

ABSTRACT

Two thirds of the population India is engaged or depends in agriculture and allied activities. Through it is not up to the expected level and farmers' require lot of finance to carry out the farming. With this background, the present paper attempted to say about the origin and developments of the financial institutions such as formal and informal. The lack of credit loans coupled with improper government intervention had resulted in the livelihood of the farmers to go downhill. I discuss about this matter with help of data set collected from various sources such as the articles of economic review journals and the papers published by the Reserve bank of India. In addition, I deal the government plans implemented to improve the rural sector such as agriculture and scheme for farmer's welfare and self-employment schemes.

Keywords: Formal Credit, Informal Credit, Rural Credit markets, India

