

**PROGRESS AND PERFORMANCE OF KISAN CREDIT CARD SCHEME IN INDIA****Rajkumar Wadje****Abstract:**

The Indian economy has been based largely on agriculture. With a 14% share of GDP, it continues to be a significant part of the economy and employs nearly two-thirds of the country's workforce. Despite this, agriculture will continue to be crucial for many years to come. The nation's socio-economic development strategies will continue to center on agriculture. Agriculture's rapid expansion will not only help industry and GDP grow, but also ensure food security for the foreseeable future. Credit is essential if agriculture is to continue expanding. Even though this is quite impressive when compared to the total amount of bank credit given to priority sectors, farm sector credit does not come without its fair share of issues: viz. difficulties obtaining credit for farmers and difficulties granting credit by banks.

**KEYWORDS:** *Indian economy , agriculture , socio-economic.***INTRODUCTION**

In December 1997, the Reserve Bank of India established a one-man High Level Committee headed by Shri R. V. Gupta to suggest solutions for enhancing delivery systems and streamlining agricultural credit procedures. This was done in response to issues with the provision of agricultural credit. Presently, agriculture has undergone a significant shift from producing for subsistence to producing for the market. The abundance of grain buffer stocks that have built up as a result of the excess production demonstrates the much-needed food security. The agricultural industry's diversification and commercialization have resulted in a shift away from traditional cropping patterns and toward high-value crops as well as new markets. Indian agriculture developed thanks in large part to institutional credit, which was crucial to the growth of the agricultural sector.

OBJECTIVES OF THE STUDY:

1. to investigate the most notable aspects of the Kisan Credit Card in India.
2. To investigation of organization wise and period-wise advancement of KCC in the province.
3. to investigate the state-by-state development of the Kisan Credit Card in India.

RESEARCH METHODOLOGY AND DATABASE

Present exploration paper depends on optional information involving reports of NABARD, GOI, books and diaries. The information during 1998-99 and 2008-09 is utilized for the current exploration paper. Statistical methods are used to process the collected data with the aid of a computer.

The Kisan Credit Card Scheme:

The plan was implemented in the state between 1998 and 1999 with the intention of providing farmers with adequate and timely credit, including short-term crop loans and a reasonable portion of their consumption needs, through a single window with a flexible and simplified process. The execution of KCC beginning around 1998 has been taken up by 27 Public Area Banks, 382 Co-employable Banks and 196 RRBs all through the country. 44% of the KCCs issued were issued by cooperative banks. The Business Banks accounted 42% and RRB's accounted 14% of KCC's given up to the February 2009. The flow of credit to the agriculture sector remained poor, both quantitatively and qualitatively, despite various efforts to revitalize farm credit. One of the principal explanations behind this is the mind boggling systems followed by the institutional organizations and furthermore the insufficiency and unfavorable inventory of credit.

Up until 2005-2006, this scheme only allowed for the disbursement of short-term credits; Since 2006-2007, lenders have approved long-term loans. The total number of KCCs gave in the State toward the finish of September, 2010 was 54.06 lakh. During 2010-11 (up to September, 2010), credit endorsed was Rs.1,289.86 crore. It gave all indications of flexibility to normal shocks like dry seasons and starvations. As a matter of fact, acknowledge went about as a way to give command over assets to empower the ranchers to secure the necessary capital for expanding farming creation. It made it possible for the farmer to choose between short-term credit for the purchase of services and inputs and long-term credit for investments. As a result, credit was crucial in facilitating agriculture's commercialization and technological advancement. The Green Revolution's success in Indian agriculture was largely due to institutional credit support for the agricultural sector's expansion of inputs like irrigation, private capital formation, and fertilizers.

Progress of Kisan Credit Card Scheme in India

In the years 1998 and 1999, the scheme was launched. In the first year, only 0.78 million KCC could be issued, but the number increased consistently in subsequent years. NABARD advised banks to identify and cover all farmers, including defaulters, oral lessees, tenant farmers, and share croppers, who were left outside the hold of the KCC scheme for any reason so that all farmers are covered under the scheme by March 31, 2007, placing an emphasis on increasing credit flow to the agricultural sector. Further, banks were encouraged to give KCCs in an issue free way, broaden crop credits just through KCCs and recharge them to guarantee quality in tasks. Up until the end of 2008-09, banks across the nation distributed approximately 8.46 million Kisan Credit Cards.

The progress made under KCC must be closely monitored and evaluated on a regular basis in accordance with the guidelines. During meetings of the Block Level Bankers Committee (BLBC), it was being examined at the block level. The BLBC is a council of brokers headed by the Lead Bank Supervisor (LDM) of the region. These meetings also include officers from the line departments and the Block Development Officer (BDO). The progress of the KCC scheme is reviewed as part of the agenda of the District Level Review Committee (DLRC), which is chaired by the District Collector and includes bankers and representatives from the district's line departments. Similar to this, the KCC scheme is reviewed by the State Level Bankers Committee (SLBC), which is the highest forum for reviewing a state's banking activities and is chaired by the Chief Secretary or the Agricultural Production Commissioner. In addition, the progress is evaluated internally by the banks through reports and returns as well as during the conference of branch managers. In their board meetings, cooperative banks and RRBs examine the KCC scheme. Further, progress in execution of KCC by RRBs is likewise being explored in State Level Coordination Board (SLCC) Gatherings. The chief executives of cooperative banks have been conducting the review, which is also being discussed in the DLRC. In

addition, a State Level Monitoring and Review Committee headed by the Secretary of State for Cooperation has been established to resolve operational issues and closely monitor the progress that cooperative banks are making in implementing the scheme. The Enlistment center of Co-employable Social orders, Overseeing Head of the State Co-usable Banks, the CEO of the DCCBs and official responsible for NABARD are the other individual from the advisory group.

During the period of 1999-2000, the banks issued more than 50 lakh KCCs—almost two and a half times the target of 20 lakhs. Banks issued more than 47 lakh cards in 2000-2001, which is 55% of the goal set for that year and up until December 2000. Co-employable banks have given the most extreme number of KCCs (66%), trailed by Business Banks (CB) (28%) and RRBs (6%). The RRBs had reached 81.2 percent of the goal by December 2000, while the co-operative banks had reached 56 percent. 46.1% of the goal that had been set for the CBs had been met. An analysis of the achievement on a state-by-state basis reveals that the banks had achieved more than 80% of their targets in states like Bihar, Haryana, Karnataka, Maharashtra, and Uttar Pradesh. In states like Gujarat and AP, the achievement ranged from 50% to 80%, while in states like Himachal Pradesh, J&K, Kerala, Madhya Pradesh, N.E. States, Punjab, Rajasthan, Tamil Nadu, and West Bengal, it was less than 50%. Two of the 27 Public Sector Commercial Banks (CBs) had issued more than 5 lakh KCCs, according to a classification of the CBs by the number of issued cards. One bank had given between 3-5 lakh KCCs, 5 banks had given between 1-3 lakh KCCs and around 19 banks had given under 1 lakh KCCs. In the provinces of AP, Maharashtra, and Rajasthan and UP in excess of 10 lakh KCCs (in each state) have been given. In the states of Karnataka, Orissa, and Tamil Nadu, between 5 and 10 lakh KCCs have been issued. However, the number of cards issued was less than one lakh in the states of Bihar, Assam, Gujarat, Haryana, Himachal Pradesh, J&K, Kerala, Madhya Pradesh, Punjab, and West Bengal. As respects inclusion of ranchers under KCC, it was seen that main AP had given KCCs to over half of the ranchers. In the states of Gujarat, Haryana, Maharashtra, Orissa, Punjab, and Rajasthan, moderate performance was observed (covering 25-50% of farmers). In this regard, farmers in less than 25% of the states (Bihar, Delhi, Goa, Himachal Pradesh, J&K, Karnataka, Kerala, Madhya Pradesh, North Eastern States, Tamil Nadu, Uttar Pradesh, and West Bengal) performed poorly.

CONCLUSION:

In the process of issuing KCCs, commercial banks have a significant share, followed by cooperative banks, and RRBs have a very small share. In 1998, cooperative banks, commercial banks, and RRBs issued 1.55 million, 6.22 million, and 6000 cards, respectively. However, during the same time period, the number of KCCs issued by commercial banks and RRBs increased from 6.22 lakh to 58.53 lakh and 0.06 lakh to 14.14 lakh, respectively. The state-by-state coverage of number cards that were issued in 2008 and 2009 In 2008-09, the highest number of cards were issued by Uttar Pradesh (154.23 lakhs), followed by AP (144.32 lakhs), and the lowest number were issued by Himachal Pradesh (3.25 lakhs), followed by Assam (4.81 lakhs). In 2008-09, the state of Maharashtra distributed 78.12 million KCCs. In terms of the number of cards issued by regions, the Southern region has the most cards (224.64 lakh), followed by the Northern region (203.26 lakh), and the North East region, followed by the Eastern region, has the fewest cards.

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