Objectives of the Study:

Following are the broad objectives of the study:

1. To study the present position of credit flow for agriculture in Maharashtra with particular reference to Amaravati district of Vidarbha region.
2. To investigate the loaning policies, practices and approaches of the banks of different types in the region with regard to agriculture/ farmers.
3. To survey borrowers of banks who have availed agricultural credit to understand the credit policies of banks
4. To find out various causes for poor credit flow to farmers including oral lessees.
5. To undertake SWOT analysis of agricultural lending in Vidarbha region as a business opportunity for banks.
6. To make recommendations to the banking system about how sustainable business can be developed in the region with regard to agriculture including oral lessees.
7. To analyse various risk factors from banks’ and borrowers perspective for provision of credit and suggest risk mitigation strategies for the same.
Statements of Hypotheses:

The researcher derived the following hypothesis from the survey of literature and preliminary investigations:

H₁: Provision of credit to agriculture in general and small/ marginal farmers and oral lessees in particular can be a sustainable credit business for formal credit institutions.

H₂: The farmers’ economic condition would significantly improve if formal credit institutions provide them the required credit at a reasonable rate.

H₃: The risks perceived by the banks and their policies are coming in the way of reaching out to farmers in general and small/ marginal farmers and oral lessees in particular.