individual get inspiration first. It was thought essential to know the different types and number of sources from which farmers got inspiration for technology on their farm. The detail distribution of beneficiaries according to their information source was presented in table 4.1.8.

Table: 4.1.8 Distribution of beneficiaries according to their information source.

S.No.	Information source	Frequency	Percentage
1.	**Low**	43	**28.67**
2.	**Medium**	63	**42.00**

3.	**High**	44	**29.33**
	Total	150	**100.00**

The data presented in table 4.1.8 showed that majority of the beneficiaries 42.00 per cent found to medium information source group followed by 29.33 per cent found to high information source group and 28.67 per cent found to low information source group respectively.

Thus, it can be concluded that in study area, higher percentage of beneficiaries were found to medium information source group followed by high and low information source group.

9. Attitude towards credit scheme:

Attitude has been defined as the degree of positive or no effect associated with some psychological object. Attitude in this study refers to the feeling and reaction of the farmers towards the credit scheme. The detail distribution of beneficiaries according to their attitude towards credit scheme was presented in table 4.1.9.

Table: 4.1.9 Distribution of beneficiaries according to their attitude towards credits scheme.

S.No.	Attitude towards credit scheme	Frequency	Percentage
1.	**Unfavorable**	41	**27.33**
2.	**Neutral**	64	**42.67**
3.	**Favorable**	45	**30.00**
	Total	150	**100.00**

The data presented in table 4.1.9 showed that majority of the beneficiaries 42.67 per cent found to neutral attitude towards credit scheme group followed by 30.00 per cent found to favorable attitude towards credit scheme group and 27.33 per cent found to unfavorable attitude towards credit scheme group respectively.

Thus, it can be concluded that in study area, higher percentage of beneficiaries were found to neutral attitude towards credit scheme group followed by favorable and unfavorable attitude towards credit scheme group.

10. Knowledge about credit scheme:

Knowledge is essential element to run an enterprise or business. It is like a body of understanding information possessed by an individual or by a culture. It plays key role in production process. The detail distribution of beneficiaries according to their knowledge about credit scheme was presented in table 4.1.10.

Table: 4.1.10 Distribution of beneficiaries according to their knowledge about credit scheme.

S.No.	Knowledge about credit scheme	Frequency	Percentage
1.	**Low**	44	**29.33**
2.	**Medium**	62	**41.34**
3.	**High**	44	**29.33**
	Total	150	**100.00**

The data presented in table 4.1.10 showed that majority of the beneficiaries 41.33 per cent found to have medium knowledge about credit scheme group followed by 29.33 per cent found to have high and low knowledge about credit scheme group respectively.

Thus, it can be concluded that in study area, higher percentage of beneficiaries were found to have medium knowledge about credit scheme group followed by high and low knowledge about credit scheme group.

Fig:7: Distribution of beneficiaries according to their extension participation

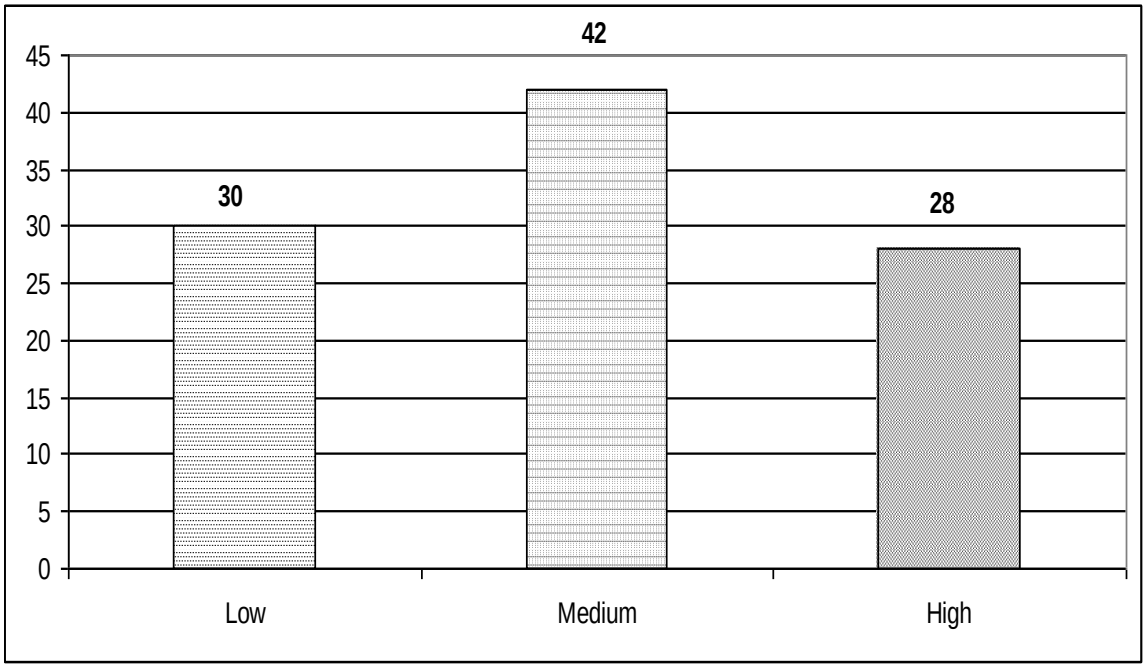


Fig:8: Distribution of beneficiaries according to their information source

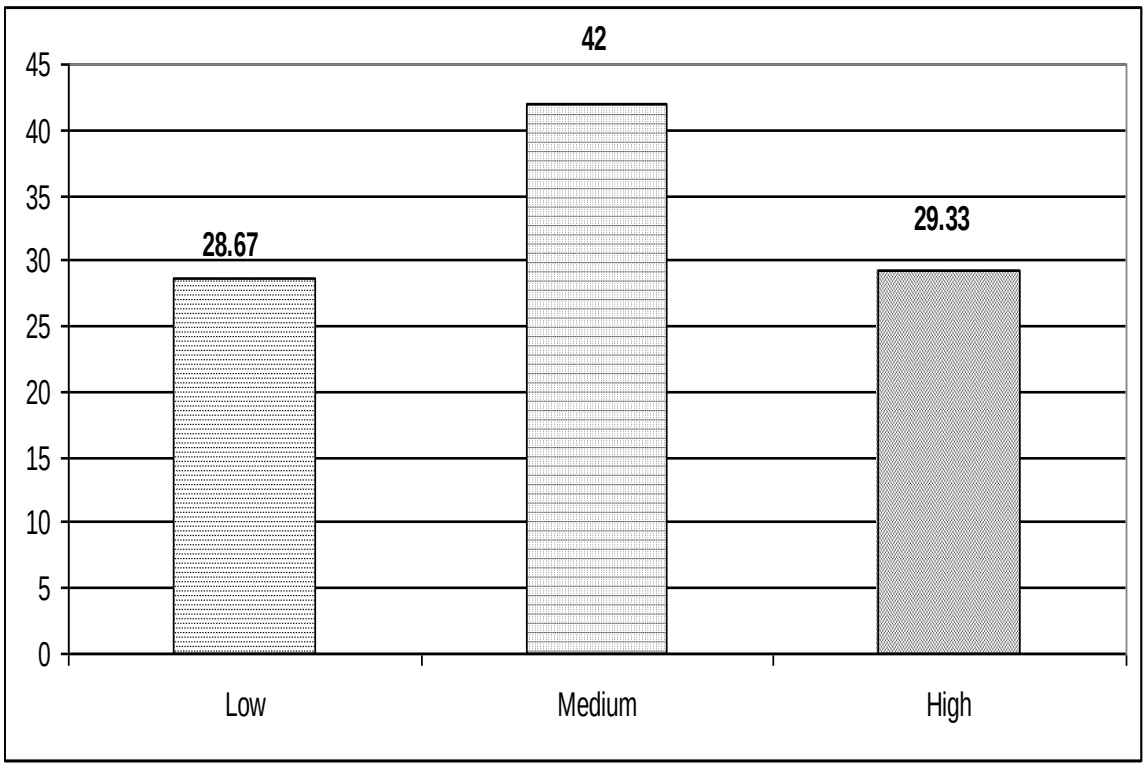


Fig:9: Distribution of beneficiaries according to their attitude towards credits scheme

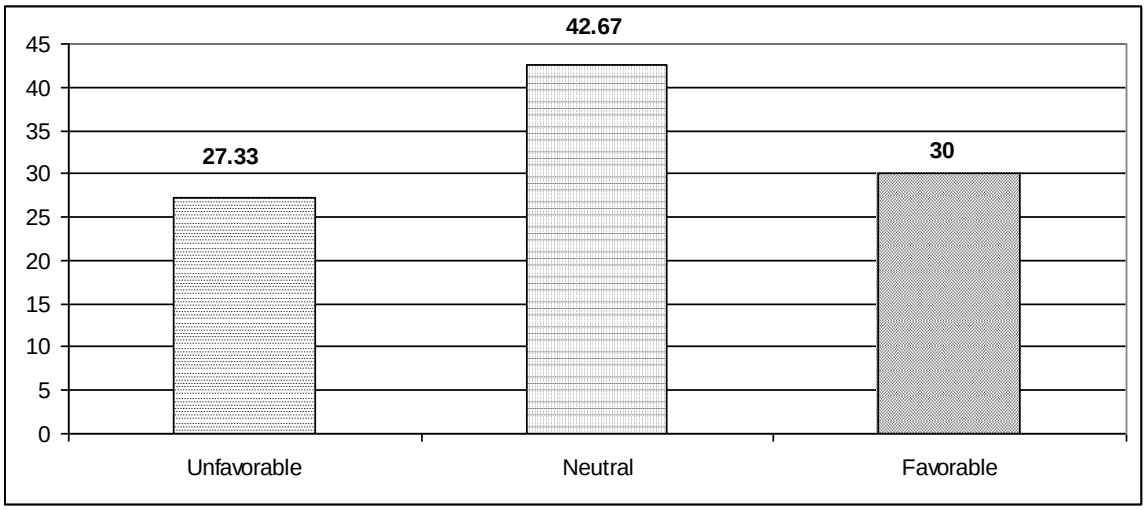
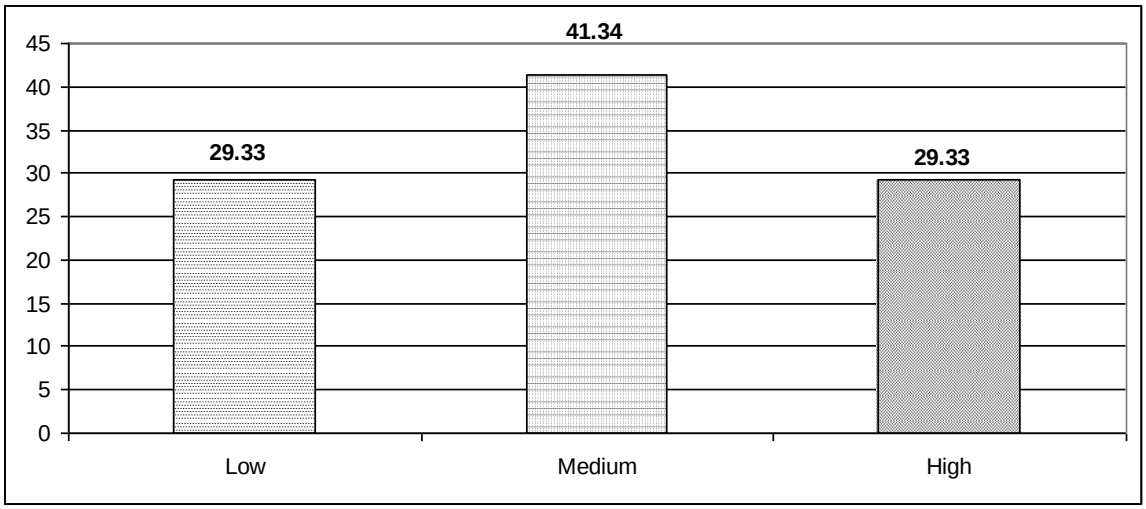


Fig:10: Distribution of beneficiaries according to their knowledge about credit scheme



4.2 Impact of credit on socio economic change of beneficiaries:

The impact of credit on socio economic change of beneficiaries was analyzed by considering the criteria of important socio economic attributes which encompassed 16 components. The impact of credit of beneficiaries before and after undertaking the credit in various attributes generating status was documented. The distribution of beneficiaries as per their socio economic status before and after the credit is presented in table 4.2.1.

Table: 4.2.1 Distribution of farmers according to status of socio economic before and after the credit.

S.No.	Categories	Before credit			After credit		
		Low	Medium	High	Low	Medium	High
1.	Adoption of new agriculture technology	42 (28.00)	63 (42.00)	45 (30.00)	36 (24.00)	48 (32.00)	66 (44.00)
2.	Improved yield attributing inputs system	48 (32.00)	70 (46.67)	32 (21.33)	37 (24.66)	46 (30.67)	67 (44.67)
3.	Availability of physical capital	50 (33.33)	62 (41.34)	38 (25.33)	23 (15.33)	42 (28.00)	85 (56.67)
4.	Enhancement the production and productivity of crops	48 (32.00)	55 (36.67)	47 (31.33)	41 (27.33)	47 (31.33)	62 (41.34)
5.	Change in crop diversification	48 (32.00)	52 (34.67)	50 (33.33)	41 (27.33)	49 (32.67)	60 (40.00)
6.	Enhancement in income	52 (34.67)	54 (36.00)	44 (29.33)	46 (30.67)	48 (32.00)	56 (37.33)
7.	Enhancement in sources of income	48 (32.00)	78 (52.00)	24 (16.00)	46 (30.67)	51 (34.00)	53 (35.33)
8.	Enhancement in employment availability	56 (37.33)	59 (39.34)	35 (23.33)	44 (29.34)	53 (35.33)	53 (35.33)

9.	**Enhancement in saving**	**41 (27.33)**	**85 (56.67)**	**24 (16.00)**	**30 (20.00)**	**47 (31.33)**	**73 (48.67)**
10.	**Availability of balance diet**	**47 (31.33)**	**69 (46.00)**	**34 (22.67)**	**34 (22.67)**	**36 (24.00)**	**80 (53.33)**
11.	**Consumption of nutritive food**	**40 (26.67)**	**89 (59.33)**	**21 (14.00)**	**40 (26.67)**	**47 (31.33)**	**63 (42.00)**
12.	**Enhance in literacy of the family members**	**50 (33.33)**	**63 (42.00)**	**37 (24.67)**	**24 (16.00)**	**42 (28.00)**	**84 (56.00)**
13.	**Increase in working efficiency of the farmers**	**46 (30.67)**	**69 (46.00)**	**35 (23.33)**	**35 (23.33)**	**54 (36.00)**	**61 (40.67)**
14.	**Improved technical knowledge of farming**	**47 (31.33)**	**71 (47.34)**	**32 (21.33)**	**36 (24.00)**	**46 (30.67)**	**68 (45.33)**
15.	**Social participation**	**56 (37.33)**	**59 (39.34)**	**35 (23.33)**	**30 (20.00)**	**46 (30.67)**	**74 (49.33)**
16.	**Increase in socio economic status**	**40 (26.67)**	**75 (50.00)**	**35 (23.33)**	**27 (18.00)**	**57 (38.00)**	**66 (44.00)**
	Average	**47 (31.33)**	**67 (44.67)**	**36 (24.00)**	**35 (23.33)**	**49 (32.67)**	**66 (44.00)**

1. Impact on adoption of new agriculture technology:

Data vividly explains that, 28.00 per cent of beneficiaries found under low "adoption of new agriculture technology" category before the credit, which was decreased and 24.00 per cent of beneficiaries found under low "adoption of new agriculture technology" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with low "adoption of new agricultural technology" had been decreased by 4.00 per cent over before the credit.

Data vividly explains that, 42.00 per cent of beneficiaries found under medium

"adoption of new agriculture technology" category before the credit, which was decreased and 32.00 per cent of beneficiaries found under medium "adoption of new agriculture technology" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with medium "adoption of new agricultural technology" had been decreased by 10.00 per cent over before the credit.

Data vividly explains that, 30.00 per cent of beneficiaries found under high "adoption of new agriculture technology" category before the credit, which was increased and 44.00 per cent of beneficiaries found under high "adoption of new agriculture technology" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with high "adoption of new agricultural technology" had been increased by 14.00 per cent over before the credit.

2. Impact on improved yield attributing inputs system:

Data vividly explains that, 32.00 per cent of beneficiaries found under low "improved yield attributing inputs system" category before the credit, which was decreased and 24.66 per cent of beneficiaries found under low "improved yield attributing inputs system" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with low "improved yield attributing inputs system" had been decreased by 7.34 per cent over before the credit.

Data vividly explains that, 46.67 per cent of beneficiaries found under medium "improved yield attributing inputs system" category before the credit, which was decreased and 30.67 per cent of beneficiaries found under medium "improved yield attributing inputs system" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with medium "improved yield attributing inputs system" had been decreased by 16.00 per cent over before the credit.

Data vividly explains that, 21.33 per cent of beneficiaries found under high "improved yield attributing inputs system" category before the credit, which was increased and 44.67 per cent of beneficiaries found under high "improved yield attributing inputs system" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with high "improved yield attributing inputs system " had been increased by 23.34 per cent

over before the credit.

3. Impact on availability of physical capital:

Data vividly explains that, 33.33 per cent of beneficiaries found under low "availability of physical capital" category before the credit, which was decreased and 15.33 per cent of beneficiaries found under low "availability of physical capital" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with low "availability of physical capital" had been decreased by 18.00 per cent over before the credit.

Data vividly explains that, 41.34 per cent of beneficiaries found under medium "availability of physical capital" category before the credit, which was decreased and 28.00 per cent of beneficiaries found under medium "availability of physical capital" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with medium "availability of physical capital" had been decreased by 13.34 per cent over before the credit.

Data vividly explains that, 25.33 per cent of beneficiaries found under high "availability of physical capital" category before the credit, which was increased and 56.67 per cent of beneficiaries found under high "availability of physical capital" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with high "availability of physical capital" had been increased by 31.34 per cent over before the credit.

4. Impact on enhancement the production and productivity of crops:

Data vividly explains that, 32.00 per cent of beneficiaries found under low "enhancement the production and productivity of crops" category before the credit, which was decreased and 27.33 per cent of beneficiaries found under low "enhancement the production and productivity of crops" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with low "enhancement the production and productivity of crops" had been decreased by 4.67 per cent over before the credit.

Data vividly explains that, 36.67 per cent of beneficiaries found under medium "enhancement the production and productivity of crops" category before the credit, which was decreased and 31.33 per cent of beneficiaries found under medium "enhancement the production and productivity of crops" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with medium "enhancement the production and productivity of

crops" had been decreased by 5.34 per cent over before the credit.

Data vividly explains that, 31.33 per cent of beneficiaries found under high "enhancement the production and productivity of crops" category before the credit, which was increased and 41.34 per cent of beneficiaries found under high "enhancement the production and productivity of crops" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with high "enhancement the production and productivity of crops" had been increased by 10.01 per cent over before the credit.

5. Impact on change in crop diversification:

Data vividly explains that, 32.00 per cent of beneficiaries found under low "change in crop diversification" category before the credit, which was decreased and 27.33 per cent of beneficiaries found under low "change in crop diversification" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with low "change in crop diversification" had been decreased by 4.67 per cent over before the credit.

Data vividly explains that, 34.67 per cent of beneficiaries found under medium "change in crop diversification" category before the credit, which was decreased and 32.67 per cent of beneficiaries found under medium "change in crop diversification" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with medium "change in crop diversification" had been decreased by 2.00 per cent over before the credit.

Data vividly explains that, 33.33 per cent of beneficiaries found under high "change in crop diversification" category before the credit, which was increased and 40.00 per cent of beneficiaries found under high "change in crop diversification" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with high "change in crop diversification" had been increased by 6.67 per cent over before the credit.

6. Impact on enhancement in income:

Data vividly explains that, 34.67 per cent of beneficiaries found under low "enhancement in income" category before the credit, which was decreased and 30.67 per cent of beneficiaries found under low "enhancement in income" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with low "enhancement in income" had been

decreased by 4.00 per cent over before the credit.

Data vividly explains that, 36.00 per cent of beneficiaries found under medium "enhancement in income" category before the credit, which was decreased and 32.00 per cent of beneficiaries found under medium "enhancement in income" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with medium "enhancement in income" had been decreased by 4.00 per cent over before the credit.

Data vividly explains that, 29.33 per cent of beneficiaries found under high "enhancement in income" category before the credit, which was increased and 37.33 per cent of beneficiaries found under high "enhancement in income" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with high "enhancement in income" had been increased by 8.00 per cent over before the credit.

7. Impact on enhancement in sources of income:

Data vividly explains that, 32.00 per cent of beneficiaries found under low "enhancement in sources of income" category before the credit, which was decreased and 30.67 per cent of beneficiaries found under low "enhancement in sources of income" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with low "enhancement in sources of income" had been decreased by 1.33 per cent over before the credit.

Data vividly explains that, 52.00 per cent of beneficiaries found under medium "enhancement in sources of income" category before the credit, which was decreased and 34.00 per cent of beneficiaries found under medium "enhancement in sources of income" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with medium "enhancement in sources of income" had been decreased by 18.00 per cent over before the credit.

Data vividly explains that, 16.00 per cent of beneficiaries found under high "enhancement in sources of income" category before the credit, which was increased and 35.33 per cent of beneficiaries found under high "enhancement in sources of income" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with high "enhancement in sources of income" had been increased by 19.33 per cent over before the credit.

8. Impact on enhancement in employment availability:

Data vividly explains that, 37.33 per cent of beneficiaries found under low "enhancement in employment availability" category before the credit, which was decreased and 29.34 per cent of beneficiaries found under low "enhancement in employment availability" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with low "enhancement in employment availability" had been decreased by 7.99 per cent over before the credit.

Data vividly explains that, 39.34 per cent of beneficiaries found under medium "enhancement in employment availability" category before the credit, which was decreased and 35.33 per cent of beneficiaries found under medium "enhancement in employment availability" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with medium "enhancement in employment availability" had been decreased by 4.01 per cent over before the credit.

Data vividly explains that, 23.33 per cent of beneficiaries found under high "enhancement in employment availability" category before the credit, which was increased and 35.33 per cent of beneficiaries found under high "enhancement in employment availability" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with high "enhancement in employment availability" had been increased by 12.00 per cent over before the credit.

9. Impact on enhancement in saving:

Data vividly explains that, 27.33 per cent of beneficiaries found under low "enhancement in saving" category before the credit, which was decreased and 20.00 per cent of beneficiaries found under low "enhancement in saving" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with low "enhancement in saving" had been decreased by 7.33 per cent over before the credit.

Data vividly explains that, 56.67 per cent of beneficiaries found under medium "enhancement in saving" category before the credit, which was decreased and 31.33 per cent of beneficiaries found under medium "enhancement in saving" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with medium "enhancement in saving" had

been decreased by 25.34 per cent over before the credit.

Data vividly explains that, 16.00 per cent of beneficiaries found under high "enhancement in saving" category before the credit, which was increased and 48.67 per cent of beneficiaries found under high "enhancement in saving" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with high "enhancement in saving" had been increased by 32.67 per cent over before the credit.

10. Impact on availability of balance diet:

Data vividly explains that, 31.33 per cent of beneficiaries found under low "availability of balance diet" category before the credit, which was decreased and 22.67 per cent of beneficiaries found under low "availability of balance diet" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with low "availability of balance diet" had been decreased by 8.66 per cent over before the credit.

Data vividly explains that, 46.00 per cent of beneficiaries found under medium "availability of balance diet" category before the credit, which was decreased and 24.00 per cent of beneficiaries found under medium "availability of balance diet" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with medium "availability of balance diet" had been decreased by 22.00 per cent over before the credit.

Data vividly explains that, 22.67 per cent of beneficiaries found under high "availability of balance diet" category before the credit, which was increased and 53.33 per cent of beneficiaries found under high "availability of balance diet" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with high "availability of balance diet" had been increased by 30.66 per cent over before the credit.

11. Impact on consumption of nutritive food:

Data vividly explains that, 26.67 per cent of beneficiaries found under low "consumption of nutritive food" category before the credit, which was equal and 26.67 per cent of beneficiaries found under low "consumption of nutritive food" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that there was no change in number of beneficiaries with low "consumption of nutritive food" over before the credit.

Data vividly explains that, 59.33 per cent of beneficiaries found under medium

"consumption of nutritive food" category before the credit, which was decreased and 31.33 per cent of beneficiaries found under medium "consumption of nutritive food" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with medium "consumption of nutritive food" had been decreased by 28.00 per cent over before the credit.

Data vividly explains that, 14.00 per cent of beneficiaries found under high "consumption of nutritive food" category before the credit, which was increased and 42.00 per cent of beneficiaries found under high "consumption of nutritive food" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with high "consumption of nutritive food" had been increased by 28.00 per cent over before the credit.

12. Impact on enhance in literacy of the family members:

Data vividly explains that, 33.33 per cent of beneficiaries found under low "enhance in literacy of the family members" category before the credit, which was decreased and 16.00 per cent of beneficiaries found under low "enhance in literacy of the family members" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with low "enhance in literacy of the family members" had been decreased by 17.33 per cent over before the credit.

Data vividly explains that, 42.00 per cent of beneficiaries found under medium "enhance in literacy of the family members" category before the credit, which was decreased and 28.00 per cent of beneficiaries found under medium "enhance in literacy of the family members" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with medium "enhance in literacy of the family members" had been decreased by 14.00 per cent over before the credit.

Data vividly explains that, 24.67 per cent of beneficiaries found under high "enhance in literacy of the family members" category before the credit, which was increased and 56.00 per cent of beneficiaries found under high "enhance in literacy of the family members" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with high "enhance in literacy of the family members" had been increased by 31.33 per cent over before the credit.

13. Impact on increase in working efficiency of the farmers:

Data vividly explains that, 30.67 per cent of beneficiaries found under low "increase in working efficiency of the farmers" category before the credit, which was decreased and 23.33 per cent of beneficiaries found under low "increase in working efficiency of the farmers" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with low "increase in working efficiency of the farmers" had been decreased by 7.34 per cent over before the credit.

Data vividly explains that, 46.00 per cent of beneficiaries found under medium "increase in working efficiency of the farmers" category before the credit, which was decreased and 36.00 per cent of beneficiaries found under medium "increase in working efficiency of the farmers" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with medium "increase in working efficiency of the farmers" had been decreased by 10.00 per cent over before the credit.

Data vividly explains that, 23.33 per cent of beneficiaries found under high "increase in working efficiency of the farmers" category before the credit, which was increased and 40.67 per cent of beneficiaries found under high "increase in working efficiency of the farmers" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with high "increase in working efficiency of the farmers" had been increased by 17.34 per cent over before the credit.

14. Impact on improved technical knowledge of farming:

Data vividly explains that, 31.33 per cent of beneficiaries found under low "improved technical knowledge of farming" category before the credit, which was decreased and 24.00 per cent of beneficiaries found under low "improved technical knowledge of farming" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with low "improved technical knowledge of farming" had been decreased by 7.33 per cent over before the credit.

Data vividly explains that, 47.34 per cent of beneficiaries found under medium "improved technical knowledge of farming" category before the credit, which was

decreased and 45.33 per cent of beneficiaries found under medium "improved technical knowledge of farming" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with medium "improved technical knowledge of farming" had been decreased by 2.01 per cent over before the credit.

Data vividly explains that, 21.33 per cent of beneficiaries found under high "improved technical knowledge of farming" category before the credit, which was increased and 45.33 per cent of beneficiaries found under high "improved technical knowledge of farming" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with high "improved technical knowledge of farming" had been increased by 24.00 per cent over before the credit.

15. Impact on social participation:

Data vividly explains that, 37.33 per cent of beneficiaries found under low "social participation" category before the credit, which was decreased and 20.00 per cent of beneficiaries found under low "social participation" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with low "social participation" had been decreased by 17.33 per cent over before the credit.

Data vividly explains that, 39.34 per cent of beneficiaries found under medium "social participation" category before the credit, which was decreased and 30.67 per cent of beneficiaries found under medium "social participation" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with medium "social participation" had been decreased by 8.67 per cent over before the credit.

Data vividly explains that, 23.33 per cent of beneficiaries found under high "social participation" category before the credit, which was increased and 49.33 per cent of beneficiaries found under high "social participation" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with high "social participation" had been increased by 26.00 per cent over before the credit.

16. Impact on increase in socio economic status:

Data vividly explains that, 26.67 per cent of beneficiaries found under low "increase in socio economic status" category before the credit, which was decreased

and 18.00 per cent of beneficiaries found under low "increase in socio economic status" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with low "increase in socio economic status" had been decreased by 8.67 per cent over before the credit.

Data vividly explains that, 50.00 per cent of beneficiaries found under medium "increase in socio economic status" category before the credit, which was decreased and 38.00 per cent of beneficiaries found under medium "increase in socio economic status" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with medium "increase in socio economic status" had been decreased by 12.00 per cent over before the credit.

Data vividly explains that, 23.33 per cent of beneficiaries found under high "increase in socio economic status" category before the credit, which was increased and 44.00 per cent of beneficiaries found under high "increase in socio economic status" category after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with high "increase in socio economic status" had been increased by 20.67 per cent over before the credit.

Impact of credit scheme on overall change in socio economic status:

Table: 4.2.2 Overall change in socio economic status of beneficiaries due to credit scheme.

S.No.	Categories	**Before credit**	**After credit**
1.	**Low**	47 (31.33)	**35** **(23.33)**
2.	**Medium**	67 (44.67)	**49** **(32.67)**
3.	**High**	36 (24.00)	**66** **(44.00)**
	Total	150 (100.00)	**150** **(100.00)**
	t'value	**4.13**	

The overall impact of credit scheme in changing the socio economic status of beneficiaries was determined by distribution pattern of beneficiaries among the different categories before and after the credit. It was found that generally all most among all the parameter of socio economic status of beneficiaries have been found to change from low and medium to high socio economic status category. In this way, the overall changes in socio economic status may be determined that overall 31.33 per cent of beneficiaries found under low "overall socio economic status" category before the credit was decreased and become 23.33 per cent after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with low "overall socio economic status" had been decreased by 12.00 per cent over before the credit.

The overall changes in socio economic status may be determined that overall 44.67 per cent of beneficiaries found under medium "overall socio economic status" category before the credit was decreased and become 32.67 per cent after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with medium "overall socio economic status" had been decreased by 14.00 per cent over before the credit.

On the other hand, the overall changes in socio economic status may be determined that overall 24.00 per cent of beneficiaries found under high "overall socio economic status" category before the credit was increased and become 44.00 per cent after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with high "overall socio economic status" had been increased by 20.00 per cent over before the credit.

To determine the impact of credit on socio economic change of beneficiaries, t' test value was calculated. The calculated ‘t’ value 4.13 at 5 per cent level with 15 d.f. was higher than the table value of ‘t’ 1.99. This was declared to be significant. Therefore, it may be concluded that the data provides enough evidence that there was positive change in socio economic status of beneficiaries after the credit. This clearly shows that as regard the socio economic status of beneficiaries there was a significant difference between before and after the credit the credit.

4.3 Association between socio personal characteristics and socio economic status of credit beneficiaries:

Credit scheme has been introduced for all kinds of investment for variable

cost requirements in crop production. It is provided as cash and kind to borrowers for short term. The success of scheme is totally depending upon nature of change in socio economic status of beneficiaries. The findings of the investigation would be providing an overall picture about nature, pattern and behaviour of credit scheme users and constraints perceived by them during issuing the credit.

Further, the results can be utilized to plan and execute the scheme for development of credit scheme users. In short, this study may be of a great value not only to bankers, extension workers but also to scientists, administrators, planners and policy makers towards attainment of national objectives of farmer's development in respect of overall development of agriculture which is the main source of livelihood of maximum population in India. In order to study the influences of socio-personal and socio–economic of credit scheme users, the values of X^2 were calculated for individual independent variable in relation to dependent variable as follows.

Age and socio economic status:

Table: 4.3.1 Association between age and socio economic status of credit beneficiaries.

(n=150)

Age	**Socio economic status**			**Total**
	Low	**Medium**	**High**	
Young	**10 (25.64)**	**12 (30.77)**	**17 (43.59)**	**39 (100.00)**
Middle	**14 (22.58)**	**20 (32.26)**	**28 (45.16)**	**62 (100.00)**
Old	**11 (22.45)**	**17 (34.69)**	**21 (42.86)**	**49 (100.00)**
Total	**35 (23.33)**	**49 (32.67)**	**66 (44.00)**	**150 (100.00)**
X^2 = 10.5*				

Note:- Figure in parenthesis shows percentage to their relative total

***Significant level at 5 per cent level of significance with 4 d.f.**

The table 4.3.1 revealed that out of 39 credit scheme users belonged to young age group, the maximum numbers of beneficiaries 43.59 per cent were found

to high socio economic status group followed by medium 30.77 per cent and low 25.64 per cent of socio economic status group respectively.

Out of 62 credit scheme users belonged to middle age group, the maximum numbers of beneficiaries 45.16 per cent were found to high socio economic status followed by medium 32.26 per cent and low 22.58 per cent of socio economic status group respectively.

Again, out of 49 credit scheme users belonged to old age group, the maximum numbers of beneficiaries 42.86 per cent were found to high socio economic status followed by medium 34.69 per cent and low 22.45 per cent of socio economic status group respectively.

The calculated Chi-square value 10.5* at 5 per cent level with 4 degree of freedom was found to be significant. This leads to the rejection of null hypothesis number 1. Hence, it may be concluded that age of credit users had an influence on their socio economic status.

Education and socio economic status:

Table: 4.3.2 Association between education and socio economic status of credit beneficiaries. (n=150)

Education	Socio economic status			Total
	Low	Medium	High	
Illiterate and formal education	7 (21.21)	11 (33.33)	15 (45.45)	33 (100.00)
Primary and middle education	15 (22.73)	22 (33.33)	29 (43.94)	66 (100.00)
Higher education	13 (25.49)	16 (31.37)	22 (43.14)	51 (100.00)
Total	35 (23.33)	49 (32.67)	66 (44.00)	150 (100.00)
X^2 = 9.0 N.S.				

Note:- Figure in parenthesis shows percentage to their relative total

N.S.= Non significant

The table 4.3.2 revealed that out of 33 credit scheme users belonged to "illiterate and formal education" group, the maximum numbers of beneficiaries 45.45

per cent were found to high socio economic status group followed by medium 33.33 per cent and low 21.21 per cent of socio economic status group respectively.

Out of 66 credit scheme users belonged to "primary and middle education" group, the maximum numbers of beneficiaries 43.94 per cent were found to high socio economic status group followed by medium 33.33 per cent and low 22.73 per cent of socio economic status group respectively.

Again, out of 51 credit scheme users belonged to "higher education" group, the maximum numbers of beneficiaries 43.14 per cent were found to high socio economic status group followed by medium 31.37 per cent and low 24.49 per cent of socio economic status group respectively.

The calculated Chi-square value 9.0 N.S. was found to be non significant. This leads to the acceptance of null hypothesis number 2. Hence, it may be concluded that education had no influence on the socio economic status of credit users.

Size of land holding and socio economic status:

Table: 4.3.3 Association between size of land holding and socio economic status of credit beneficiaries (n=150)

Size of land holding	Socio economic status			Total
	Low	Medium	High	
Small	11 (24.44)	15 (33.33)	19 (42.23)	45 (100.00)
Medium	11 (22.00)	17 (34.00)	22 (44.00)	50 (100.00)
Large	13 (23.64)	17 (30.91)	25 (45.45)	55 (100.00)
Total	35 (23.33)	49 (32.67)	66 (44.00)	150 (100.00)
$X^2 = 9.7$*				

Note:- Figure in parenthesis shows percentage to their relative total

***Significant level at 5 per cent level of significance with 4 d.f.**

The table 4.3.3 revealed that out of 45 credit scheme users belonged to small size of land holding group, the maximum numbers of beneficiaries 42.22 per cent

were found to high socio economic status group followed by medium 33.33 per cent and low 24.44 per cent of socio economic status group respectively.

Out of 50 credit scheme users belonged to medium size of land holding group, the maximum numbers of beneficiaries 44.00 per cent were found to high socio economic status group followed by medium 34.00 per cent and low 22.00 per cent of socio economic status group respectively.

Again, out of 55 credit scheme users belonged to large size of land holding group, the maximum numbers of beneficiaries 45.45 per cent were found to high socio economic status group followed by medium 30.91 per cent and low 23.64 per cent of socio economic status group respectively.

The calculated Chi-square value 9.7* at 5 per cent level with 4 degree of freedom was found to be significant. This leads to the rejection of null hypothesis number 3. Hence, it may be concluded that size of land holding had an influence on the socio economic status of credit users.

Annual income and socio economic status:

Table: 4.3.4 Association between annual income and socio economic status of credit beneficiaries. (n=150)

Annual income	Socio economic status			Total
	Low	Medium	High	
Low	11 (25.00)	14 (31.82)	19 (43.18)	44 (100.00)
Medium	13 (24.07)	18 (33.33)	23 (42.59)	54 (100.00)
High	11 (21.15)	17 (32.69)	24 (46.15)	52 (100.00)
Total	35 (23.33)	49 (32.67)	66 (44.00)	150 (100.00)
X^2= 10.4*				

Note:- Figure in parenthesis shows percentage to their relative total

***Significant level at 5 per cent level of significance with 4 d.f.**

The table 4.3.4 revealed that out of 44 credit scheme users belonged to low annual income group, the maximum numbers of beneficiaries 43.18 per cent were

found to high socio economic status group followed by medium 31.82 per cent and low 25.00 per cent of socio economic status group respectively.

Out of 54 credit scheme users belonged to medium annual income group, the maximum numbers of beneficiaries 42.59 per cent were found to high socio economic status group followed by medium 33.33 per cent and low 24.07 per cent of socio economic status group respectively.

Again, out of 52 credit scheme users belonged to high annual income group, the maximum numbers of beneficiaries 46.15 per cent were found to high socio economic status group followed by medium 32.69 per cent and low 21.15 per cent of socio economic status group respectively.

The calculated Chi-square value 10.4* at 5 per cent level with 4 degree of freedom was found to be significant. This leads to the rejection of null hypothesis number 4. Hence, it may be concluded that annual income had an influence on the socio economic status of credit users.

Social participation and socio economic status:

Table: 4.3.5 Association between social participation and socio economic status of credit beneficiaries. (n=150)

Social participation	Socio economic status			Total
	Low	Medium	High	
Low	14 (24.56)	18 (31.58)	25 (43.86)	57 (100.00)
Medium	10 (21.28)	15 (31.91)	22 (46.81)	47 (100.00)
High	11 (23.91)	16 (34.78)	19 (41.30)	46 (100.00)
Total	35 (23.33)	49 (32.67)	66 (44.00)	150 (100.00)
X^2=13.0**				

Note:- Figure in parenthesis shows percentage to their relative total

**** 1 per cent level of significance with 4 d.f.**

The table 4.3.5 revealed that out of 57 credit scheme users belonged to low social participation group, the maximum numbers of beneficiaries 43.86 per cent

were found to high socio economic status group followed by medium 31.58 per cent and low 24.56 per cent of socio economic status group respectively.

Out of 47 credit scheme users belonged to medium social participation group, the maximum numbers of beneficiaries 46.81 per cent were found to high socio economic status group followed by medium 31.91 per cent and low 21.28 per cent of socio economic status group respectively.

Again, out of 46 credit scheme users belonged to high social participation group, the maximum numbers of beneficiaries 41.30 per cent were found to high socio economic status group followed by medium 34.78 per cent and low 23.91 per cent of socio economic status group respectively.

The calculated Chi-square value 13.0** at 1 per cent level with 4 degree of freedom was found to be significant.. This leads to the rejection of null hypothesis number 5. Hence, it may be concluded that social participation had an influence on the socio economic status of credit users.

Extension contact with extension agencies and socio economic status:

Table: 4.3.6 Association between extension contact with extension agencies and socio economic status of credit beneficiaries. (n=150)

Extension contact with extension agencies	Socio economic status			Total
	Low	Medium	High	
Low	10 (23.26)	14 (32.56)	19 (44.19)	43 (100.00)
Medium	15 (24.59)	19 (31.15)	27 (44.26)	61 (100.00)
High	10 (21.74)	16 (34.78)	20 (43.48)	46 (100.00)
Total	35 (23.33)	49 (32.67)	66 (44.00)	150 (100.00)
X^2= 7.9 N.S				

Note:- Figure in parenthesis shows percentage to their relative total

N.S. = Non significant

The table 4.3.6 revealed that out of 43 credit scheme users belonged to low contact with extension agencies group, the maximum numbers of beneficiaries 44.19

per cent were found to high socio economic status groups followed by medium 32.56 per cent and low 23.26 per cent of socio economic status group respectively.

Out of 61 credit scheme users belonged to medium contact with extension agencies group, the maximum numbers of beneficiaries 44.26 per cent were found to high socio economic status group followed by medium 31.15 per cent and low 24.59 per cent of socio economic status group respectively.

Again, out of 46 credit scheme users belonged to high contact with extension agencies group, the maximum numbers of beneficiaries 43.48 per cent were found to high socio economic status group followed by medium 34.78 per cent and low 21.74 per cent of socio economic status group respectively.

The calculated Chi-square value 7.9 N.S. was found to be non significant. This leads to the acceptance of null hypothesis number 6. Hence, it may be concluded that contact with extension agencies had no influence on the socio economic status of credit users.

Extension participation and socio economic status:

Table: 4.3.7 Association between extension participation and socio economic status of credit beneficiaries. (n=150)

Extension participation	Socio economic status			Total
	Low	Medium	High	
Low	11 (24.44)	14 (31.12)	20 (44.44)	45 (100.00)
Medium	14 (22.22)	20 (31.75)	29 (46.03)	63 (100.00)
High	10 (23.81)	15 (35.71)	17 (40.48)	42 (100)
Total	35 (23.33)	49 (32.67)	66 (44.00)	150 (100.00)
X^2= 13.8**				

Note:- Figure in parenthesis shows percentage to their relative total

**** 1 per cent level of significance with 4 d.f.**

The table 4.3.7 revealed that out of 45 credit scheme users belonged to low extension participation group, the maximum numbers of beneficiaries 44.44 per cent

were found to high socio economic status group followed by medium 31.12 per cent and low 24.44 per cent of socio economic status group respectively.

Out of 63 credit scheme users belonged to medium extension participation group, the maximum numbers of beneficiaries 46.03 per cent were found to high socio economic status group followed by medium 31.75 per cent and low 22.22 per cent of socio economic status group respectively.

Again, out of 42 credit scheme users belonged to high extension participation group, the maximum numbers of beneficiaries 40.48 per cent were found to high socio economic status group followed by medium 35.71 per cent and low 23.81 per cent of socio economic status group respectively.

The calculated Chi-square value 13.8** at 1 per cent level with 4 degree of freedom was found to be significant. This leads to the rejection of null hypothesis number 7. Hence, it may be concluded that extension participation had an influence on the socio economic status of credit users.

Information source and socio economic status:

Table: 4.3.8 Association between information source and socio economic status of credit beneficiaries. (n=150)

Information source	Socio economic status			Total
	Low	Medium	High	
Low	11 (22.73)	14 (31.82)	20 (45.45)	45 (100.00)
Medium	14 (22.22)	20 (31.75)	29 (46.03)	63 (100.00)
High	10 (23.81)	15 (35.71)	17 (40.48)	42 (100.00)
Total	35 (23.33)	49 (32.67)	66 (44.00)	150 (100.00)
X^2= 12.8*				

Note:- Figure in parenthesis shows percentage to their relative total

*** 5 per cent level of significance with 4 d.f.**

The table 4.3.8 revealed that out of 45 credit scheme users belonged to low information source group, the maximum numbers of beneficiaries 45.45 per cent

were found to high socio economic status group followed by medium 31.82 per cent and low 22.73 per cent of socio economic status group respectively.

Out of 63 credit scheme users belonged to medium information source group, the maximum numbers of beneficiaries 46.03 per cent were found to high socio economic status group followed by medium 31.75 per cent and low 22.22 per cent of socio economic status group respectively.

Again, out of 42 credit scheme users belonged to high information source group, the maximum numbers of beneficiaries 40.48 per cent were found to high socio economic status group followed by medium 35.71 per cent and low 23.81 per cent of socio economic status group respectively.

The calculated Chi-square value 12.8* at 5 per cent level with 4 degree of freedom was found to be significant. This leads to the rejection of null hypothesis number 8. Hence, it may be concluded that information source had an influence on the socio economic status of credit users.

Attitudes toward credit scheme and socio economic status:

Table: 4.3.9 Association between attitudes towards credit scheme and socio economic status of credit beneficiaries. (n=150)

Attitude towards credit scheme	Socio economic status			Total
	Low	Medium	High	
Unfavorable	10 (24.39)	13 (31.71)	18 (43.90)	41 (100.00)
Neutral	14 (21.88)	21 (32.81)	29 (45.31)	64 (100.00)
Favorable	11 (24.44)	15 (33.33)	19 (42.23)	45 (100.00)
Total	35 (23.33)	49 (32.67)	66 (44.00)	150 (100.00)
X^2= 8.6 N.S.				

Note:- Figure in parenthesis shows percentage to their relative total

N.S. = Non significant

The table 4.3.9 revealed that out of 41 credit scheme users belonged to unfavorable attitude towards credit scheme, the maximum numbers of beneficiaries

43.90 per cent were found to high socio economic status group followed by medium 31.71 per cent and low 24.39 per cent of socio economic status group respectively.

Out of 64 credit scheme users belonged to neutral attitude towards credit scheme, the maximum numbers of beneficiaries 45.31 per cent were found to high socio economic status group followed by medium 32.81 per cent and low 21.88 per cent of socio economic status group respectively.

Again, out of 45 credit scheme users belonged to favorable attitude towards credit scheme, the maximum numbers of beneficiaries 42.22 per cent were found to high socio economic status group followed by medium 33.33 per cent and low 24.44 per cent of socio economic status group respectively.

The calculated Chi-square value 8.6 N.S. was found to be non significant. This leads to the acceptance of null hypothesis number 9. Hence, it may be concluded that attitude towards credit scheme had no influence on the socio economic status of credit users.

Knowledge about credit scheme and socio economic status:

Table: 4.3.10 Association between knowledge about credit scheme and socio economic status of credit beneficiaries. (n=150)

Knowledge about credit scheme	Socio economic status			Total
	Low	Medium	High	
Low	10 (22.73)	14 (31.82)	20 (45.45)	44 (100.00)
Medium	14 (22.58)	20 (32.26)	28 (45.16)	62 (100.00)
High	11 (25.00)	15 (34.09)	18 (40.91)	44 (100.00)
Total	35 (23.33)	49 (32.67)	66 (44.00)	150 (100.00)
X^2= 10.9*				

Note:- Figure in parenthesis shows percentage to their relative total

*** 5 per cent level of significance with 4 d.f.**

The table 4.3.10 revealed that out of 44 credit scheme users belonged to low knowledge about credit scheme, the maximum numbers of beneficiaries 45.45 per

cent were found to high socio economic status group followed by medium 31.82 per cent and low 22.73 per cent of socio economic status group respectively.

Out of 62 credit scheme users belonged to medium knowledge about credit scheme group, the maximum numbers of beneficiaries 45.16 per cent were found to high socio economic status group followed by medium 32.26 per cent and low 22.58 per cent of socio economic status group respectively.

Again, out of 44 credit scheme users belonged to high knowledge about credit scheme group, the maximum numbers of beneficiaries 40.91 per cent were found to high socio economic status group followed by medium 34.09 per cent and low 25.00 per cent of socio economic status group respectively.

The calculated Chi-square value 10.9* at 5 per cent level with 4 degree of freedom was found to be significant. This leads to the rejection of null hypothesis number 10. Hence, it may be concluded that knowledge about credit scheme had an influence on the socio economic status of credit users.

4.4 Constraints faced by beneficiaries of credit scheme:

Behaviour of credit scheme users in study area was most affected by various constraints perceived by them during issuing the credit and repayment of credit. The detail of constraints confronted by credit scheme users was presented in table 4.4.1.

Table: 4.4.1 Constraints as perceived by credit scheme users.

S.No.	Statements	Frequency n=150	% to total	Rank
1.	Lack of credit in time	118	78.33	i
2.	Supply credit is less than demand	114	75.83	ii
3.	Low risk capability of farmer	111	74.17	iii
4.	Lack of proper knowledge about credit	98	65.00	iv
5.	Other socio economic problems	91	60.83	v
6.	Low saving for repayment of credit	89	59.17	vi

The credit users confronted that the major constraint as it expressed by the majority of the beneficiaries (78.33%) was " Lack of credit in time " followed by (75.83%) beneficiaries expressed " Supply credit is less than demand ", (74.17%) beneficiaries expressed " Low risk capability of farmer ", (65.00%) beneficiaries expressed " Lack of proper knowledge about credit ", (60.83%) beneficiaries

expressed " Other socio economic problems ", (59.17%) beneficiaries expressed "Low saving for repayment of credit" respectively.

Thus, it is concluded that the high intensity problems faced by credit scheme users were high cost involved in obtaining credit followed by lack of credit in time, supply credit is less than demand and not favorable installment decided by bank respectively.

4.5 Suggestions for overcoming the constraints:

In the present study beneficiaries were asked for minimizing the constraints prevailed in the study area regarding higher use of credit through credit scheme. The following suggestions were given by the beneficiaries to overcome the constraints in term of preferential rank which was presented in table 4.5.1.

Table: 4.5.1 Suggestions confronted by credit scheme users to overcome the constraints.

S.No.	Statements	Frequency n=150	% to total	Rank
1.	The credit should be available at low rate of interest in time by easy process.	75	50.00	ii
2.	The training campus should be organized regarding knowledge of credit scheme.	68	45.00	iv
3.	The proper guidance should be given through organization personnel regarding credit scheme.	61	40.83	v
4.	The recovery process should be easy due to lack of capital with farmers	83	55.00	i
5.	The motivation should be given to adopt credit scheme.	54	35.83	vi
6.	There should be easy process for bank account.	49	32.50	vii
7.	The credit should be providing as per the need of farmers in credit scheme.	73	48.33	iii

The study revealed that maximum beneficiaries (55.00%) suggested that "the recovery process should be easy due to lack of capital with farmers" followed by (50.00%) suggested "the credit should be available at low rate of interest in time by

easy process", (48.33%) suggested "the credit should be provide as per the need of farmers in credit scheme", (45.00%) suggested "the training campus should be organized regarding knowledge of credit scheme", (40.83%) suggested "the training campus should be organized regarding knowledge of credit scheme", (35.83%) suggested the "motivation should be given to adopt credit scheme" and (32.50%) suggested "there should be easy process for bank account" respectively.

Thus, it is concluded that the high intensity suggestions regarding over come to problems given by credit scheme users were the recovery process should be easy due to lack of capital with farmers followed by the credit should be available at low rate of interest in time by easy process and the credit should be provide as per the need of farmers in credit scheme respectively.

CHAPTER - V
DISCUSSION

This chapter deals with the discussion of result in light of the objectives of the study. The necessity for describing and prescribing the facts found in the chapter of result is to better understanding in the relationship of cause and effect of the facts.

F. Socio personal characteristics of credit scheme beneficiaries:

Study revealed that higher percentage of beneficiaries was in middle age group followed by old and young. Usually middle age of beneficiaries is enthusiastic and have higher favorable attitude than the older and younger one. So the middle age group farmers gave proper response for credit scheme. This finding is in conformity with the findings as reported by Bevenahalli (2005), Sharma (2006), Dashawant (2007), Parmar (2008) and Gole (2013)

Study revealed that higher percentage of beneficiaries was found to "primary and middle education" followed by "higher education" and "illiterate and formal education" group. This could be attributed to the medium level of education of the beneficiaries which was might be due to rural environment and insister occupation not allowed them for higher education. This finding is in conformity with the findings as reported by Sharma (2006), Dashawant (2007) and Sowjanya (2007).

Study revealed that higher percentage of beneficiaries were have large size of land holding followed by medium and small size of land holding group. The reason for most of the beneficiaries owing large size of land may be lack of division of ancestral property. This finding is in conformity with the finding as reported by Naidu *et al.* (1986).

Study revealed that higher percentage of beneficiaries was in medium annual income group followed by high and low annual income group. The possible reason may be that, since majority of beneficiaries were belong to rainfed area and there was lacking of other occupation. This finding is in conformity with the finding as reported by Shashidhara (2003), Sharma (2006), Sowjanya (2007), Parmar (2008) and Gole (2013).

Study revealed that higher percentage of beneficiaries was found to low social

participation group followed by medium and high social participation group. The low and medium educated farmers have low interest in social participation. The backward areas also have meager prospects for social work. This finding is in conformity with the finding as reported by Palwe (1995).

Study revealed that higher percentage of beneficiaries was found to medium extension contact with extension agencies group followed by high and low extension contact with extension agencies group. Low and medium education and low social participation might be the main reason for medium extension contact with extension agencies. This finding is in conformity with the finding as reported by Anuj Kumar *et al.* (2008).

Study revealed that higher percentage of beneficiaries was found to medium extension participation group followed by low and high extension participation group. This might be due to the fact that the agriculture assistance is working at village level but not easily available at every time. This finding is in conformity with the finding as reported by Doddamani (2010).

Study revealed that higher percentage of beneficiaries was found to medium information source group followed by high and low information source group. The possible reason for this might be that the credit scheme users have limited source of information for receiving new information of agricultural technology due to village environment and limited education. This finding is in conformity with the finding as reported by Patel (2012).

Study revealed that higher percentage of beneficiaries was found to neutral attitude towards credit scheme group followed by favorable and unfavorable attitude towards credit scheme group. The attitude of persons is found to changing towards positive force with the effect of positive environment. The village living, backward area, low education, medium contact with extension agencies and other factors might be not affected the positive attitude toward credit scheme. This finding is in conformity with the finding as reported by Gole (2013).

Study revealed that higher percentage of beneficiaries was found to have medium knowledge about credit scheme group followed by high and low knowledge about credit scheme group. The medium level of knowledge about credit scheme might be due to technical communication gap, low education and lack of information

about new technology in rural area. This finding is in conformity with the finding as reported by Arul (2004), Bheemappa (2006), Kenchanagoudra (2007) and Parmar (2008).

G. Impact of credit scheme on socio economic change of beneficiaries:

Data of study provides enough evidence that there was positive change in socio economic status of beneficiaries after the credit. This clearly shows that as regard the socio economic status of beneficiaries there was a significant difference between before and after the credit. It is concluded that there was positive impact of credit scheme on socio economic change of beneficiaries.

The availability of proper and sufficient variable cost due to credit scheme motivated to farmers for judicious and proper utilization of yield attributing inputs at farm level. This judicious and proper utilization of yield attributing inputs and agronomical practices affected towards higher yield, production, farm income and income generation opportunities. This might be reason the change of socio economic status of credit scheme users after the loan. This finding is in conformity with the finding as reported by Shivaprasad (1980), Jain and Sarawgi (1981), Mishra *et al. (*1981), Ruston Ali Ahmed (2004) and Dashawant (2007).

H. Association between socio personal characteristics and socio economic status of credit scheme beneficiaries:

It may be concluded that age, size of land holding, annual income, social participation, extension participation, information source and knowledge about credit scheme of credit scheme users had a positive influence on their socio economic status because the association between above characteristics was found to be significant with socio economic status of beneficiaries. This finding is in conformity with the findings as reported by De (1987) and Roy *et al.* (2003).

I. Constraints faced by beneficiaries of credit scheme:

The credit scheme users confronted that the major constraint as it expressed by the majority of the beneficiaries over than average values was "high cost involved in obtaining credit" followed by "lack of credit in time", "supply loan is less than demand", "not favorable installment decided by bank" and "high rate of interest on loan amount" respectively. This finding is in conformity with the findings as reported by Shrivastava (1976), Rai (1977), Dashawant (2007), Satyasai (2008) and Gole (2013).

J. Suggestions for overcoming the constraints:

The study revealed that maximum beneficiaries suggested over than higher value that "the recovery process should be easy due to lack of capital with farmers" followed by "the loan should be available at low rate of interest in time by easy process", "the loan should be provide as per the need of farmers in credit scheme " and "the training campus should be organized regarding knowledge of credit scheme " respectively. This finding is in conformity with the findings as reported by Dashawant (2007), Sharma *et al.* (2007) and Satyasai (2008).

CHAPTER - VI

SUMMARY, CONCLUSION & SUGGESTIONS

Summary:

The practice of providing and obtaining credit for agriculture development is prevalent since long times. The centuries old loaning system with some structural improvement is still in existence, though it has evolved to a large extent with changing the situation. A clear shift was visible in the field of agricultural credit as well as sources of finance for rural poor only after independence. To achieve a higher level of production, the growth model adopted by Indian agriculture is popularly called 'Green Revolution Model'. Under this modes of production have undergone major transformation, stimulating change in the forces of production as well as production relations in the society. The whole mechanism of transformation was and is being targeted at surplus generation, but is closely linked with growth of rural credit system in the country.

Need for finance (credit) is a major element of agricultural policy after nationalization of banks. Cultivation being a time bound process there is needed to incur costs before a saleable output is generated. These costs can be financed by two ways. The farmer has recourse either to his own resources or to borrowed resources i.e. credit. Rising of own resources is limited by the wealth of the individuals, so the only option is to see the external resource or credit.

Credit may provide the farmers opportunity to earn more money and improve their standard of living or increase the socio status. The impact of credit can be seen by the fact that mean input expenditures per hectare are significantly higher for farmers with credit availability, regardless of their level of assets. On the other hand, higher input expenditures are presumably associated with higher productivity, production, marketing surplus, farm- income and employment growth, substantially changing the socio economic status of farmers.

Many studies depicted the impact of credit on agricultural development has been found to be positive and significant. The aforesaid information revealed that credit plays a crucial role in enhancing the socio economic status and motivating the farmers to take advantage of credit system of the banks. However, there are hardly any empirical evidences on the impact of the credit scheme in relation to extent of

change in socio economic status of farmers in study area. Hence, present study will be undertaken with the following specific objectives.

Objectives of investigation:

5. To study the profile of beneficiaries.
6. To analyse the impact of credit through district co-operative bank on agricultural development of beneficiaries.
7. To know the association between profiles and impact of credit through district co-operative bank on agricultural development of beneficiaries.
8. To identify the constraints and suggestion for repayment of credit by beneficiaries.

Ratlam district was considered for present study due to that this district is one of the developed agricultural districts in Madhya Pradesh. The farmers in the district are found to well advance in respect to adoption of improved crop production technology, which needs to borrowed money, particularly the credit. The sample of the study was selected through multi-stage sampling technique. At first stage of sampling, out of all the blocks in the district, only Ratlam block was selected purposively due to availability of District Co-operative Bank branch which was selected for study. A list of villages covered by District Co-operative Bank branch was prepared. Out of these villages, 10 villages was selected which having maximum credit scheme. Out of total credit scheme users of selected villages, 15 credit scheme users were select randomly from each village. In this way total numbers of 150 credit scheme users were considered as respondents for collection of data in this study.

The relevant independent and dependent variables was considered under the study.

(A) Independent Variables:		**Measurement**
11.	**Age**	As per chronological
12.	**Education.**	Structural schedule
13.	**Size of land holding**	Structural schedule
14.	**Annual income**	Structural schedule
15.	**Social participation**	Self scoring
16.	**Extension contact with extension agencies**	Structural schedule
17.	**Extension participation**	Structural schedule
18.	**Information source**	Structural schedule
19.	**Attitude towards credit scheme**	Self scoring
20.	**Knowledge about bank credit**	Self scoring
(B) Dependent Variable:		
Impact of credit on gain of benefits by users.		Index will be developed

The data was collected with the help of pre tested interview schedule through survey method. The researcher was approached personally to the respondents and explains to them about the purpose of the study before the collection of data. The data was collected for the period of before and after availing the credit in their loaning procedure to find out the impact of credit scheme among the beneficiary farmers. The entire data was transformed into normal score for tabulation. The independent variables as well as dependent variables were categorized as low, medium and high or the term applicable so far on the basis of score obtained. Keeping in view the objectives of the study and to draw logical conclusion, statistical test i.e. frequency, percentage, mean and chi-square test was used for analyzing and interpreting the data.

The association between dependent and independent variables was studied by using chi square test as follows:

$$x^2 = \sum \frac{(Oi - Ei)^2}{Ei}$$

With d.f. (r-1) (c-1)

Where,

Oi = Observed frequency of respondents

Ei = Expected frequency of the same respondents

r = No. of rows

c = No. of column

Conclusions:

The analysis of the data led to the following conclusions:

K. Socio personal characteristics of credit scheme beneficiaries:

- Majority of the beneficiaries 41.30 per cent were of middle age group followed by old age group 32.70 per cent and young age group 26.00 per cent respectively.
- Majority of the beneficiaries 36.70 per cent have large size of land holding followed by 33.30 per cent have medium size of land holding and 30.00 per cent have small size of land holding group respectively.

- Majority of the beneficiaries 36.00 per cent were of medium annual income group followed by 34.70 per cent were high annual income group and 29.30 per cent were low annual income group respectively.
- Majority of the beneficiaries 38.00 per cent found to low social participation group followed by 31.30 per cent found to medium social participation group and 30.70 per cent found to high social participation group respectively.
- Majority of the beneficiaries 40.66 per cent found to medium extension contact with extension agencies group followed by 30.67 per cent found to high extension contact with extension agencies group and 28.67 per cent found to low extension contact with extension agencies group respectively.
- Majority of the beneficiaries 42.00 per cent found to medium extension participation group followed by 30.00 per cent found to low extension participation group and 28.00 per cent found to high extension participation group respectively.
- Majority of the beneficiaries 42.00 per cent found to medium information source group followed by 29.33 per cent found to high information source group and 28.67 per cent found to low information source group respectively.
- Majority of the beneficiaries 42.67 per cent found to neutral attitude towards credit scheme group followed by 30.00 per cent found to favorable attitude towards credit scheme group and 27.33 per cent found to unfavorable attitude towards credit scheme group respectively.
- Majority of the beneficiaries 41.33 per cent found to have medium knowledge about credit scheme group followed by 29.33 per cent found to have high and low knowledge about credit scheme group respectively.

L. Impact of credit scheme on socio economic change of beneficiaries:

- The study determines that due to overall changes in socio economic status, 31.33 per cent of beneficiaries found under low "overall socio economic status" category before the credit. The socio economic status has been changed and the number of beneficiaries was decreased and become 23.33 per cent after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with low "overall socio economic status" had been decreased by 12.00 per cent over before.
- Study also revealed that the overall changes in socio economic status may be determined that overall 44.67 per cent of beneficiaries found under medium

"overall socio economic status" category before the credit was decreased and become 32.67 per cent after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with medium "overall socio economic status" had been decreased by 14.00 per cent over before.

- On the other hand, the overall changes in socio economic status may be determined that overall 24.00 per cent of beneficiaries found under high "overall socio economic status" category before the credit was increased and become 44.00 per cent after the credit. On the basis of above findings, one of the most notable difference seen after credit that the beneficiaries with high "overall socio economic status" had been increased by 20.00 per cent over before.
- To determine the impact of credit on socio economic change of beneficiaries, t' test value was calculated. The calculated ‘t’ value 4.13 at 5 per cent level with 15 d.f. was higher than the table value of ‘t’ 1.99. This was declared to be significant. Therefore, it may be concluded that the data provides enough evidence that there was positive change in socio economic status of beneficiaries after the credit. This clearly shows that as regard the socio economic status of beneficiaries there was a significant difference between before and after the credit.

M. Association between socio personal characteristics and socio economic status of credit scheme beneficiaries:

- It may be concluded that age of credit scheme users had an influence on their socio economic status. The calculated Chi-square value 10.5* was found to be significant.
- It may be concluded that education had no influence on the socio economic status of credit scheme users. The calculated Chi-square value 9.0 N.S. was found to be non significant.
- It may be concluded that size of land holding had an influence on the socio economic status of credit scheme users. The calculated Chi-square value 9.7* was found to be significant.
- It may be concluded that annual income had an influence on the socio economic status of credit scheme users. The calculated Chi-square value 10.4* was found to be significant.

- It may be concluded that social participation had an influence on the socio economic status of credit scheme users. The calculated Chi-square value 13.0** was found to be significant.
- It may be concluded that contact with extension agencies had no influence on the socio economic status of credit scheme users. The calculated Chi-square value 7.9 N.S. was found to be non significant.
- It may be concluded that extension participation had an influence on the socio economic status of credit scheme users. The calculated Chi-square value 13.8** was found to be significant.
- It may be concluded that information source had an influence on the socio economic status of credit scheme users. The calculated Chi-square value 12.6* was found to be significant.
- It may be concluded that attitude towards credit scheme had no influence on the socio economic status of credit scheme users. The calculated Chi-square value 8.6 N.S. was found to be non significant.
- It may be concluded that knowledge about credit scheme had an influence on the socio economic status of credit scheme users. The calculated Chi-square value 10.9* was found to be significant.

N. Constraints faced by beneficiaries of credit scheme:

- The credit scheme users confronted that the major constraint as it expressed by the majority of the beneficiaries was "high cost involved in obtaining credit" followed by "lack of credit in time", "supply loan is less than demand", "not favorable installment decided by bank", ("high rate of interest on loan amount", "EMI value is high", ("complicated loaning procedure", "other socio economic problems", "lack of proper knowledge about loan" and "low saving for repayment of loan" respectively.

O. Suggestions for overcoming the constraints:

- The study revealed that maximum beneficiaries suggested that "the recovery process should be easy due to lack of capital with farmers" followed by "the credit should be available at low rate of interest in time by easy process", "the credit should be provide as per the need of farmers in credit scheme", "the training campus should be organized regarding knowledge of credit scheme", "the training campus should be organized regarding knowledge of credit scheme", "motivation should be given to adopt credit scheme" and "there should be easy

process for bank account" respectively.

Suggestions:

In the light of findings of the study and from the personal experiences of researcher gained by the respondents, following suggestions and implications are made for the effective improvement in credit scheme in rural area which would be feedback for financing institution, extension and field level personnel and policy makers.

i. The recent trend of increased flow of agricultural credit needs to be maintained especially in case of small and marginal farmers. The money should be pumped through District Co-operative Bank keeping in view the easy access and lower transaction cost in these institutions.

ii. There should be differential rate of interest on the basis of operational holding rather than purpose of borrowing. This will hamper the flow of credit to undesirable channels by higher farm size categories and at the same time availability will increase to lower farm size categories.

iii. Under credit scheme the credit is mainly provided to meet out expenditure on variable cost. Due to changing of input cost, the costs of yield attributing inputs are become very high. In this condition the judicious and economic use of these inputs is paramount important for higher profitability from unit of resources. As per study observation technical guidance to the borrower is found to be lacking on the part of institutions. This should be taken up by the agencies for better utilization of credit and making the farmers aware about new technologies / avenues etc.

iv. The institutional agencies should educate the farmers to borrow only for right purposes and to repay the credit on right time. They must disburse the credit at the right time and in adequate measures.

v. The recovery of credit may be postponed for a considerable period, of not less than one year, so that the indebted farmers are enabled to earn some additional income to repay the debt.

vi. Strict supervision should be maintained by the financial institutions officials on the proper utilization of finance for productive purpose and also to avoid diversion of funds for other purposes.

vii. Besides providing credit at a cheaper cost the bank should try, by all possible means, for the inculcation of saving habits among the borrower farmers, for it contributes to the farmers' long run economic prosperity.

CHAPTER - VII

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VITA

Manish Patidar, the author of thesis was born on 8th August 1993 in Ratlam district of Madhya Pradesh. He completed his High School from Govt. Boys School, Sailana with (84.3%) first division and Higher Secondary School Examination from Govt. Boys School Sailana district Ratlam with (81.2%) First division.

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He actively participated in all the cultural activities of the college. Now, He is submitting the thesis after completing the course with …….. OGPA out of 10.00 scale.