



A Study on farmers' Satisfaction Regarding service quality of the financial Institutions towards Agriculture Jewel Loan with Special Reference to Sivagangai District

Mrs.R.Sudha¹ and Dr.Mrs.S.Fatima Rosaline Mary

¹ Ph.D Part Time Research Scholar, Department of Commerce, Fatima College,

Affiliated to Kamaraj University, Madurai

2 Associate Professor, Department of Commerce, Fatima College, Affiliated to Kamaraj University, Madurai.

Abstract: Agriculture is the mainstay of majority of the population of India. It contributes nearly 25% of GDP & 70% of the population is dependent on agriculture for their livelihood. The agriculture production to a large extent depends upon on Monsoon, as nearly 60% of the area sown is rain fed. The significance of agriculture varies from time to time in the life of a nation. Agriculture in India is the main primary sector which contributes a higher percentage for food security, nutritional security and sustainable development for poverty alleviation. Agricultural practices and advancements differ globally, though the advancement of agriculture sector gives a positive impact which is beneficial for everyone. Milestones in agricultural development in India include Green revolution, White revolution and Bio-technology revolution etc. service quality is more important for agriculture jewel loan. Therefore, this paper tries to analyze the farmers' satisfaction regarding service quality of the financial Institutions towards agriculture jewel loan with special reference to sivagangai district. Farmers may covered under financial institutions such as Commercial banks, Primary Agriculture co-operative credit society and Tamil Nadu Gramma Bank. The researcher used multi stage sampling technique to select the banks and to select the farmer's convenience sampling method had been used. The sample size for the study is 320. The findings of the study is to.

Key Words: Agriculture, sustainable development, Poverty Alleviation, Financial Institutions.

Article History

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Corresponding author: Mrs.R.Sudha

1.1 Introduction

A majority of banks and NBFCs offer gold loans for farmers to help them with their agricultural and allied activities such as crop cultivation, purchase of machinery or irrigation equipment or to cover post-harvest expenses. The agriculture gold loans are available at relatively low-interest rates and may offer certain relaxations on loan processing and repayment. Agriculture gold loan eligibility, tenure, loan amount and interest charges vary from one lender to another. Below are more details on gold loan for agriculture. The Agriculture Gold Loan interest rate varies from one bank to another. Some banks offer a concessional rate on their regular gold loan schemes for agricultural needs whereas other banks have a separate scheme for agriculture gold loan. Given below are the interest rates and processing fee of top banks offering agriculture gold loans in India. Gold loans are one of the most availed loans in India, as Indian families own considerable gold ornaments, compared to other assets. Agriculture gold loans work the same way as regular gold loans. The only difference is that it's offered only to farmers.

Features of Agriculture Gold Loans:

- Since it's a secured loan, the interest rates are as low as 4% per annum.
- The loan tenure ranges from 1 month to 12/24 months, depending on the lender.
- Minimal documentation and hassle-free application process.
- Eligibility – Farmers and other individuals engaged in agriculture and agri-related activities.
- Banks offer loans up to 75 - 80% of the market value of the gold ornaments.

Other Features:

[1] **Easy Loan Process**- Easy and hassle-free loan process and quick disbursement of loan amount.

[2] **Low Interest Rates**- Low interest rates when compared to other type of loans

[3] **Convenient Repayment Schedule**- Customer can either choose to pay the amount in lump sum or in EMIs.

[4] **Minimal Documentation**- The documentation for agriculture gold loan is quite simple

[5] **Safety**– Gold is kept safe in bank vaults

[6] **Loan Renewal Facility**- Some banks also provide the option of loan renewal

1.2 Review of Literature:

Sudha Narayanan (2015)¹, in her paper, analyzed the productivity of agricultural credit in India. It indicates that the ability of credit to engineer growth in agricultural GDP is impeded by a problem of productivity and efficiency where the increase in input use adjustments in the pattern of input use are not yet translating in to higher agricultural GDP. Therefore credit seems to be an enabling input, but whose effectiveness is undermined by low productivity and technical

efficiency.

Sharmishtha Matkar and Anil Keshav Jadho (2015)² analyzed the status and problems of agricultural credit in India. It brings out the fact that the credit delivery to the agricultural sector continues to be inadequate. It appears that the banking system is still hesitant on various grounds to purvey credit to small and marginal farmers. This plight calls for concerned effort to augment the flow of credit to agriculture, alongside exploring some more innovations in product design and methods of credit delivery, through better use of technology and related processes.

Biju John (2016)³ identified certain problems of financial inclusion among farmers in Kerala, of which the prominent problem is the insufficient income of the farmers. The other important problems reported by most of the farmers are requirement of securities for availing the credit, documentation and procedural formalities to be fulfilled, lack of awareness as to credit, delay in imparting financial services, etc. It concludes that the policy makers and executors have to contribute their conscious effort continually in order to have complete financial inclusion so as to achieve sustainable and inclusive growth.

1.3 Statement of the Problem:

Service Quality as the extent to which a service meets customers' needs or expectations. In another words service quality can be defined as the difference between customer expectations of service and perceived service. If expectations are greater than performance, than perceived quality is less than satisfactory and hence customer dissatisfaction. The bank provides diverse and Multi banking services among all the services Agriculture jewel loan is one of the services provided by the banker according to the level of the quality of a certain bank management may manage it is investigating in which the competitive advantage required to achieve the satisfaction of bank customers and keep them. Agriculture jewel loan is very important for all the farmers whenever the farmers need immediate credit for their agriculture purpose farmers can pledge the gold ornaments from bank and get the money comparatively with lower interest rate. Therefore, this study aims to analyze the farmers' satisfaction regarding service quality of the financial institutions towards agriculture jewel loan.

1.4 Need for the study:

Agriculture is backbone of Indian Economy. Agriculture plays an important role in our country. Agriculture contributes one third of the national Income. The real development of the agriculture sector depends upon how the Government of India and Reserve bank of India is taken initiative and providing finance to the farmers. Increasing finance and investment to rural areas is an important part for fulfilling their need of finance. Financial Institutions providing agriculture jewel loan to the farmers to fulfill their needs. Gold has always fascinated the

mankind's imagination and influenced their urge to possess the same. Gold occupies a pivotal role in the social and economic life of poor and rich alike. In India, besides the economic and strong social considerations, individuals are highly sentimental about the gold jewellery in their possession, as the gold ornaments are passed on from one generation to another. Acquisition of gold is considered auspicious and necessary for making family ornaments to get a sense of wellbeing in our country. Gold is increasingly considered as an investment whose value appreciates over years and provides a hedge against inflation. Farmer's satisfaction is more important part in our Indian Economy. Therefore, there is need to study and analyze the farmers satisfaction regarding service quality of the financial institutions towards agriculture jewel loan.

1.5 Objectives of the Study:

The Main objective of the study is to analyze the farmers' satisfaction regarding service quality of the financial Institutions towards agriculture Jewel loan.

1.6 Research Methodology:

Research methodology is the scientific approach to validate the research design. It is the process by which the researcher produces authentic research findings. The methodology part Provides details about the research design for the study, the nature and source of data collected for the study and details about the research instrument used.

1.6.1 Sources of data:

The primary data were collected using structured Face to face, self administered, interview schedule was used as a data collection tool to collect the data from farmers' and Secondary data were collected from Reserve bank of India Publications & Report.

1.6.2 Population of the study:

The present study was carried out with the objective to find out the problems faced by farmers while availing agriculture jewel loan in Sivagangai District. The researcher reviewed the related literature on agriculture jewel loan to identify the research gap. Both Primary and secondary data had been used in the study. The primary data were collected from the farmers in Sivagangai district. The sivagangai district is divided into Nine taluks that are given in below **table 1.1**. The Researcher selected the sample size by choosing three methods.

The First Method, the researcher selected the Financial Institutions. Financial Institutions in terms of Commercial Banks, Tamil Nadu Gramma Bank & Primary Agriculture Co-operative Credit Society. In Commercial banks, the researcher has chosen four Public Sector banks and one private sector banks. The researcher had chosen those banks because those banks had higher number of bank branches the selected banks such as Indian Bank, Indian Overseas Bank, Canara Bank, SBI & HDFC Bank.

Second Method, the researcher selected taluks due to higher number of bank branches

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CERTIFICATE OF PUBLICATION

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Dr.S.Fatima Rosaline Mary

*Associate Professor, Department of Commerce, Fatima College,
Affiliated to Kamaraj University, Madurai
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