Prajnan, Vol. XLIV, No. 2, 2015-16

Brief Articles, Notes and Comments

Performance of Kisan Credit Card (KCC) in Tripura

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Received: 26-05-2015
Accepted: 01-09-2015

In this paper, Kisan Credit Card (KCC) is considered as an important vehicle for financing the poor farmers in the North East Region (NER) and particularly Tripura. The paper examines the growth, coverage and achievement of the KCC scheme among the farmers of the NER in general and Tripura in particular from the perspective of agricultural lending. The factors inhibiting the success of KCC in Tripura are also highlighted. Performance of the KCC scheme has been evaluated based on the parameters of the number of KCCs issued, its coverage of land holdings in rural area, size of credit offered, etc. The performance of the KCC scheme in Tripura has been compared with the performances of other NER states.

Keywords: Agriculture Lending, Banking

JEL Classification: G20, O13, Q14

Section I
Introduction

It is known to us that agriculture continues to be an important sector of the Indian economy which provides employment to nearly 2/3rd of the work force in the country. It is a fact that credit is a stimulus to control the resources and it enables the farmers acquire the required capital for increasing agricultural production. Experience has shown that easy access to credit at affordable cost positively affects the productivity, asset formation, income, and food security of the rural poor. Over the years, institutional credit has played a very important role in the development of the Indian agricultural sector. Short-term credit enables the farmers to purchase inputs and other services while long-term

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credit is meant for investment purposes. Thus, credit has played an important role in facilitating technological up-gradation and commercialization of agriculture.

The structure of the Agricultural Credit Delivery System in the country, evolved over the years, comprises institutions in the formal and informal sectors. In the formal sector, a multi-agency approach has been adopted comprising cooperatives, commercial banks (public and private) and the regional rural banks. The informal sector involves non-institutional sources like moneylenders, traders, merchants, commission agents, friends and relatives, etc. The credit strategy for agricultural development in the country had been framed on the philosophy of "growth with equity".

The Agricultural Credit Delivery System as it shaped up during 1970s and 80s was characterised by multi-product and multi-agency approach (MPMAA). Under the MPMAA, which was based on particular crop, input needs, season and size of borrowings, etc., the farmers had to make multiple applications in different stages of the farming process as per the requirements. The functioning of the multi-credit system had a number of intrinsic and structural rigidities that led to making the cost of products inefficient and reducing its utility to sub-optimal level. The inadequacy of any loan due to rigidity in the scale of finance; lack of flexibility in the utilisation of the loan amount by the farmer; frequent shuttling of the farmers to various bank branches; approaching farmers with different packages of credit including different rates of interest, eligibility and sanctioning norms etc. were some of the other impacting factors (Samantra, 2010). The absence of a maintenance package in the individual credit product often made farm investments infructuous for the remaining economic life for want of small repairs, thereby creating conditions for perpetual indebtedness for them.

Given the limitations of multi-credit product and multi-agency approach, the KCC scheme was introduced by the Government of India in 1998-99 with a view to replacing a tangled confusion of other short-term agricultural credit systems that had become increasingly burdensome and inadequate. "The KCC scheme was introduced to move away from the maze of inefficiency towards a more consolidated system where borrowers were subject to fewer parameters and given more freedom to use the credit. It is, in essence, a revolving credit line as opposed to the older system of demand loans." (Areendam Chanda, 2012). This offers farm entrepreneurs a single line of credit through a single window for multiple purposes.

It includes acquisition of farm assets, maintenance thereof and meeting families' intervening consumption needs. The KCC scheme was a step towards facilitating access to short-term credit for the borrowers from formal financial institutions. The scheme was conceived as a uniform credit delivery mechanism, which aimed at provision of adequate and timely supply of short-term credit to the farmers to meet their crop production requirements. The scheme was revised in 2012 to make room for ATM-enabled debit card, operation through wider delivery channels including mobile handsets, inbuilt cost escalation for assessing limits, wider coverage under crop loans with no processing fee up to Rs 3 lakh and a validity of five years, etc.

Tripura, formerly a princely state, joined the Union of India in October 15, 1949. Its area is 10,391 sq. km and lies in the North Eastern Region (NER). The economy of the state is mainly agrarian. The land available for cultivation is relatively restricted although more than 70 per cent of the total population (38 lakh) are dependent on agriculture and allied activities for livelihood. In Tripura, there are about 4,68,000 farm householders of which 95 per cent belong to small and marginal farmers with a poor resource base. Lower credit flow to agriculture is one of the stumbling blocks to agricultural development in the state. Access to credit remained limited and the share of Tripura to total credit of the country was found shockingly low at 0.7 per cent in 2003 (Chavan, 2005).

With a view to raising the credit flow to rural farmers and reducing the dependence of farmers on non-institutional sources of credit, Kisan Credit Card (KCC) was implemented in the state as per the NABARD (National Bank for Agriculture and Rural Development) guidelines as short-term (ST) loans i.e. production credit with the objective of providing adequate, timely or without any delay, cost-effective and hassle-free credit support to farmers. This paper critically examines the growth coverage and achievement of the KCC scheme among farmers of the North East Region in general and Tripura in particular. The present study is mainly based on both secondary data collected from the annual reports of NABARD, RBI, Ministry of Agriculture (both state government and central government), economic reviews of Tripura, and published papers in reputed journals, etc. Besides, some primary data is also collected by the author from bank managers, officials of the fishery and agriculture departments, etc.

Section II
All-India Scenario of KCC

Since introduction, the KCC scheme is being implemented by state cooperative banks (SCBs), regional rural banks (RRBs) and commercial banks (CBs) under the aegis of NABARD. Till the end of December 2011, 113.91 million Kisan Credit Cards had been issued of which commercial banks issued 53.06 million cards (46.58 per cent), followed by cooperative banks' issue of 43.66 million cards (38.33 per cent) and 17.19 million cards (15.09 per cent) issued by regional rural banks (Annual Report 2011-12, NABARD). As per the data available, during 2013-14 (up to August 2013), 10.78 lakh KCCs were issued by cooperative banks and the amount outstanding was Rs 3,124.51 crore.

During the same period, RRBs had issued 7.83 lakh KCCs with outstanding amount of Rs 6,184.50 crore. The cumulative number of operative KCCs issued by cooperative banks and RRBs up to August 2013 was 357.65 lakh and 105.79 lakh respectively. The amount outstanding was Rs 96,732.14 crore and Rs 55,864.71 crore respectively for the above two agencies. (Annual Report 2013-14, NABARD).

Section III
Regional Scenario of KCC

Table 1 shows the regional growth of KCC in India. The region-wise position shows that KCC has become more effective in South India followed by regions to the west, north and north east of India. Table 1 evinces that with the passage of time, credit started to flow to the farmers through the KCC and the farmers embraced the KCC according to their necessities. The table below also shows that the percentage of total holdings covered by the KCC gradually increased during the period 2000 to 2012 across the regions. Though, at the initial stage, the presence of KCC was hardly felt in NER, yet it surged well during the latter period. In a nutshell it may be mentioned that the KCC as a short-term credit delivery mechanism has become most successful in South India with coverage of 103 per cent of the operational holdings.

Table 1
Region-Wise Number of KCCs Issued and its Coverage of Operational Holdings by Banks

Sr. No.	*Zone*	*31.12. 2000*			*31.3.2012*		
		Cards	*No. of Operational Holdings ('000)*	*No of KCCs as % of Total Holdings*	*Total Cards Issued*	*No. of Operational Holdings ('000)*	*No. of KCCs as % of Total Holdings*
1.	West	3550247	26567	26.7	29825	37460	80
2.	South	4367615	28484	30.7	37261	35904	103
3.	North	1517516	24824	12.2	27346	29291	93
4.	East	1057965	21943	9.6	17344	30606	57
5.	North East	4309	3392	0.3	1368	4102	33
					113144	137363	

Source: 'Support from the Banking System - A Case-Study of Kisan Credit Card, Planning Commission and State of Indian Agriculture 2012-13' and Agricultural Census (2010-11), DAC, Department of Agriculture, GOI.

Section IV
Growth in North East Region (NER)

Table 1 shows that the scenario of KCC in NER is not too much discouraging. The share of KCC which was almost non-existent in 2000 comprised 1.2 per cent compared to the national scenario. From a mere 4,309 cards in 2000, it rose to 13.68 lakh cards in 2012, establishing a massive growth of almost 313 times. Even the coverage of operational holdings has significantly gone up. The coverage of total holdings rose to 34 per cent in 2012 from 0.3 per cent in 2000. Table 1 shows that while the growth in the percentage of total holding covered by KCC in southern India was 3.5 times, the corresponding growth in NER was almost 33 times.

Table 2
State-Wise Number of Cards Issued in NER Along with the Coverage of Holding

Sr. No.	*Zone*	*31.12. 2000*			*31.3.2012*		
		Cards	*No. of Operational Holdings ('000)*	*No of KCCs as % of Total Holdings*	*Total Cards Issued*	*No. of Operational Holdings ('000)*	*No. of KCCs as % of Total Holdings*
1.	Arunachal Pradesh	133	95	0.3	31	107	29
2.	Assam	2560	2419	0.2	899	2715	33
3.	Manipur	198	142	0.3	48	151	32
4	Meghalaya	820	162	1.0	95	209	45
5	Mizoram	4	61	0.0	35	92	38
6	Nagaland	12	142	0.0	39	178	22
7	Sikkim	48	53	0.2	14	74	19
8	Tripura	534	318	0.3	238	578	41
					1399	4104	34

Source: 'Support from the Banking System – A Case-Study of Kisan Credit Card, Planning Commission and State of Indian Agriculture 2012-13' and Agricultural Census (2010-11), DAC, Department of Agriculture, GOI.

Table 2 depicts the state-wise analysis of KCC in the NER states. It evinces that since the year 2000 the scenario of the KCC scheme has undergone many changes. Almost all the states in NER have introduced the KCC scheme as short-term agri-credit lending for the farmers in the respective state. The table portrays that Assam ranks top in number of operational holdings followed by Tripura, Meghalaya, Nagaland, Manipur, etc. As regards the issue of KCC cards (cumulative) in NER, the table shows that the scenario of Assam is noteworthy, followed by Tripura and Megahalaya, Manipur, Nagaland and Mizoram, Arunachal Pradesh, and Sikkim.

On the other hand, while Meghalaya has lesser number of operational holdings, it is ahead of all the NER states with 45 per cent of total operational holdings covered by the KCC scheme, followed by Tripura with 41 per cent. Among the NER states, Sikkim is the worst performer on the issue of KCC as well as the coverage of operational holdings. Table 2 reveals that although Assam has the highest number of operational holdings, the KCC is yet to make any significant dent amongst rural households in Assam and it could hardly become popular alike the other north eastern states till the end of 2012. It may therefore be stated that the KCC scheme, as a short-term agricultural credit measure, has a long way to go in the NER.

Section V
Size and Adequacy of Credit

Agricultural credit has for long been identified as a major input in the development of the agricultural sector. With the change in technology and methods of cultivation the need for credit has changed. Farmers' need for working capital has gone up to meet the cost of fertilizers, seeds, irrigation facilities, pesticides, and so on. The size of agricultural credit depends on region, purposes, area under cultivation, technology involved, use of inputs, willingness of farmers to invest and expected return, etc. To enhance the profitability of a particular loan there is a need to increase the size. A small amount of loan does not increase the income. The limited amount of credit does not cover the total cost of involvement. In fact, the lack of adequate, accessible, and affordable credit is among some of the major factors responsible for the systemic decline in the contribution of agriculture.

Every segment of agricultural production requires the availability of adequate capital since capital determines access to all other resources on which farmers depend. Farm level credit, if well applied, encourages capital formation and diversified agriculture; increases resource productivity and size of farm operations; ushers in innovations in farming; enhances marketing efficiency and value-additions; and boosts net farm incomes (Nwagbo *et al.*, 1989). The usefulness of any agricultural credit program does not only depend on its availability, accessibility and affordability, but also on its proper and efficient allocation and utilisation for intended uses by the beneficiaries (Oboh, 2008). To this end, the Committee on Cooperative Credit (1959) observed that 'credit should be adequate for production requirement and it should not be so inadequately supplied that it is used for consumption than increase in production.' Thus it is paramount to add that the size and adequacy of credit hold keys for the overall development of agricultural activities.

(a) Comparative Size of KCC in Different Regions

Various studies reveal that the size of KCC is not uniform all through the country. The average size of loans advanced under the KCC scheme differs from time to time as well as from region to region. Even across the state, there exists a wide difference. Table 3 shows that the all-India average of loans advanced under KCC at the end of March 2000 was Rs 12,336 which rose to Rs 45,665 in 2010 to Rs 97,273 at the end of March 2013, establishing a growth of more than eight times within a period of 13 years. It may be mentioned that the northern region which comprises Haryana, Himachal Pradesh, Jammu & Kashmir, New Delhi, Punjab, Rajasthan and Chandigarh has the highest advances per KCC with Rs 1,88,777 at the end of March 2013 followed by Rs 1,18,746 in the western regions, Rs 91,047 in the southern region, Rs 87,611 for the central region, Rs 49,814 for the eastern region and Rs 41,538 for the north eastern states at the end of March 2013.

The above account establishes that two regions, namely northern and western had higher advances per account than the all- India average while the average size of credit under KCC in the eastern and NER states stand at the bottom of the table. But Table 3 shows that since 2000 the all-India average size of loan advanced under the KCC scheme has a rising trend except for the NER and eastern regions which suffered a declining trend at the end of March 2012 but rose in 2013.

Table 3
Comparative Size* of KCC in Different Regions of India from 2010 to 2013

	Average Size of Loan Advanced per KCC (Rs)				
Regions	*2000*	*2010*	*2011*	*2012*	*2013*
All India	12336	45664	71418	77959	96255
Northern	13822	77151	133585	168093	188777
Western	12141	54362	69104	81846	118746
Southern	9216	33973	64027	84787	91047
Central	21556	40638	74172	76947	87611
Eastern	16346	31387	42210	34404	49814
North Eastern	14820	22111	36909	27708	41538

Source: NABARD, Support from the Banking System, A Case-Study of Kisan Credit Card (*worked out by the author).

(b) Size of KCC in NER and Tripura

It is known to us that non-availability of timely credit has been a major drawback for the agricultural sector of India. In a country which relies mostly on agriculture, constant endeavours are needed to see that rural and agricultural credit facilities are enhanced with time. As a part of the efforts, KCC got introduced in the agricultural lending system. However, a major shortfall in the agri-credit schemes was the fact that they were focused mainly on the niche segment. Farmers at the higher end of the pyramid received access to these schemes while the marginal and small ones continued to remain underprivileged. The inability of these schemes to market themselves on a mass scale led to the establishment of the KCC scheme. Table 4 below shows the size of the KCC in NER states.

Table 4
Loan Advanced and Size of KCC in NER States from 2000 to 2012

Sr. No.	*NER States*	*31.3.2000*			*31.3.2012*			*31.3.2013*		
		Cards Issued	*Amount Advanced (Rs. in Lakh)*	*Size of the Credit (Rs)*	*Cards Issued ('000)*	*Amount Advanced (Rs. in Crore)*	*Size of Loan Per KCC*	*No. of Cards ('000)*	*Amount Advanced as Loan (in Billion)*	*Size of Loan per KCC 31.3.13 (Rs)*
1.	Arunachal	Nil			07	20	28571	4	0.20	50000
2.	Assam	181	34.12	18850	251	780	31076	221	9.60	43439
3.	Manipur	Nil			03	10	33333	06	0.40	66667
4.	Meghalaya	Nil			25	70	28000	22	1.00	45454
5.	Mizoram	Nil			06	30	50000	07	0.40	57143
6.	Nagaland	Nil			11	40	36364	09	0.40	44444
7.	Sikkim	Nil			02	10	50000	03	0.20	66666
8.	Tripura	69	2.93	4246	92	140	15220	53	1.20	22641
Total		250	37.05	14820 (Avg)	397	1100	34070 (Avg)	325	13.50	41538 (Avg)

Source: Support from the Banking System - A Case-Study of Kisan Credit Card, Planning Commission and Appendix Table V.9: Kisan Credit Card Scheme: State-wise Progress as at the end of March 2012, and Table IV 3, RBI (rbi.org.in Publications).

Table 4 shows the amount of loan advanced and size of KCC in NER states separately from 2000 to 2013. It indicates that there has been a major achievement of the KCC scheme in the NER and it was getting more popular among the farmers of the NER. Although till the end of March 2000 the KCC scheme was not introduced in six out of eight north eastern states except Assam and Tripura, KCCs are issued every year on a continuous basis in all the NER states. From a nominal presence of only 250 cards at the end of March 2000, the number of cards issued rose to 3.25 lakh at the end of March 2013.

The size of credit under the KCC in NER is not hefty and it is less than half of all-India size although the size of advances for states like Manipur, Mizoram and Arunachal Pradesh is not discouraging. But the stunning thing is that the size of credit for states like Assam and Tripura where the KCC scheme was introduced in tandem with the rest of country is too low and these states failed to provide adequate amount of credit to the farmers so that their performances are found abysmally poor. While significant growth is witnessed in the all-India average that shows nearly eightfold growth, the NER states could not establish their average growth to even three times compared to the scenario of the year 2000. Among the NER states, the performance of Tripura as regards the average size of credit for the KCC scheme is said to be the worst, staggering at Rs 22,841 (NABARD), indicating the miserable plight of farmers due to some mismatch in the implementation of the scheme in Tripura compared with the NER average of Rs 41,538.

Table 5
Growth, Coverage of Holdings and Size of KCC in Tripura from 2001 to 2013

Sr. No.	Year	No. of KCC Issued	Amount Disbursed (Rs. in Lakhs)	No. of Operational Holdings	No. of KCC (Cumulative) as % of Total Holdings	Size of Credit (Rs. in Lakh)
1	2000-01	1214	135.87	479000	0.25	0.112
2	2001-02	3072	378.33	479000	0.90	0.123
3	2002-03	5696	562.51	479000	3.0	0.988
4	2003-04	8039	848.21	479000	5.7	0.105
5	2004-05	12647	1515.97	479000	9.6	0.911
6	2005-06	11978	2041.20	565000	8.0	0.170
7	2006-07	14343	1978.21	565000	10.0	0.138
8	2007-08	19198	3304.61	565000	13.4	0.172
9	2008-09	27274	5401.11	565000	18.3	0.198
10	2009-10	30456	9520.70	565000	24.0	0.313
11	2010-11	50294	7988.26	578000	32.0	0.159
12	2011-12	114896	20815.61	578000	52.0	0.181
13	2012-13*	53000	12000.00	578000	61.0	0.226
14	2013-14	85026	30177.00	578000	75.6	0.355
15	2014-15	91294	33021.33	578000	91.0	0.362

Source: 11th Report of the Subject Committee I of Tripura Legislative Committee, 2014-15, pp.38), SLBC, Tripura, RBI (Appendix Table IV.3, Kisan Credit Card Scheme: State-wise Progress 31.3.2013).

Table 5 shows the growth and performance of KCC in Tripura. The study shows that since 2000 to March 2015, about 5.28 lakh KCCs were issued in Tripura and about Rs 1,297 crore were provided by various banks as credit to the farmers through KCC in Tripura, establishing a matchless achievement. With the growth in the issue of shares, the coverage of rural householders widened and the size of credit per card increased, thereby indicating the success and increasing popularity of the KCC among the farmers in the rural areas. The percentage of the KCC to total operational holdings improved significantly and it establishes that 91 per cent of the total operational holdings are covered by the KCC. Table 5 also shows that with the increase in the number of cards, the total advances made by banks have increased, but the average size of credit per KCC did not go up proportionately, which rose to Rs 36,200 at the end of March 2015. This size is awfully small in Tripura compared to the NER average of Rs 41,538 and very much smaller compared with the all-India average of Rs 96,255 (Table 3).

Section VI
Limitations of KCC Scheme in Tripura

It is an undeniable fact that the coverage of the KCC scheme in Tripura is very good and 80 per cent of the target has been achieved (104th SLBC report of Tripura) and KCC has brought out some qualitative changes in the overall agricultural scenario of Tripura. Over the last 15 years, the agriculture sector of Tripura saw many changes and took newer dimensions from the perspectives of productivity, profitability and diversity of cropping pattern, resulting in the increase in income of common farmers as well as reducing the cost of credit to the farmers. According to the author, the share of non-institutional sources of agri-credit has come down steeply in Tripura due to the grant of agri-credit offered by Primary Agricultural Credit Societies (PACS) and Large-Sized Adivashi Multi-Purpose Societies (LAMPS) in Tripura during the period 1980-2005 along with the role exerted by the KCC in the latter period.

However, the KCC has some fundamental flaws inhibiting its success and these include:

(a) It is true that the documentation procedure for the KCC is not simple. Most of the farmers find it difficult to work with lengthy paperwork. The KCC scheme was not too popular till 2007-08. Due to the efforts of the Government of Tripura to identify eligible farmers through the Department of Agriculture, the issuance of KCC picked up momentum between 2009-10 and 2013-14. Thus farmers lack a spontaneous need for advances under the KCC scheme.

(b) During the study, opinions were taken from the bank officials regarding the slow progress of the KCC scheme in Tripura. Some of the major causes found included the small size of land holding in the state. Fragmented land holding is not only a major drawback in the farming scenario of Tripura but it also

limited the size of credit. As much as 95 per cent of the farmers are marginal (82 per cent) and small farmers (13 per cent) with the average size of land holding being 0.49 hectare in 2010-11, which is lowest even the north eastern states. As the loan amount depends on the scale of finance, which depends on the size of the land and type of produce being cultivated, the average size of credit in the state is found to be low compared to the size prevalent in other NER states.

(c) Lack of training facilities is one of the impediments. There is no provision of training facilities in the KCC scheme. Majority of the farmers have not received any training regarding the use of KCC. Many of the farmers lack knowledge and they are not aware of the facilities as well as the benefits of the KCC scheme. Many are even not aware of the purposes for which advances can be provided to the farmers.

(d) Repayment is not regular and thus many proposals can't be renewed. Although 67,637 new proposals were sanctioned and disbursed in 2013-14 against a target of 1 lakh cards, only 2,640 proposals were renewed. On the other hand, poor recovery of loans is a major reason for the poor disbursement of KCC loans. Due to poor recovery, many banks avoid disbursing fresh KCC loans. There is a huge outstanding of loan amounts. The study shows that the outstanding amount against the KCC scheme as on September 2014 stood at Rs 438.95 crore against 2,50,968 KCC cards issued by all the concerned banks, which is really alarming (SLBC Report, 111th Meeting for Tripura).

(e) Credit granted to them is not adequate. Table 4 shows that the average flow of credit per KCC remains at a lower side of Rs 22,641. So, they have to depend on moneylenders/ middlemen for advances. The average loan of KCC sanctioned by the Tripura Gramin Bank and Tripura State Cooperative Bank was very low - Rs 14,000 and Rs 12,000 respectively (104th SLBC Report) although TGB possess the largest network in the state.

(f) The aAverse attitude of the bank authorities may be another reason. Both Tripura Gramin Bank (RRB) and the Tripura State Cooperative Bank are not too interested in implementation of the KCC scheme in the state unless forced to. Certain banks, instead of five years' rollover of KCC, sanctioned a yearly limit. Since the KCC is a five-year instrument, deviation creates confusion in calculating the coverage of borrower-wise KCC in a particular year. The SLBC reports show that the targets given to many banks for the issue of KCC and granting advances are not fulfilled in time. The services of other commercial banks except State Bank of India, United Bank of India and UCO Bank are not worth mentioning. The Secretary, Fishery Department, Government of Tripura pointed out that out of 450 proposals sponsored by the department, the banks had sanctioned 55 proposals as on December 2012, involving an amount of Rs 26.40 lakh only (104th Meeting of SLBC, Tripura). Unless sponsored and pursued by the Government of Tripura, banks hardly implement the project and this can be gauged by the minutes from the 105th SLBC Report, Tripura.

(g) Loan is not available at the time when it is most needed. During the cropping season, farmers do not get the loan. It has been pointed out that fishery is covered under the KCC scheme but the reality is that banks do not release the required funds. April to August is the real time for financing fish farmers. It may be mentioned that out of 633 proposals sponsored by the Fishery Department, banks have partly disbursed only in 107 cases (105th Meeting of SLBC, Tripura).

(h) Location difficulty is also a problem for the low disbursement of KCC loans. Many of the villages do not have a bank branch in the vicinity because of which the farmers of such villages are neglected from availing the facility of KCC. The Census 2011 data reveals that the proportion of households availing banking services in the state was 26.5 per cent, which is low compared to the all-India level of 35.5 per cent.

Section VII
Conclusion

The performance of the KCC scheme has been found to vary across different states within the country and across different districts of the state. The eastern and north eastern regions continue to be under-performers with respect to this scheme. The study shows that the Kisan Credit Card has emerged as an innovative and indispensable credit delivery mechanism and meets the credit needs of farmers in a timely and hassle-free manner in Tripura. The flow of credit through KCC in the state is tiny due to the small size of land holdings as most of the farmers are small and marginal. The achievement of the KCC scheme in Tripura is 80 per cent (104th SLBC Report) and the average size of credit per KCC is rising.

Although the coverage of farmers under the KCC scheme has gone up immensely in the state, real progress will take place when more awareness is created and better training facilities are organised. Imparting training to borrowers regarding procedural formalities and its proper utilisation could be helpful in increasing their access to the scheme. According to the author, increasing the size of the credit offered to farmers to combat the rising price level changes is an impending necessity in Tripura for which the Tripura Gramin Bank and Tripura State Cooperative Bank will have to re-think their policies for channelizing more funds to the priority sector. To conclude, some serious efforts are needed to include vulnerable groups who are still deprived of such facilities so as to make them financially inclusive and achieve inclusive growth.

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