CHAPTER - 2 : RESEARCH METHODOLOGY

2.1 Methodology

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CHAPTER - 2: RESEARCH METHODOLOGY

2.1 METHODOLOGY

Methodology provides scope to decide about the scientific nature of study.\(^4\)

Objectives:

The major objectives are as follows:

i) To study the role of NABARD, MRB and MSCB Ltd. for the development in Agriculture in Manipur,

ii) To depict the lending and borrowing policies,

iii) To analyse the loan disbursed and recovered,

iv) To evaluate the performance,

v) To explore the customers' attitude and

vi) To suggest remedial measures to improve the health of NABARD, MRB AND MSCB Ltd.

The objectives will also include:

vii) To examine analytically the problems faced by the rural people of the State, particularly, small and marginal farmers while seeking financial assistance from the banks.

viii) To study critically, the impact on the growth of rural economy and the role of MRB and MSCB Ltd. in the development of agriculture and other allied activities for the removal of poverty, agricultural unemployment and under-employment.

**Hypotheses:**

The following hypotheses are sought to be examined:

i) There is an institutional credit gap between the financial institutions and the farmers who need it for agricultural activities.

ii) There has been no sound credit planning in Manipur.

iii) The loans are misused.

iv) Overdue of loans is very high.

v) Farmers have no willingness to repay the loans.
Sources and methods of data collection:

The study is based on both primary and secondary data. The study adopted the Personal Contact Method of Data Collection in order to draw primary data. In this method, representative individuals but not sample individuals are personally contacted and informations are collected. This method enables to collect primary data by going deeply into the feelings of the respondents. There were exchanges of ideas for making the study more useful and meaningful. New questions can be asked and cross checking can be done at the same time by this method. There are some information that is not normally coming out from the respondents. But by adopting this method, such informations are collected taking an opportunity to touch upon the main incidental aspects.

The secondary data are collected from the concerned banks through the annual publications, documents and relevant records. Information has also been obtained from published journals and newspapers.

Data analysis technique:

After the data are collected with the help of the above methods, they are properly tabulated and presented. Every table has a clear and concise title to make it understandable without reference to the text. The
tables have captions or column headings and stubs or row headings. This process helps to eliminate the unnecessary details and keep only the relevant part of the whole collected. In order to enable a quick interpretation of the data, bar diagrams, line chart and pie charts are also used.

To analyse the data for drawing conclusion, the study goes through various tools like Current Ratio, Quick Ratio, Cash Ratio and Size of Deposits etc.

**Limitation of data:**

In order to collect primary data, the study spends more time. Since the conclusion of the study is to be meaningful, selection of representative sample is needed but it is not an easy task. There is a little non-cooperation of respondents to collect primary data as they busy to perform their official and private works.

There is a slight inaccuracy and unreliability between the study and secondary data. But all secondary data are critically examined in order to make the study very meaningful and useful.
2.2 PERIOD OF STUDY:

The study covers a period of 10(ten) years commencing from 1989-90 to 1998-99.

2.3 REVIEW OF THE LITERATURE:

The study is devoted to the review of various literatures of the past studies on Institutional Financing system and the rural credit. Many distinguished scholars mentioned the relevance of rural credit in the sphere of economic development of the rural people. A brief overview of the works already done in this field is necessary to spell out the rational and methodology of the present research study. Empirical investigations on the rural credit with special reference to the role of RRBs and SCBs are comparatively recent origin in India. Studies relating to the rural credit and roles of RRBs and SCBs are scattered. An attempt is made to present a spectrum of research done in India on various aspects of rural credit, keeping in view their possible relevance to the objectives of the present study.

In the book namely, "Food, Nutrition and Poverty in India", Page 45, by V.K.RV. Rao, it is mentioned that "Credit is the life blood of any programme".
In the book namely, "Co-operation and Co-operative Management" by Umesh C. Patnaik and Ananta K. Roy, Page 194-195, express his views towards the Co-operative education. According to him, it is a continuous process and all persons engaged in co-operation need to participate in this process of education and re-education.

Mr. M. Thambalchou Singh in his dissertation, "Role of RRBs in Rural Development in Manipur" P-131, 1989 suggested that RRBs and Co-operative Credit Societies in villages should work in close Co-operation, approximately Coordinating their lending activities. These should to work as complementary to each other.

S.S.Khana and S.K. Singh in the article "Improving the Co-operative credit delivery system". The Co-operator, Vol.XXVI/No.16 expressed their views in improving of co-operatives credit delivery system. According to them, there are three main institutional sources of rural credit, which are the co-operatives, the commercial banks and the regional rural banks. They also suggested that the co-operative banks are to be considered the most suitable institutions for disbursing agricultural credit as they are mostly located in the field and have been doing this job since long back.
Mr. Th. Biren Singh, in his thesis "A Perspective of Agricultural & Horticultural Development in Manipur – During the Plan Period", P-P 491-495, 1993 extracted that agriculture in the State of Manipur has been facing 3 (three) main problems. They are (i) Natural Problems, (ii) Socio-Economic Problems and (iii) Technological Problems.

Mr. K. Manibabu Singh, in his thesis, "Financing of Rural Development in Manipur (1980-1990)", P-342, 1994 stated that Planning is found at all levels to have been prepared on "Table" obviously without reference to the findings of any exhaustive exercise.

Mr. Kh. Somorendro Singh, in his thesis "Rural Credit with Special Reference to the Role of the Primary Level of Agricultural Co-operatives in Manipur – During Plan Period", P-375, 1996, expressed that Credit is required in the initial production process. Credit is also required for a higher economic move such as diversification of production and change in the Agricultural technology. He also extended that "Agricultural-Industry" depends essentially upon a sound credit planning and flow.

Dr. Navin Chandra Joshi, in his article, "Taking RRBs towards viability", Yojana, Vol. 42, No.3 1998, P-46 observed that numerous constrains have prevented RRBs from performing their role. The
operational expenses of RRBs have been rising at a rate higher than the rate of growth of earnings.

V. Chakrapani, in his article, "Credit Expansion Through RRBs", Yojana, Vol.42, No.3 1998, P-13 expressed that, Credit is a very important requirement for economic development. It helps in asset formation. New asset formation helps in increased production and increased economic activities. Credit for productive purposes where asset formation is not taking place, also helps in increased production, value addition is possible only under these circumstances. Increased economic activity, production and value addition contributes to development of the village area, state and in turn the whole country. Wealth of the nation increased only under these conditions.

On the keynote address given by Bimal Jalan, Governor of RBI at Bank Economists' conference at Bangalore in December, 1998, mentioned that we need to move towards a more vibrant banking system.

Dr. A. Jagadeesh, in his article, "Soil Solarisation : A Boon To Farmers" Yojana, Vol.43, No.2, February, 1998, P-32 expressed his views that Soil Solarization is a refinement of the mulching process that had its origins in early agriculture. Traditionally, a covering of organic or
in-organic materials was used to protect soil against frost or to make it
increased plan growth.

Surajit, K.Bhagwati in his article “Banking Development in Assam
and its contribution to the State Agriculture Sector”, the Banking Finance,
Vol.XIII, No.11 stated that, to prevent the wilful default, including the
misuse of loans, the local leadership at the grassroots level should be
involved in the process of loan recovery. Such leaders should create
awareness among the borrowers about the need for regular repayment of
loans for their own benefits and ill effects of non-recovery on the financial
institutions, which results in denying credit facilities to them in future.

As per review of literature, no one has touched the topic
“Institutional Financing for Agricultural Development in Manipur – A Study
of NABARD, MRB & MSCB Ltd.” Therefore, a research work is being
conducted in this field for a period of ten years (1989-90 to 1998-99).

The study will be beneficial to both the financial institutions and the
farmers. The eligible institutions for refinance from NABARD are also will
be familiar to the various avenues of NABARD. An easy touch to old and
new avenues of MRB and MSCB Ltd. by the farmers is systematically
impacted by the study. It will be helpful to bring back the MRB and MSCB
Ltd. from their moribund state into the viable and vibrant part of credit delivery system in agriculture for the development of Manipur.

2.3 CHAPTER PLAN

The study is divided into eight chapters. In Chapter 1, introduction explaining the physiography of Manipur and the genesis of NABARD, MRB and MSCB Ltd. are included.

Research Methodology covering the objectives, hypothesis, period of study, sources and methods of data collection, data analysis techniques and limitation of data are the components of the next Chapter 2.

In Chapter 3, a theoretical framework is built up to give a related meaning of the terms associated with the present study.

In Chapter 4, the new and old avenues in agricultural economy of NABARD, MRB and MSCB Ltd. are discussed.
Chapter 5 deals with credit assistance and recovery performances of the banks are discussed. This chapter also indicates deposits, varieties of deposit schemes and working results of MRB and MSCB Ltd.

Chapter 6 is devoted in dealing with the analysis of data, financial ratios (for MRB and MSCB Ltd.) and the implications of the ratio analysis are also indicated. Some statistical tools are also used in this chapter to give accurate result.

In Chapter 7, all the findings of the study are discussed. Conclusions and suggestions as the direct reflection of the analysis for smooth running of NABARD in Manipur and the viability of MRB and MSCB Ltd. for a long run are also included in this chapter. A clear image of the study as “Summary” is also a part of this Chapter.