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A STUDY ON NON-PERFORMING ASSETS IN KURUNJIPADI BLOCK OF CUDDALORE DISTRICT, TAMIL NADU

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ABSTRACT

India is an agriculturally predominant country where about 75 percent of the population is dependent on it. Since the breakthrough in agricultural production technology, farm credit comprising of about 60 percent short term credit and 40 percent term credit played a crucial role in stepping up agricultural production and employment in India. NPAs are classified under three categories-Sub-standard, Doubtful and Loss. The present study is an attempt to examine the short-term agricultural credit in an agriculturally important district of Tamil Nadu. The study is based on primary data collected from 120, 50 marginal and 70 small randomly selected from 6 villages in kurunjipati block in cuddalore district. The data pertain to the agricultural year 2012-2013. To analysis was attempted to examine the requirement, availability and short-term agricultural credit from different lending agencies. The credit included the interest charges paid by borrower cultivators, opportunity value of time spent in getting loan. The short term loans, the marginal and small farmers obtained seeds, irrigation and fertilizer alone and not for purchase of tractor and land. The repayment is high in non-institutional banks as compared to institutional banks. The government has to encourage the farmers to repay the loans by offering some discounts/Zero interest. For the famers those repay regularly must have given some priority in sanction of more loans without delay.

KEY WORDS: NPAs, Agricultural Credit, Institutional and Non-Institution