

## **A STUDY ON THE AWARENESS, UTILIZATION AND PROBLEMS OF USING KISAN CREDIT CARD OF CANARA BANK [WITH SPECIAL REFERENCE TO COIMBATORE DISTRICT]**

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### **ABSTRACT**

The KCC instrument would allow farmers to purchase agriculture inputs such as seeds, fertilizers, pesticides and also allow them to withdraw some cash for meeting their other crop production related requirements. Objective of the study (i)To study about the awareness of the Kisan credit card holders and their attitude towards Kisan credit card (ii)To review the extend of utilization of Kisan credit card in Coimbatore district. The sampling unit is confined to the Coimbatore district. The primary data were collected from the farmers interview schedule was constructed to elicit information from farmers regarding Kisan credit card. The secondary data necessary for the study have been collected through pamphlets, brochures, annual reports and of the published papers of Canara bank. The sample size for the study is 66 respondents. Even though there are various agricultural credits provided by the banks.

**KEYWORDS:** Agriculture Loan, Awareness, Farmers, Kisan Credit Card, Canara Bank.

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### **INTRODUCTION**

‘Kisan Credit Card’ (KCC) in 1998-99 with three different sub-limits viz. production, assets maintenance and consumption needs is a step-in this direction. This brings integration into the multi-credit product system by offering farm entrepreneurs a single line of credit through a single window for multiple purposes. The KCC instrument would allow farmers to purchase agriculture inputs such as seeds, fertilizers, pesticides and also allow them to withdraw some cash for meeting their other crop production related requirements. The Kisan Credit Card Scheme was a step towards facilitating the access to short-term credit for the borrowers from the formal financial institutions.

### **OBJECTIVES OF THE STUDY**

This study has been carried out with the following objectives:

- i. To study about the awareness of the Kisan credit card holders and their attitude towards Kisan credit card.
- ii. To review the extend of utilization of Kisan credit card in Coimbatore district
- iii. To examine the practical problems faced by the Kisan credit card holders.
- iv. To offer effective suggestion in order to increase the efficiency of Kisan credit cards scheme.

### **STATEMENT OF THE PROBLEM**

The institutional finance must be adequate enough to provide loans to the farmers, particularly to small farmers at cheaper rates. The expansion of credit alone does not bring about an adequate increase in agricultural production. KCC holders are not aware of the modalities, usefulness/benefits of KCC scheme, but they were not aware of its positive aspects, like, revolving cash credit facility (RCCF) involving any number of drawls and repayments.

### **SCOPE OF THE STUDY**

The present study aims at analyzing the farmers Kisan credit card scheme is order to exhibit the farmers awareness about the scheme factors influenced them towards this scheme , ways and means of utilizing loan provided under this scheme and opinions regarding the service charges, validity period and maximum ceiling limit. This study is also mainly concerned with the farmers' problems and suggestions in order to improve the effectiveness of this scheme. The researcher to create the awareness about the kcc.

### **METHODOLOGY FOR DATA COLLECTION**

The primary data necessary for the purpose were collected from the farmers having Kisan credit card in Coimbatore district with the help of interview schedule was constructed to elicit information from farmers regarding Kisan credit card. The first hand information was collected by the researcher by having discussion with the bank officials by visiting bank branches as well as their head office.

The interview schedule used for the study has been prepared by the researcher with the help and guidance of her supervision. The secondary data necessary for the study have been collected through pamphlets, brochures, annual reports and of the published papers of Canara bank.

### **AREA OF THE STUDY**

The sampling unit is confined to the Coimbatore district.

## **SAMPLE DESIGN**

The researcher has adopted convenience sampling for the sample group. However the researcher was must careful to ensure that the sample group represents the whole area of the study. The researches left with no change to go in for any other sampling technique rather than sampling technique. Because of the reason that the banks were reluctant to give the names and address of the Kisan credit card holders in order to maintain secrecy field work and collection of data. The researcher used interview schedule for the collection of data from farmers [appendix A] completed schedules where checked and edited. The omission and commissions were rectified by revisits.

## **SAMPLE SIZE**

The sample size for the study is 66 respondents, who are residing in Coimbatore district

## **LIMITATIONS OF THE STUDY**

When the researcher approached the banker for getting farmer address to colopt a stratified random sampling techniques the banker refused to give any information relating to the card holders on the ground that such matters were to be kept by him as strictly confidential. Therefore the researcher relived on convinces sampling technique for collecting data from farmers.

## **REVIEW OF LITERATURE**

B.B. Barik (2010) in his study “Kisan credit card scheme – a dynamic intervention for reduction in rural poverty” opined that realizing the importance of enhancement of flow of credit to the rural sector and reduction of the dependence of farmers on non-institutional sources of credit. Amir Samantara (2010) in the Occasional paper “Kisan Credit Card – A Study” he mentioned that The introduction of a new credit product called Kisan Credit Card (KCC) in 1998-99 with three different sub-limits viz. production, assets maintenance and consumption needs is a step in this direction to address the challenge.

Danish faruqui (2001) in his study “Kisan Credit Card” opined that the scheme seems well thought of and full of good intentions. Not only has availability of credit been made easier but has also been made simple to get and operate. Farmers have been given sufficient freedom to decide how to use their credit, while at the same time a set repayment schedule has been provided. However for this scheme to be successful, education of both the farmers and also the bank officials about the scheme is required.

The following table reveals that out of the total respondents 27 percent comes to know about this card through agricultural officers and 15 through bank, and 10 percent comes to know about this card through friends, and 10 percent through advertisements, and 4 percent comes to know about this card through relatives respectively

**RESPONDENT'S AWARENESS ABOUT KISAN CREDIT CARD**

Source	No. of respondents	Percentage (100%)
Friends	10	15
Agri.officers	27	41
Relatives	4	6
Bank employees	15	23
Advertisements	10	15
<b>Total</b>	<b>66</b>	<b>100</b>

Source: primary data

The following table reveals that out of the total respondents 61% yes they are polite and 38% no they are not polite quality of services provided by bank, 41% yes quick and promote the services and 59% no quick and promote the services provided by bank.

**RESPONDENTS VIEW ON THE QUALITY OF SERVICES PROVIDED BY BANK**

Quality of service	No. of respondents		Total
	yes	No	
They are polite	61(61%)	39(39%)	100(100%)
Patiently hear the needs	58(58%)	42(42%)	100(100%)
Quick and prompt	41(41%)	59(59%)	100(100%)

The following table reveals that out of the total respondents 61% yes they are polite and 38% no they are not polite quality of services provided by bank, 41% yes quick and promote the services and 59% no quick and promote the services provided by bank.

**AWARENESS ON KISAN CREDIT CARD (KCC)**

S.no	Respondents	Sample farmers	Sex wise			
			yes	%	No	%
1	Male	42	23	9.66%	19	7.98%
2	Female	24	9	2.16%	15	3.6%

Source: primary data

**Utility of percentage of farmers**

Utility	No. of respondents				Total
	Yes	%	No	%	
Timely availability of credit	100	100%	0	0	100%
Adequate credit	71	71%	29	29%	100%
Savings in cost – in annual renewal	95	95 %	5	5%	100%
Reduction in cost of accessing credit	56	56%	44	44%	100%
Hassle free procedure	95	95%	5	5%	100%
Freedom to repay	58	58%	42	42%	100%
Savings in interest burden	50	50%	50	50%	100%
Drawing cash at any branch in district	5	5 %	95	95%	100%

Source: primary data

The previous table reveals that out of the total respondents said 95% timely availability of credit and 5% said no timely availability of credit, 58% yes freedom to repay and 42% no freedom to repay the bank.

**SEX AND MODE OF THE RECEIVING THE LOAN**

Sex	In one lump sum		In two installment		In three installment		In more than three installment		Total					
	O	E	(O-E) <sup>2</sup> /E	O	E	(O-E) <sup>2</sup> /E	O	E	(O-E) <sup>2</sup> /E	ΣO	Σ(O-E)/E			
Male	55	52.14	0.1568	22	22.91	0.03614	2	3.16	0.4258	0	0.79	0.7900	79	1.4087
Female	11	13.86	0.5901	7	06.09	0.1359	2	0.84	1.6019	1	0.021	2.9719	21	5.2998
	66	66.00		29	29.00		4	4.00		1	1.00			6.7085

For degree of freedom v=3, x<sup>2</sup> 0.01 is 11.34

Calculate value of x<sub>2</sub>=6.7085

The computed value of x<sup>2</sup> much lower than the tabulated value of it. So the hypothesis is accepted. Hence the study is reveals that there is no relationship between sex and mode of receiving the loan.

**FINDINGS**

- KCC is one of the most innovative, widely accepted, highly appreciated and Non-discriminatory banking products. It is beneficial to farmers. as of now there appears no relationship there is no relationship between sex and mode of receiving the loan.
- Kisan credit card 41% of respondents comes to know about this card through agricultural officers
- 23% respondents comes to know about this card through bank employees respectively
- 61% respondents yes they are polite and 38% no they are not polite quality of services provided by bank
- 41% yes quick and promote the services and 59% no quick and promote the services provided by bank.

## **CONCLUSION**

It can be concluded that the agriculturalists in Coimbatore area are well aware of the Kisan credit card scheme. Most of them are utilizing this loan in an efficient manner. Even though there are various agricultural credits provided by the banks. Kisan credit card is prepared by most of the banks.

For rendering various agricultural credit service to agriculturalists. It becomes necessary for the banks to have the clear understandings of the scheme which is already in operation. As made by the researcher it may be very helpful to the Canara bank in understanding their scheme beneficiaries' of sex, age, level of education and like in general, farmer as Kisan credit card holders awareness about the scheme and the like in particular.

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