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Awareness of kisan credit card holders and non holders about KCC scheme in Bikaner district of Rajasthan

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Abstract

The Kisan Credit Card used for the short term credit requirements for cultivation of crops, consumption requirements of farmer household, working capital for maintenance of farm assets and of activities allied agriculture like dairy animals, inland fishery and investment credit requirement for agriculture and allied activities like pump sets, sprayers, dairy animals etc. The present investigation was conducted in Bikaner Tehsil of Bikaner district of Rajasthan. Due to its maximum uses. One hundred fifty farmers (75 KCC holders and 75 Non- KCC holders) were selected from ten villages through probability proportionate procedure (in case of KCC holders, similar number of Non- KCC holders from each village). Data were collected by pre tested interview schedule. KCC holders and Non-KCC holders were highly aware of about "defaulter" with 73.11 and 18.44 MPS respectively. The farmers of both KCC and Non-KCC holders the groups were highly aware of defaulter, repaying, registration prerequisites with respective MPS of 45.78, 39.44 and 33.61. To arrive at specific inferences, various statistical measures viz., 'z' test 't' test and Spearman's rank correlation test were used. Among four categories of Awareness, defaulter were perceived with highest intensity followed by registration, loaning, repaying, purpose of credit.

Keywords: awareness, kisan credit card

Introduction

The Kisan Credit Card scheme started by GOI, RBI and NABARD in August, 1998. Government formulated a model scheme for farmers for short term loan on the basis of their land holding, cropping pattern and scale of finance, so that the farmers may use them for readily purchase of agriculture inputs such as seeds, fertilizers and pesticides etc, and also drawn cash for their production needs. The government of India is providing interest subvention of 2 per cent per annum to public sectors banks (RRBs) and cooperatives banks on amount of short term agriculture credit disbursed out of their own resources. Seasonal refinance to cooperative banks at 2.5 per cent per annum and to RRBs at 4.5 per cent per annum will also be provided through NABARD for this purpose.

The advantages of this scheme, the farmer free to choose his own purpose like purchase of agricultural implements, land development, purchase of bullock carts. Repair of farm machinery or any other needs including domestic needs like expenditure on account of sickness, children's education and family functions including agriculture production need.

Research Methodology

The present study was conducted in Bikaner Tehsil of Bikaner district in Rajasthan which was selected purposively because till no study has been done in this area and also found maximum number of KCC users. Descriptive research design was followed for the present study ten villages were purposively selected based on highest population and KCC holders were selected who were benefited under the scheme. Prior to actual selection of targeted respondents, a comprehensive list of KCC holders and Non- KCC holders was prepared than 150 of respondents (75 beneficiaries and 75 non beneficiaries) were selected randomly. Data were collected through pre structured interview schedule and level of awareness were measured on three points' continuum, i.e. Highly Aware, Aware, and Not Aware, with their scores 3, 2, and 1 respectively.

Results and Discussion

Awareness of the respondents about the KCC scheme

Awareness is the state or ability to perceive, to feel or to be conscious of events objects

or sensory patterns, it is one of the important components of access and plays an important role to utilize innovations or new schemes. In order to measure the level of awareness about the KCC scheme among the respondents, it was imperative to examine the existing level of awareness of the

respondents about various major aspects viz., registration, loaning, repaying, purpose of credit and defaulter.

Extent of awareness of the KCC and Non-KCC holders regarding registration prerequisites

Table 1: Distribution of respondents according to Extent of awareness regarding registration prerequisites

| S. No | Item | KCC holders(N=75) | | Non-KCC holders(N=75) | | Overall (N=150) | |
|-------|--|-------------------|------|-----------------------|------|-----------------|------|
| | | MPS | Rank | MPS | Rank | MPS | Rank |
| 1. | Copy of jamabandi | 76.00 | I | 27.33 | I | 51.67 | I |
| 2. | Land certificate | 36.00 | V | 15.33 | IV | 25.67 | V |
| 3. | Map of field | 27.33 | VI | 10.67 | VI | 19.00 | VI |
| 4. | Search report from bank nominated advocate | 58.00 | II | 24.67 | II | 41.33 | II |
| 5. | Passport size photographs & ID proof | 50.00 | III | 21.33 | III | 35.67 | III |
| 6. | Two witnesses to open the account | 44.00 | IV | 12.67 | V | 28.33 | IV |
| | | 48.55 | | 18.67 | | 33.61 | |

rs= 0.943**t=4.90 rs= rank correlation, ** significant at 1 Per cent level

First and necessary condition for success of any scheme is there should be full awareness about the scheme among the beneficiaries It is evident from table 1 that KCC and Non-KCC holders were highly aware about "copy of jamabandi" with 76.00 and 27.33 mean per cent score respectively. This aspect was ranked first by farmers of the both groups.

Findings of table 1 show that in case of overall awareness about registration, beneficiaries and non-beneficiaries of KCC were considerably aware about "copy of jamabandi", "search report from bank nominated advocate", passport size photograph & ID proof", "two witnesses to open the account", "land certificate," and "map of field". The mean per cent scores of these aspects were 51.67, 41.33, 35.67, 28.33, 25.67 and 19.00 per cent respectively. Least awareness was found about map of field.

Non-KCC holders were not much similar the KCC holders but somewhat substantial awareness of all the aspects of registration prerequisites was observed. This may be due to close contact of Non-KCC with KCC holders and they have Bank accounts and they know about land ownership. It is

concluded that KCC were highly aware than Non-KCC holders about registration details.

The overall awareness level for registration prerequisites by the KCC and Non-KCC holders were 48.55 and 18.67 MPS, respectively.

An effort was also made to find out the correlation between existing awareness of registration prerequisites of both categories i.e. KCC and Non-KCC holders. The value of rank order correlation (rs) was 0.943 which shows positive correlation, the significance of rs was tested by 't' test and it was observed that 't' value calculated (4.90) was higher than its table value. This leads to conclusion that there is correlation in ranking of awareness possessed by KCC and Non-KCC holders about registration prerequisites, though there was difference in magnitude of Mean Percent Score of KCC and Non-KCC holders. The outcomes are supported by the findings of Adinya *et. al.* (2008) [1].

Extent of awareness of the KCC and Non-KCC holders regarding loaning.

Table 2: Distribution of respondents according to Extent of awareness regarding loaning

| S. No | Item | KCC holders (N=75) | | Non-KCC holders (N=75) | | Overall (N=150) | | |
|-------|--|--------------------|------|------------------------|------|-----------------|------|--|
| | | MPS | Rank | MPS | Rank | MPS | Rank | |
| 1. | Credit limit under the card | 63.33 | I | 14.67 | I | 39.00 | I | |
| 2. | Rate of interest (near about 3 to 13%) | 49.33 | III | 13.33 | II | 31.33 | III | |
| 3. | Under Rs 3 lakhs, provision of Four per-cent subsidy | 56.00 | II | 12.00 | III | 34.00 | II | |
| 4. | Filling up of slips for getting credit. | 30.00 | IV | 8.67 | IV | 19.33 | IV | |
| | | 49.66 | | 12.17 | | 30.91 | | |

rs= 0.800NS t=2.31 rs= rank correlation NS= Nonsignificant

The eligible farmers for the loan who are owner cultivators, tenant farmers, oral lessees and share croppers etc. short term credit limit is fixed for the first ear depending upon the crops cultivated as per proposed cropping pattern & scale of finance. As per the cultivation requirements of the crop, the loan will be disbursed in cash.

It is obvious from table 2 that KCC and Non-KCC holders possessed maximum awareness about "credit limit under the card" 63.33 and 14.67 per cent and "rate of interest" 49.33 and 13.33 per cent respectively. This aspect was ranked first by farmers of the both categories followed by "under Rs 3 lakhs, provision of four per cent subsidy".

Overall findings show that farmers of both the groups possessed highest awareness about "credit limit under the card", followed by "under Rs 3 lakhs, provision of four per

cent subsidy" and "rate of interest" (3 to 13 %) with respect to their aspect wise MPS, 39.00, 34.00 and 31.33 per cent.

The result of correlation between existing awareness of loaning of both categories of respondents shows that the calculated value of 't' (2.31) was lower than its tabulated value and the rank order correlation (rs) was 0.80. It is concluded that there was no similarity in ranking of various aspect of awareness of loaning by KCC and Non- KCC holders it means both categories of respondents vary in having awareness different aspects of loaning. The present findings are contradictory with the findings of Shukla, Vikas Kumar. (2008) [7].

Extent of awareness of the KCC and Non-KCC holders regarding repaying

Table 3: Distribution of respondents according to Extent of awareness regarding repaying.

| S. No | Item | KCC holders (N=75) | | Non-KCC holders (N=75) | | Overall N=150 | |
|-------|---|--------------------|------|------------------------|------|---------------|------|
| | | MPS | Rank | MPS | Rank | MPS | Rank |
| 1. | Withdrawals and repayment limits | 50.67 | III | 10.67 | III | 30.67 | III |
| 2. | Time clashes with harvesting of crops | 77.33 | I | 17.33 | I | 47.33 | L |
| 3. | Rescheduling of credit (if bad crop season) | 65.33 | II | 15.33 | II | 40.33 | L1 |
| | | 64.44 | | 14.44 | | 39.44 | |

rs= 1.00** rs= rank correlation, ** Significant at 1 per cent level

Repayment is the act of playing back money previously borrowed from a lender. Repayment usually takes the form of periodic payments that normally include part principal plus interest in each payment. Failure to keep up with repayments of debt can force a person to declare bankruptcy and severely affect his credit rating.

Table 3 disclosed that KCC and Non-KCC holders possessed highest awareness about "Time clashes with harvesting of crops" with 77.33 and 17.33 per cent respectively. This aspect was ranked first by farmers of the both groups specially followed by "rescheduling of credit" (if bad crop season) with 65.33 and 15.33 percent and "Withdrawals and repayment limits" with MPS 50.67 and 10.67 per cent respectively.

Pooled data show that farmers of both the groups had highest awareness about "Time clashes with harvesting of crops" with 47.33 per cent respectively. This aspect was ranked first by farmers of the both categories followed by "rescheduling of credit" (if bad crop season) and "Withdrawals and repayment limits" with their respective MPS 40.33 and 30.67 per cent.

The value of calculated rank order correlation (r_s) was 1.00 which is positive and highly significant leading to conclusion that there was similarity in ranking of extent of awareness of repaying by the KCC and Non-KCC holders though there was difference in magnitude of awareness level by KCC and Non-KCC holders of KCC scheme. The finding is in the lime of the finding of Adinya *et al.*, (2008) [1].

Difference between KCC holders and Non-KCC holders with regards to their awareness about the scheme.

Table 4: Distribution of respondents according with their awareness about the scheme N=150

| S. No | Items | KCC holders | | Non-KCC holders | | t- test |
|-------|----------------------------|-------------|------------|-----------------|------------|---------|
| | | Mean | S.D. \pm | Mean | S.D. \pm | |
| 1. | Registration prerequisites | 5.83 | 2.43 | 2.24 | 3.21 | 6.30** |
| 2. | Loaning | 3.97 | 1.83 | 0.97 | 1.07 | 9.99** |
| 3. | Repaying | 3.87 | 1.47 | 0.87 | 1.38 | 10.51** |
| 4. | Purpose for credit | 4.97 | 1.58 | 1.81 | 1.16 | 11.38** |
| 5. | Defaulter | 4.39 | 1.11 | 1.11 | 0.99 | 15.64** |
| | Total awareness | 4.61 | 1.16 | 1.40 | 1.15 | 13.90** |

** Significant at 1 per cent level

In order to be more clear about the results, student 't'-test was applied which enabled the researcher to see the significance of difference, if any, between KCC and Non-KCC with regards to their awareness about kisan credit card scheme under study. The results of table 4 indicated highly significant difference between KCC and Non-KCC holders in the context of their awareness about registration ('t' = 6.30), loaning, ('t' = 9.99), repaying ('t' = 10.51), purpose of credit ('t' = 11.38) and defaulter ('t' = 15.64) at 1 per cent level of significance. It meant that the KCC farmers owned more

awareness about the scheme than those of Non-KCC with regards to registration, loaning, repaying, purpose of credit and defaulter. This finding is in conformity with the finding is in conformity with the findings as reported by Bododiya et.al.(2009) [2].

Conclusion

It is concluded maximum number of respondents have medium level of awareness with regards five components of the scheme, these were registration, loaning, repaying, purpose of credit and consequences of defaulter, comparatively higher number of farmers of KCC were found to be more aware of the scheme. KCC and Non-KCC holders were aware of consequences of defaulter, purpose of credit, necessity of copy of jamabandi, requirement of search report of patwari, credit limit under the card, rate of interest limit of subsidy, purpose of credit and consequences of crossing time limit in repayment. It was also found that there are highly significant difference between beneficiaries and non-beneficiaries in relation to five major components of KCC scheme proper planning, awareness programme and extension strategies should be followed for creating proper awareness among the people towards Kisan Credit Card, which will lead the development of agriculture.

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