

Role of K. C. C. in Development of Agrarian Economy : A Study of Sardhana Block

Dr. Divya Kumar Agarwal* & Aakash Mittal**

&Asstt. Prof. Ch. Vedram College of Higher Education Shirodan Hapur*

Abstract

The present article related to Role of Kishan Credit Card in Agriculture areas. In special reference to Sardhana block. The main thrust of developing country, caught in the vicious circle of poverty and suffering from capital deficiency is to promote capital formation in the country and make investment in the desired sectors of the Economy, Banks, being an important agencies for mobilization and channelization of savings, are expected to play a very significant role in the process of economic development. Farmer of Sardhana block have been selected as the sample for the research article in which all criteria represent in sample size and try to keep healthy representation of agricultural sector. The developments of country depend on Rural and Agriculture development because of India's economy mainly based on agricultural sector. The development of our economy is slow due to lack of fund, proper utilization of land and labour, and their low productivity. After six decades of planning there is still a long way to go to achieving the main goal in improvement agricultural economy.

Keywords: *Bank, Create Card, Farmer, Agricultural etc.*

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INTRODUCTION

The district Meerut lies between latitude 28° 15' north and longitude 77° 7' and 78° 14' east. On the north it is bounded by district Muzaffarnagar and on the south by district Ghaziabad, in the east by district Bijnor and Jyotiba Phule Nagar, in the west by district Baghpat. The holy river Ganga forms its natural boundary in the east the river Hindon in the west. It is the district headquarters and headquarters of Commissioner. It is very near (i.e. about 100 k.m.), to the National Capital, 'New Delhi'. It is rectangular in shape. The geographical area of the district is 2559.0 sq. km.

Banks and Credit Societies: Banking facility means a place where a person can operate a bank account. Commercial Bank: These may be banks wholly owned by the Government of India or by Indian or Foreign Companies. Cooperative Banks: A co-operative bank is a financial entity which belongs to its members, who are at the same time the owners and the customers of their bank. Cooperative banks are often created by persons belonging to the same local or professional community or sharing a common interest. These banks are registered under the Cooperative Societies Act. The cooperative banks are regulated by RBI and are covered by the Banking Regulations Act, 1949 Agricultural Credit Society : Major object of the ACS are to supply agricultural credit to meet the requirements of funds for agricultural production, the distribution of essential consumer commodities, the provision of storage and marketing facilities and for light agricultural implements and also credit cooperative societies of certain categories of persons like teacher, health workers, etc.

POPULATION DISTRIBUTION

The total population of the district is 3,443,689 in which 1,684,507 live in rural and rest 1,759,182 in urban parts. There are three tahsils in district namely Sardhana, Mawana and Meerut. The most populous tahsil is Meerut followed by Mawana. Sardhana is least populated tahsil. The urban population in the district is about 51.1 per cent The urban population is maximum at 69.5 per cent in Meerut tahsil. There are 663 revenue villages in the district, out of which 604 are inhabited at the 2011 Census and remaining 59 are un-inhabited. The total rural population of 1,684,507 is spread over 12 CD Blocks. The most populous CD Block is Rajpura with a population of 185,623 but the maximum numbers of inhabited villages (90) are in Hastinapur CD Block. About 41 per cent of populated villages have a population between 2000 to 4999 and such villages form as high as 47.0 per cent of total populated villages in Machra CD Block. The population density in the rural district is about 732.

Table 1 : Decadal Change in population of tashils by residence, 2001-2011

Sl. No.	Tahsil	Population						Percentage decadal variation 2001-2011			Percentage urban population	
		2001			2011			Total	Rural	Urban	2001	2011
		Total	Rural	Urban	Total	Rural	Urban					
1	Sardhana	502384	412741	89643	569091	457376	111715	13.28	10.81	24.62	17.8	19.6
2	Mawana	687066	527876	159190	772441	585122	187319	12.43	10.84	17.67	23.22	4.3
3	Meeru	1784427	581277	1203150	2102157	642009	1460148	17.81	10.45	21.36	67.46	9.5
District Total		2973877	1521894	1451983	3443689	1684507	1759182	15.80	10.68	21.16	48.8	51.1

The growth rate of the district for total, rural and urban areas and percentage of urban population to total population is given in the table. The decadal growth rate of the district is 15.80 per cent during 2001-2011. The growth rates for rural and urban areas of the district are 10.68 and 21.16 per cent respectively. Out of the total population of the district 48.80 per cent lives in rural areas while 51.10 per cent lives in urban areas of the district. The proportion of urban population has slightly increased during the decade from 48.80 per cent in 2001 to 51.10 per cent in 2011 in the district. The highest growth of urban population is recorded in Meerut tahsil 69.5 percent and lowest urban population is registered in Sardhana tahsil. In present terms commercial bank have involved in a number of socio-economic activities, leading sustainability at low rates of economically weaker sections, providing finance in time to large number of uneconomic and sick units and extending credit to public procurement and distribution system.

OBJECTIVE

The main objectives in this research article are as follows:

- Role and significance of bank in farmer development.
- To examine the problem facing by the farmer to pay the credit at time.
- To examine the problem faced by the farmer, banks and other government agencies.
- To examine the effectiveness of the role of bank credit in the development of agricultural Sector.

METHODOLOGY

The present research article based on analytical study of primary and secondary data and experience of the farmers regarding Kishan Credit Card also include in this research article. The main source as a empirical study we selected 60 farmer Sardhana block different income, age, caste groups and also use the information obtained by Journals, newspaper and other government and nongovernment agencies.

We have also interaction with some bank employee to know their views and difficulties in the Kishan Credit Card related activity and farmers.



Generally the soil contains a mixture of sand and clay which is comparatively more fertile. Main crop of the Meerut District are sugarcane, rice, wheat etc. During the past few years there have been revolutionary change in agricultural sector. In which one of the most important factor facilities providing by banks for farmer as a Kishan Credit Card other like communication system, transport facilities also play role in development of agricultural sector in Sardhana block of Meerut district.

Agriculture sector and economy

The back bone of Rural economy in the district Meerut is agriculture. The work of assessing the requirements of different sectors of the economy is a difficult task. Most of the farmers need to credit to develop the economy to purchase technical instrument, fertilizers and other related material which support to agricultural infrastructure and help to farmer to support in economically. Recovery of loans is an important aspect of resources, as a proper recycling of funds, ensures continues lending process.

The commercial banks are providing in direct finance for the distribution of fertilizers and other input to the intermediately agencies such as cooperative societies. Kishan Credit Card (KCC) aims to timely support to the farmer for their credit needs. This Scheme aim at quickening the pace and improving the access of institutional credit delivery for agricultural purposes and as a innovative attempt at further refining the credit card system. Credit limit is fixed based on the operational

land holding, cropping pattern and it vary bank to bank some bank good- credit limit as per Hectare. For example State Bank of India less credit limit in comparison that Indian overseas bank. The limit is valid for three years after that they may renew to Kishan Credit Card.

Farmers assisted under the scheme may also be sanctioned crop loans by way of KCC to enable them to meet. Crop cultivation expenses such loans are to be sanctioned as per guideline.

State bank of India designed a new product SBI Kishan Gold Scheme for the benefit of farmers with excellent repayment record for the last five year and more. SBI Gold Card is approved by bank Central Board. This scheme has been designed to encourage repayment culture in agricultural banking thus promotes rural development. In Sardhana block an increasing tendency has been found in the loans provided in different years for all the main crops. Crop loan is one of the corner stone of agriculture credit policy of government. In this research article the family income and employment of selected respondent has been estimated in different sectors at two points of time one is before the bank's assistance. Most of selected respondent in study area are engaged in more than one occupation for their earnings, the respondent belong to different economic and social categories so the category wise generation of income and employment has been estimated.

When we focus on the problem in the Kishan Credit Card in agricultural sector through discussion the our sample respondent we find out that the in Sardhana block bank have been providing loan to the different level (caste, income level, land holder etc) farmers but they have faced some problem with the farmers. The big problem with farmer is problem of repayment of loan which increase problem of over due. Due to this problem farmer also feel mental pressure and they feel that is not good incident with their self with increasing that problem recently the Bhartiya Janta Pary announce and apply in the political agenda. To given one lack subsidy to every farmer who unable to repayment of loan regularly by that facilities which is known as (Rin Mochan) yojana for Semant farmer give up the positive as well as negative impact on the society.

In some case who are not select under the Scheme of Government. The bank have, at present hardly any power to exert pressute on the defaulters when the bank officers visit the villagers, defaulters trand to run way from the house. The defaulters have realized the facts the bank have no power to take any action except through resorting to legal proceedings.

The scheme of the Government in which the case disbursement is being done for the entire loan amount causes the miss-utilization of loan because after

disbursement of loan in cash, the intention of the beneficiary may be changed in more cases.

The further invests the loan amount in other activity then the purpose for which the loan is given for example the loan is given for the purchase the seed and fertilizer but some farmer use that money in marriage of the daughter. Besides all these things this is felt that the borrower entertains the impression that bank loans are not repayment. After all banks belong to Government and ultimately to the people. The government machinery is mainly responsible for the identification of beneficiaries under various schemes.

According to the bankers point of view some farmer who get the benefit of KCC not use the loan amount in the appropriate head but are invested to receive the subsidy amount in our point of view more care must be kept in the identification of borrowers and miss-utilization of funds must be checked so that the KCC may disbursed to a genuine and needy person and the repayment of loan may be well in time.

Being India as a agricultural based country, the role of banks has main importance in the development of agriculture sector. In our study it has been found that all the farmers do not need the financial assistance. Some of them have strong economy and they take only for benefit of Government scheme. Some of them are too small to make a gainful borrowing and a large number of farmer cannot use optimum input. So they require the KCC facility from the banks.

The main reasons of non-recovery of loans well in time is the regular pressure of the Government for the compulsory finance under the target fixed for the banks in the rural sector mainly but the government is not bother about the recovery of monies disbursed in the shape of loans to the people. The banks are not getting back their money of loans. The miss utilization of fund by the farmer it is found that this is one of the most important causes responsible for the poor recoveries. The farmer do not use loan amount properly.

In the agricultural sector, before the period of nationalization of banks, the private credit agencies and the money lenders were prevailing with their hard terms and they had a tendency to exploit the farmer as they had no other alternative to fill the credit gaps in the rural areas. There are certain short comings in the Government sponsored schemes. Some of the suggestions for the fruitful implementations of these schemes.

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