

INSTITUTIONAL FINANCING TO AGRICULTURE IN KERALA: A STUDY WITH SPECIAL REFERENCE TO CO-OPERATIVE BANK- AN INTRODUCTION

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1.1. Introduction

There was a Barter System prevailing in India before the advent of money. Due to the inconvenience out of barter system, coins were developed which were of Copper, Silver and Gold. Coin was introduced in Lydia at the time of King Midas in the eighteenth century BC, but the gold coin in India is centuries older than that of Lydia. The coin system was later replaced by paper currency. The paper currency in India is issued by the prime bank, the Reserve Bank of India.

The word money is originated from the Latin word 'Moneta'. The money is the ever enlighten element in the mind of human beings. It is the base behind any activity. If the money from own source are scarce or nil, the person will search for other sources. The selection of source will depend up on the time being of the necessity. Both institutional and non-institutional sources are available to solve the money problem. Institutional source means the agencies issuing money under regulated base. Before strengthening the necessity of maintaining money, the food is the lubricant to work the engine of human body and to preserve the life in the beautiful earth. In this case both can say that, the money and agriculture is the two side of a coin. Here the agriculture is the only way to preserve the whole population in the developing country like India. The major contributors for the economic development of nation are service sector, industrial sector and agricultural sector.

Agriculture means the cultivation of food and cash crops and the allied activities related to this. Agriculture is the back bone of the Indian economy and its share of Gross Domestic Product of India is only 18 per cent as per the annual report of National Bank for Agriculture and Rural Development in the year 2013-14. It is not in the main stream of contribution and comes only after the contribution of service and industrial sector in the Gross Domestic Product of Nation. According to the Annual Report (2011-12) of National Bank for Agriculture and Rural Development Bank, the contribution of agriculture and allied sectors in Gross Domestic Product of Kerala economy is only 12.90 percent. The positive impact of land, labour, market and money is essential for the growth of agricultural sector of not only India but also of Kerala. The

money from good institutions working with strict rules and regulation is very approachable to a farmer. This will help them with a secure feeling rather than approaching money lenders.

The term credit is essential for the economic development of any nation. The credit should be as per the demand of the borrowers and it should be able to meet the requirement which is affordable to the borrowers at the required time. The country should identify the quantum of credit which is circulating and also the need of money in the society. This will result in identifying a credit gap. In order to get good result in the economy there should be a proper evaluation of credit gap. The credit gap evaluation can be done by each institution working for the betterment of agriculture credit in India. The prevalence of multi-agency approach in agricultural credit can be seen to a great extent in Indian and Kerala. These multi-agencies include Commercial Banks, Co-operative Banks and Regional Rural Bank. These are an inevitable part of the component Financial Institutions/intermediaries under Indian Financial System.

Even though there are three main institutions working for the betterment of the financial requirement of borrowers in Kerala, the non-institutions like money lenders, landlords etc are offering money to the borrowers. They are utilizing the gap of time lag between loan application and delivery of loan due to undue procedures for their profit. It's high time to rescue the borrowers from the clutches of these non-institutions and for this purpose there is an effective requirement of a clear scrutiny on the part of Co-operative Banks, Commercial Banks and Regional Rural Banks. But plenty of money will also create a mind among the

borrowers that to utilize it for other purposes or to make a deposit in other bank. Here the end use revision becomes the most prominent thing. In Kerala, Commercial Banks, Co-operative Banks and Regional Rural Banks are working positively in the field of agricultural credit. But the Co-operative Banks are developed as voluntary agency and controlled by its members. It has more responsibility to maintain the society than the other two institutions. Co-operative Banks in Kerala focused on Short-Term, Medium-Term and Long-Term agricultural credit needs of Kerala. Banks focused on Short-Term and Medium-Term financial requirements of borrowers in Kerala in the category of Short-Term Co-operative Credit Structure (STCCS). The banks under Long-Term Credit Requirement of the borrowers are called Land Development Banks/Land Mortgage Banks and these are under the category of Long-Term Co-operative Credit Structure (LTCCS).

1.2. Statement of the Problem

The financial shortcoming suffered by borrowers in Kerala was met through the multi agencies. The money needs of agrarians in Kerala are met by the major institutions like Commercial Banks, Co-operative Banks and Regional Rural Banks. Out of these three, Co-operative Banks are the institutions which developed mainly for focusing the credit needs of borrowers. So it has more social commitment than the other two banks. While looking into the total credit of Kerala, the Co-operative Bank has achieved top with highest Compound Annual Growth Rate of 25.54 per cent than 20.7 per cent in Commercial Bank and 23.9 per cent in Regional Rural Bank. But looking into the agricultural credit of Co-operative Banks, it is only in the third position. The Compound Annual

Growth Rate of total agricultural credit of each bank in Kerala shows that, 29.7 per cent for Commercial Banks, 23.552 per cent for Regional Rural Banks and 21.79 per cent for Co-operative Banks (CAGR) is calculated with the values from Economic Review 2002-03 to 2012-13). Even though Co-operative Banks have more branches in the nook and corner of Kerala, but its role in agricultural sector is only as a successor of Commercial Bank. Co-operative Banks have maintained the neighbourhood among its borrowers and also doing good amount of socially benefited actions. Then why these banks are going downward in the total agricultural credit of Kerala? What is happening on the total agricultural credit offered under Short and Long-Term Co-operative Credit Structure of Kerala? Is it because of the attitude of borrower in agricultural credit or because of the banker? Are they being diverted only on the social commitment activities? All these questions hunted the mind of researcher. These questions came as objectives of the present study. The study covers all these objectives are named as “Institutional Financing to Agriculture in Kerala: A Study with Special Reference to Co-operative Banks”. All these questions were written in the form of objectives in the present study. All the reviews covered under this study focused on the general aspects of the drawbacks in Co-operative Banks sector. It has not given the clear cut reason for the sudden fall of Co-operative Banks from the main stream of credit of agricultural sector in Kerala. So the reviews have highlighted some variables and these variables are used in the present study with modification and addition to give clear results. The study also focused on the important aspects of perception on Co-operative agricultural credit, social implications, Short

Term Co-operative Credit Structure and Long Term Co-operative Credit Structure in Kerala.

1.3. Significance of the study

Almost eighty reviews based on Committees and reports on Co-operative Agricultural Credit, Short and Long-Term Co-operative Credit Structure and those reviews which are under mixed atmosphere related to the aspect of agricultural credit by Co-operative Banks were assessed. Fifteen variables were identified from these four categories. All these variables are related to the limitations/findings of their studies. So this results in a research gap that the reviews were only based on general ideology or focused on the minute aspects of Co-operative agricultural credit. All the reviews covered under this study were focused on the general aspects of the drawbacks in Co-operative Banks. It has not given the clear cut reason for the fall of Co-operative Banks from the main stream of credit of agricultural sector in Kerala. Co-operative Banks are one among the multi-agencies fulfilling the credit needs of borrowers/borrowers in Kerala. Co-operative Bank is derived by the people and for the people. So it has more social responsibility to serve the society than the other two agencies. Co-operative Banks are the institution which has the quality to reach in the downstream of the society, especially the borrowers in Kerala. So the existence of Co-operative Banks is of vital importance, in the agricultural credit of Kerala is inevitable. So the study which is pointing on, the down fall of Co-operative Banks in the field of agricultural credit in Kerala is an absolute necessity. Study focused on both the Short and Long-Term Co-operative Credit Structure of Kerala is acceptable in the present scenario.

1.4. Scope of the study

In the total credit of Kerala, only credit attributed to agriculture has become the main area under the study. In the case of both institutional and non-institutional credit, the study gave importance to financial institutions. There are three main institutions working as a supporter for the credit needs of agrarians in Kerala. The study focused on the Co-operative Banks under the multi-agency approach of agricultural credit in Kerala. There are two structures for agricultural credit among Co-operative Banks in Kerala. Both Short- Short-Term Co-operative Credit Structure and Long-Term Co-operative Credit Structure of Kerala have been covered here. Three districts were covered from the north, south and central and they are Kozhikode, Kottayam and Palakkad. Both Co-operative Banks and the borrowers who have availed agricultural credit from the selected Co-operative Banks became a part of the study. Here the agriculture means the activities done by borrowers for cultivation of their food and plantation crops. In the present study, the word ‘Institutional financing to Agriculture’ means the credit given to the cultivation of food crops and cash crops from the regulated and secured sources. The study covers the credit given to agriculture and allied activities.

1.5. Objectives of the study

The study focused on the five objectives and it includes; two of them based on secondary data and the last three based on primary data. The objectives are given in the next page

1. To analyse the growth rate of agricultural credit in the Short-Term Co-operative Credit Structure of Kerala
2. To analyse the growth rate of agricultural credit in the Long-Term Co-operative Credit Structure of Kerala
3. To study the Perception of Co-operative Banks on agricultural credit in Kerala
4. To study the Perception of Borrowers on Co-operative agricultural credit in Kerala
5. To explore the Social commitment of Co-operative Banks in Kerala

1.6. Hypotheses of the study

In order to satisfy the last three primary objectives, fifteen main hypotheses and eleven supporting hypotheses are set out based on the study of three districts of Palakkad, Kozhikode and Kottayam and these are given below.

1.6.1. Main Hypotheses

1. The reasons for increase in the demand of agricultural credit are the same in Co-operative Banks.
2. All the banks among three districts are facing the same problem in connection with agricultural credit.
3. There is no significant difference in the percentage diversion of agricultural credit in Co-operative Banks
4. The factors leading to non-repayment of agricultural credit are the same among Co-operative Banks.
5. There is no significant variation exist in the number of borrowers in agricultural credit in Co-operative banks.

6. The percentage of defaulters in agricultural credit is the same in Co-operative Banks.
7. All type of loans has same effect on total Non-Performing Assets of Co-operative Banks.
8. There is no significant difference in the opinion of borrowers for delay in getting agricultural credit.
9. The constraints faced by borrowers in agricultural production are same.
10. There is no significant difference in the opinion of borrowers on sufficiency of agricultural loan.
11. There is no significant difference on the opinion of affordability of instalment amount among borrowers.
12. There is no significant difference in the percentage of borrowers in default of agricultural loan repayment.
13. There is no significant difference in the number of beneficiaries under interest subvention scheme.
14. There is no significant difference in the percentage of borrowers benefited out of One Time Settlement System (OTS) and Loan Waiver (LW) schemes in agricultural credit.
15. There exists significant difference in Social commitment of Co-operative banks.

1.6.2. Supporting Hypotheses

- H_{0a} : Co-operative banks are following the same criteria for selecting borrowers to give out agricultural credit.

- H_{0b} : Co-operative Banks are following the same criteria for determining the loan amount in agricultural credit.
- H_{0c} : There is no difference in the ranked reasons for the diversion in agricultural credit among Co-operative Banks.
- H_{0d} : Leading factors which comes out of the effect of agricultural loan overdue is same among Co-operative Banks.
- H_{0e} : There is no significant difference among the age wise classification of respondents.
- H_{0f} : There is no significant difference among the educational background of borrowers who were selected.
- H_{0g} : There is no significant difference in the percentage of borrowers in three districts based on their occupation.
- H_{0h} : All the borrowers among the three districts have equal land holdings.
- H_{0i} : Utilization of other sources to fill out the insufficiency of loan amount is same among the borrowers.
- H_{0j} : There is no significant difference in the opinion of borrowers on issue of notice in the case of default on loan repayment.
- H_{0k} : There is no significant difference among the opinion of borrowers relating to their continuous approach of Co-operative Banks for another loan

1.7. Period of the study

The term of secondary data used over here is different and it was because of the poor availability in the time span of the study. The agricultural credit in India covers a period of ten years from 2006-07 to 2015-16 and in Kerala it is, twelve years from 2001-02 to 2012-13. The period covered in the Co-operative Agricultural credit in Kerala in Short and Long-Term Co-operative Credit Structure covers ten years from 2002-03 to 2011-12. The agricultural credit of The Kerala State Co-operative Banks, The Kerala State Co-operative Agricultural and Rural Development Banks and District Co-operative Banks covers a period of twelve years from 2002-03 to 2013-14. The period of agricultural credit of The Primary Agricultural Credit Societies and The Primary Co-operative Agricultural and Rural Development Banks in Kerala covers a period of ten years from 2002-03 to 2011-12.

1.8. Research Methodology

The universe of the present study is the Primary Agricultural Credit Societies and Primary Co-operative Agriculture and Rural Development Banks and about the borrowers those who availed agricultural credit in these Co-operative Banks in Kerala. In order to complete the study with the formulated objectives and hypotheses, the researcher has formulated hypotheses which are both descriptive and analytical in nature. In order to get more depth for the study, both secondary and primary data were used over here.

1.8.1. Secondary data

It is used for calculating the trend of agricultural credit basically on the Co-operative Banks working under Short and Long-Term Co-operative Credit Structure of Kerala. The other areas include total agricultural credit in India as well as Kerala, the progress and profit position of Short and Long-Term Credit Co-operative Banks in Kerala. The secondary data were collected from the Statistical Hand Book issued by Registrar of Co-operative Societies Kerala, Economic Review issued by Kerala State Planning Board and Annual Report of National Bank for Agriculture and Rural Development.

1.8.2. Primary data

Primary data were used for evaluating the perception of Co-operative Banks on agricultural credit and perception of borrowers on Co-operative Agricultural Credit and social commitment of Co-operative Banks to the bank officials and included borrowers' point of view. Both the Co-operative Banks and the borrowers who availed agricultural credit from the selected banks were used for data collection.

1.8.3. Sample design

The present study was made up of multi stage random sampling techniques. In the first stage, the districts were selected, in the second stage banks were selected and during the third stage the borrowers were selected. The sample size of both banks and borrowers were calculated with help of the equation given by Krejcie and Morgan in the year 1960.

$$s = \frac{\chi^2 NP(1 - P)}{d^2(N - 1) + \chi^2 P(1 - P)}$$

s = required sample size.

χ^2 = the table value of chi-square for 1 degree of freedom at the desired confidence level (6.64 for 99 % confidence level). 3.84 at 5 % level

N = the population size.

P = the population proportion (assumed to be 0.50 since this would provide the maximum sample size).

d = the degree of accuracy expressed as a proportion (0.08 for banks and 0.05 for borrowers).

(Rober V Krejcie, 1960)

The detailed sample design pattern is given below.

1.8.4. Selection of districts

On the basis of geographical coverage, the fourteen districts in Kerala were divided into three regions. These three regions include north region, central region and south region. The districts classified under each region includes; Trivandrum, Kollam, Pathanamthitta, Alapuzha and Kottayam in southern region, Idukki, Ernakulam, Thrissur and Palakkad in Central region and Malappuram, Kozhikode, Wayanad, Kannur and Kasargod in Northern region. From each region, one district was selected on the basis of highest average on total agricultural credit availed from Co-operative Banks for a period of seven years from the year 2002-03 to 2008-09. On the basis of highest average credit on each region, one district was selected and it includes Kottayam from Southern region,

Palakkad from Central region and Kozhikode from Northern region. Statistics regarding district selection is given in Table 1.1

Table 1.1 Year wise Co-operative Agricultural credit in Kerala from 2002-03 to 2008-09 (Amount in Crores)

| Districts | Cooperative Agricultural Credit (in Crores) | | | | | | | Total agricultural credit | Average agricultural credit |
|-----------|---|---------|---------|---------|---------|---------|---------|---------------------------|-----------------------------|
| | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | | |
| TVM | 241.23 | 318.90 | 406.56 | 313.86 | 406.52 | 585.44 | 654.24 | 2926.75 | 418.1071 |
| KLM | 195.85 | 154.91 | 722.67 | 236.44 | 442.00 | 483.25 | 501.56 | 2736.68 | 390.9543 |
| PTA | 114.05 | 30.91 | 125.49 | 55.49 | 87.74 | 94.95 | 114.59 | 623.22 | 89.03143 |
| ALP | 130.50 | 112.88 | 248.82 | 272.15 | 515.47 | 270.66 | 506.23 | 2056.71 | 293.8157 |
| KTM | 297.50 | 348.33 | 436.45 | 564.76 | 522.21 | 558.32 | 518.81 | 3246.38 | 463.7686 |
| IDK | 97.83 | 90.07 | 149.69 | 125.83 | 189.44 | 170.00 | 382.85 | 1205.71 | 172.2443 |
| EKM | 184.03 | 107.20 | 218.19 | 209.41 | 416.44 | 448.07 | 479.74 | 2063.08 | 294.7257 |
| TSR | 163.83 | 129.10 | 109.50 | 95.32 | 94.60 | 125.60 | 130.77 | 848.72 | 121.2457 |
| PKD | 158.71 | 268.66 | 281.02 | 392.20 | 474.91 | 412.87 | 459.85 | 2448.22 | 349.7457 |
| MLP | 119.21 | 96.46 | 133.29 | 179.99 | 150.78 | 160.35 | 161.90 | 1001.98 | 143.14 |
| KZD | 52.52 | 46.40 | 227.50 | 183.89 | 268.72 | 371.72 | 782.35 | 1933.1 | 276.1571 |
| WYD | 31.96 | 43.53 | 78.52 | 111.37 | 103.64 | 117.88 | 130.09 | 616.99 | 88.14143 |
| KNR | 307.37 | 355.54 | 250.73 | 162.03 | 170.39 | 207.22 | 233.33 | 1686.61 | 240.9443 |
| KGD | 78.68 | 89.76 | 111.24 | 145.15 | 116.26 | 127.65 | 128.39 | 797.13 | 113.8757 |

Source: Statistical Hand Book 2002-03 to 2008-09, Statistical Wing, Office of Registrar of Co-Operative Societies Kerala, Trivandrum.

1.8.5. Selection of Banks

The total number of Primary Agricultural Credit Societies and Primary Co-operative Agricultural and Rural Development Banks working in the selected districts is 351. The sample size was calculated with the help of the equation given by Rober V Krejcie and Daryle W Morgan (1960). The sample size of 105 or more is enough for the study. The sample size of Primary Agricultural Credit Societies is 100 and for Primary Co-operative Agricultural and Rural Development Banks are 5. The details of sample size is given in Table 1.2

Table 1.2. Sample size of Co-operative Banks

| Districts | Population (Banks) | | Total banks | Sample Size (proportionate to total sample) |
|-----------|--------------------|---------|-------------|---|
| | PACS | PCARDBs | | |
| Kottayam | 139 | 6 | 145 | 44(42PACS & 2 PCARDB) |
| Palakkad | 96 | 5 | 101 | 30 (28 PACS & 2 PCARDB) |
| Kozhikode | 102 | 3 | 105 | 31(30 PACS & 1 PCARDB) |
| Total | 337 | 13 | 351 | 105 |

Source: Number statement 2012, Statistical Wing, Office of Registrar of Co-Operative Societies Kerala, Trivandrum.

In order to get into the in depth study; three head District Co-operative Banks from three selected districts were included in the study. As per this the total sample size is 108.

1.8.6. Selection of Borrowers

The total numbers of borrowers who have availed agricultural credit from the banks under in three sample districts are 1,07,863. The sample size of 384 or more is enough to the present study as per the equation

given by Krejcie and Morgan in the year 1960. The details of sample size calculation is given in Table 1.3

Table 1.3 Sample size of borrowers

| Districts | Population (Borrowers) | Sample Size (proportionate to total Sample) |
|--------------|------------------------|---|
| KTM | 44875 | 160 |
| PKD | 30846 | 110 |
| KZD | 32142 | 114 |
| Total | 107863 | 384 |

Source: Primary Data

1.8.7. Field Work and Data Collection

After deciding the sample size of bank and borrowers, the two pre structured open ended schedules were prepared in order to satisfy the last three objectives. These two schedules were used to collect data for satisfying the last three objectives. One is used for collecting data from bank and the other for borrowers.

The internal reliability of two schedules was tested with Cronbach alpha. As per this, reliability of schedule to banks is 0.78 and borrowers are 0.85. The schedule one and two are appended here with the report as Appendix-1 Schedule to Bank and Appendix-2 Schedule to Borrowers. The reliability of major variables and total reliability of Schedules is given in the Table 1.4 and 1.5

Table 1.4: Reliability of major variables as per Schedule to Co-operative Banks

| Sl. No | Variables | Reliability (as per Cronbach's alpha) |
|----------------|---|---------------------------------------|
| 1 | Problems on agricultural credit | 0.654 |
| 2 | Factors leading to non-repayment of agricultural credit | 0.639 |
| 3 | Benefit out of OTS and LW on agricultural credit | 0.681 |
| 4 | Social commitment | 0.752 |
| Overall | | 0.781 |

Table 1.5: Reliability of major variables as per Schedule to Borrowers

| SI No. | Variables | Reliability (as per Cronbach's alpha) |
|----------------|---|---------------------------------------|
| 1 | Loan utilisation | 0.669 |
| 2 | Loan sanctioning | 0.888 |
| 3 | Unaffordability | 0.983 |
| 4 | Deviating from the same bank | 0.939 |
| 5 | Supervision and monitoring | 0.622 |
| 6 | Benefits | 0.891 |
| 7 | Effect from agricultural credit and its utilization | 0.631 |
| Overall | | 0.850 |

After this, in order to test the usability of Schedules, these two were tested by Pilot Study with ten per cent of samples size of bank and borrowers in the month of February and March of 2014. When the pilot study was over, with the help of field work experiences some questions were dropped out and some were modified. The modified schedule was used for final data collection. The final data collection was over during the period from October 2014 to May 2015.

The data collection from Bank was done with a pre structured open ended interview schedule containing 9 headings and from borrowers who have agricultural credit from the selected bank were done with pre-structured open ended interview schedule with 9 headings. In order to satisfy the last three objectives, the schedules were divided into different sections based on major variables. It includes:

In order to study the perception of Co-operative Banks on agricultural credit, mainly six variables were used and it includes, Co-operative Bank and issuing of agricultural credit, problems on agricultural credit, agricultural credit and utilization, One Time Settlement System and Loan Waiver Schemes applicable to agricultural credit, agricultural credit and repayment and agricultural credit and Non-Performing Assets.

For satisfying the perception of borrowers on Co-operative agricultural credit, six variables were used and it includes agricultural land holdings and production, borrowers and Co-operative agricultural credit, Co-operative agricultural credit and utilisation, repayment, One Time Settlement Scheme and Loan Waiver on agricultural credit and supervision and monitory policy on Co-operative agricultural credit.

The social commitment of Co-operative Banks is also covered under this study. It is based on both banks and borrowers point of view. It includes ten variables like modern banking facility, borrowers awareness program, service motive, social commitment like conducting charitable activities, Neethi Medical Store, consumer store, students welfare, timely action in festival seasons, schemes suitable to low class society and

schemes for social development. From the borrowers point of view, the nine variables includes, Co-operative banking services, employees behaviour, terms and conditions of the bank, approaching bank for another loan, reasons for deviating from the bank, bank and old position in agricultural credit, service motive, principles of Co-operation and acting as neighbour concern.

The total number of Co-operative Banks in three districts was under the roof of circles. The sample circles and individual banks from total sample size were done through lottery method. There are five circles which covering Primary Agricultural Credit Societies and Primary Co-operative Agricultural and Rural Development Banks in Kottayam and Palakkad district, were as in Kozhikode it is only three. The two circles were selected from Kottayam (Kottayam and Meenachil circle) and Palakkad (Palakkad and Alathur Circle) districts and in Kozhikode it is Kozhikode Circle.

The individual borrowers form total number of borrowers those who availed agricultural credit from the selected banks among three districts were selected through lottery method. The data about bank is collected through filling schedules by the higher officials or officials in charge in the selected banks. The data were collected from the customers available at bank premises and at their home.

1.9. Statistical tools used

Results of the data were analysed and presented in the form of tables and charts. Secondary data were analyzed using annual growth rate

(AGR) and compound annual growth rate (CAGR) expressed as percentages for studying the growth pattern of co operative agricultural credits. Both descriptive and inferential statistics was used for analyzing the primary data.

Descriptive statistics like frequency and percentage was used for representing the data in the case of categorical nature and mean and standard deviation was used for representing the interval scale data. In the case of ranking, weighted average was used for making the index in which frequency was used as weights for ranking.

Inferential statistics used in the study are Chi Square test, Friedman's test, Kolmogrov Smirnov Test, KruskallWalli's ANOVA and Mann Whitney U test. Association of categorical variables was tested by using chi-square test. Comparison of ranks among the three regions was tested by using the Friedman's test. In the case of scores developed for the data of percentage of borrowers making default in repayment and social commitment, first the scores were subjected to one sample Kolmogrov Smirnov test for testing the normality of the data. As it is not following normal distribution, Kruskall Walli's ANOVA was done for comparing between regions and then the pair wise comparison was done by using Mann Whitney U test.

1.10. Thesis Segmentation

The dissertation on "Institutional Financing to Agricultural in Kerala: A Study with special reference to Co-operative Bank" has been divided in to seven segments. It includes;

- Chapter 1- Institutional Financing to Agriculture in Kerala: A Study with special reference to Co-operative Bank- An Introduction. It includes the introduction to the study, statement of the problem, significance of the study, scope of the study, objectives, hypothesis, period of the study, research methodology, statistical tools, thesis segmentation and restrictions of the study.
- Chapter 2- Reassessment of Literary Works based on the four groups like, Committees and reports on Co-operative Agricultural Credit, Short-Term Co-operative Credit Structure, Long-Term Co-operative Credit Structure and the extra back grounds based on the study.
- Chapter 3- Co-operative Agricultural Credit: an Overview. It includes the theoretical perspective of the study entitled with ‘Institutional Financing to Agriculture in Kerala: a Study with special reference to Co-operative Banks’. This chapter is divided into two sections. One for the basic theories and the other related with the theory based on the terms used in the study.
- Chapter 4- Growth of Agricultural Credit in Kerala: Short and Long-Term Co-operative Credit Structure. This chapter consists of the heads like Agricultural credit in India and Kerala, Co-operative Movements in Kerala, profit position of Co-operative in Short and Long-Term Co-operative Credit Structure and trend of agricultural credit in Co-operative

Banks under Short and Long-Term Co-operative Credit Structure in Kerala.

Chapter 5- Co-operative Banks, Borrowers and Agricultural Credit: a Perception. This chapter is divided into two sections. The Section A for the analytical results based on 'Perception of Co-operative Banks on Agricultural Credit' and Section B covered the results on 'Perception of Borrowers on Co-operative Agricultural Credit'.

Chapter 6- The Social Commitment of Co-operative Banks in Kerala. It includes identification of the social commitment activities conducted by Co-operative Banks in Kerala. There are two sections on the basis of Co-operative Bank and its borrower's point of view.

Chapter 7- Co-operative Agricultural Credit in Kerala: A Recap. This chapter includes the summary of the research work, findings based on both secondary and primary data, conclusion, suggestions based on the findings, recommendations of the study and scope for further research.

1.11. Restrictions of the Study

The research is a re-search for new knowledge and it is a continuing activity. While conducting a new research, the backup of the old research will go to the place of review of literature. But, all the research work has some limitation due to data availability and duration of time. Like the other research work, the present study has also the following limitations.

1. The Commercial Banks, Co-operative Banks and Regional Rural Banks are the active partners in the total agricultural credit of Kerala. But the present study was limited to the Co-operative banks and its agricultural credit in Kerala
2. The part of present study is based on the secondary data. So the secondary data has always shows some errors in the figures and for not getting the timely data.
3. The primary data was collected with the help of two open ended interview schedules and the respondents have not provide the cent percent accurate information and it was also affected the study.
4. Only three districts have occurred in the study and on the basis of this, the results were generalized to get the whole picture of Kerala in Co-operative Agricultural credit.

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