



## INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT AND MANAGEMENT

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## A STUDY ON BEST PRACTICES IN FINANCIAL SERVICES AT A PUBLIC SECTOR COMPANY AT BHOPAL

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### ABSTRACT

*Best practices in financial services are concerned with the application of those management practices by financial services companies which benefit both the customers as well as the company. The following study is to find out what practices the said public sector company is applying in order to satisfy its customers and also create a name for itself in the financial services industry. This study is limited only to Kisan credit card (KCC). It encompasses studying the nature of operation of kisan credit card, finding out the policies which a Bank and the public sector company are following respect to kisan credit card, analyzing whether the practices followed by them are best practices or not. If not, suggest the company the best practices it should follow to improve the product.*

### KEYWORDS

KCC, Financial services, e-chaupal.

### INTRODUCTION

Best practices in financial services are concerned with the application of those management practices by financial services companies which benefit both the customers as well as the company. The following study is to find out what practices the said public sector company is applying in order to satisfy its customers and also create a name for itself in the financial services industry.

Financial services refer to services provided by the finance industry. The finance industry encompasses a broad range of organizations that deals with money management. These are banks, credit card companies, insurance companies, consumer finance companies and stock brokerages.

### REVIEW OF LITERATURE

Professors Alistair Byrne of the University of Strathclyde, David Blake of the Pensions Institute-Cass Business School, Andrew Cairns of Heriot-Watt University, and Kevin Dowd of Nottingham University in their study on "Costs of delaying retirement savings" have made the following observations:

Waiting to begin saving has a large negative impact, and quantify that the levels of saving needed become unattainable if delays are too great. And also the costs incurred by the investors are too high and unaffordable. Therefore the authors feel that every citizen should start investing in some financial service like life insurance, mutual funds or shares early or as soon as possible so that when he reaches the retirement age, he will have high savings which can be used by him post-retirement on self and his family members. Many citizens in different countries don't understand the benefits that saving in financial services provides and also the huge costs they need to incur post-retirement if they delay saving their earnings. Thus the authors suggest that every citizen should invest in some financial service so that they can be comfortable once they retire.

Ms. R.M. Vasanthakumari and Ms. Vani Sharma in their article "Theoretical framework and Empirical evidence of Micro finance- An Indian context" have highlighted the following:

The emergence of micro finance as a viable alternative to the conventional banking in accomplishing the goal of poverty alleviation has been recognized world over. It has become a major tool of development and found to be the only practical and most appropriate solution to the deep seated challenges of poverty. It is often said that micro finance appears to deliver the 'holy trinity' of outreach, impact and sustainability. The developmental purposes to which, micro finance can be put include, livelihood, promotion, developing the local economy, empowerment, building democratic people's organizations and changing wider systems or institutions within society. In India as also in other countries, Self Help Groups have been recognized by the policy makers as the effective conduits for accomplishing the distributional objectives of monetary policy. Group model as developed by Bangladesh Grameena Bank is by and large followed in most of the South East Asian Countries barring Indonesia, which has adopted Unit Desa or village Bank system.

Dr. G.K Agrawal, Former Executive Director (BIRD-NABARD) and his team from Banker's Institute for Rural Development did a study on "Support from the banking system for kisan credit cards" and they came up with the following observations:

At the block level, progress of the KCC scheme is being reviewed by the Block Level Bankers Committee (BLBC) regularly. BLBC is a committee of bankers headed by the Lead Bank Officer of the district. The Block development officer and officers from the line departments also participate in such meetings. At the district level, District Consultative Committee reviews the progress of the KCC scheme as a part of its agenda. Similarly at the state level, State Level Banker's Committee, the highest forum to review the banking activities in a state headed by the Chief Secretary reviews the KCC scheme. In addition, the banks also review the progress in house through reports/ returns and during the conference of branch managers. Regional rural banks review KCC scheme in their board meetings. Further, progress in implementation of KCC by RRB's is also reviewed in the State Level Coordination Committee Meetings.

### THE BANK POLICIES WITH REGARD TO KISAN CREDIT CARD

#### PURPOSE

To extend adequate and timely support to farmers for their short term credit needs.

#### WHO ARE ELIGIBLE FOR THE LOAN?

Farmers with excellent repayment record for 2 years. New farmers with sizeable deposits with our branches for 3 to 4 years are also eligible.

#### LOAN AMOUNT

Loan amount is decided based on the cropping pattern, ancillary and contingency needs of the farmer for the full year. 90% of the cost of cultivation (scale of finance) is given as loan per acre. 100% of the cost is available as loan upto RS 50000 and 85% of the cost is available as loan above RS 100000.

#### DISBURSEMENT OF THE LOAN

As per the cultivation requirements of the crop the loan amount is disbursed in cash and kind (for fertilizers and pesticides, etc.)

**SECURITY TO BE FURNISHED**

Loan amount	Security to be furnished
Upto RS 50000	Hypothecation of crops
Above RS50000 and upto RS 1 lakh	Hypothecation of crops, mortgage of lands, third party guarantee.
Above RS 1 lakh	Hypothecation of crops, mortgage of lands, third party guarantee
For tobacco, sugar cane and other crops under tie-up agreement with boards/factories/ companies	
Upto Rs 1 lakh	Hypothecation of crops
Above Rs 1 lakh	Hypothecation of crops and mortgage of lands.

**PAYMENT OF INTEREST CHARGED**

Upto RS 3 lakhs the farmer pays only 7% rate of interest, the remaining is borne by NABARD and the issuing bank.

**ROLE OF THE PUBLIC SECTOR COMPANY IN PROVIDING KCC TO FARMERS**

- The financial services officer of the company's e- Choupal will get 10 cases from the sanchalak (village head) of a Choupal to work on at a time.
- The Company is agreeable for cases where the farmers hold 5 and more acres of land.
- The financial services officer of the company branch will visit the customer collects the required information from him and then goes to the local court and collects the land holding details and revenue details of the farmer instead of the farmer free of cost. And then no-dues certificate will be sought for and the bank's advocate will be asked to submit the search report.
- Bank will ensure to procure the search report from its lawyer within five days.
- In between farmers will get no dues certificates from all banks and then contact the financial services officer to fix the date of disbursement.
- On the day so fixed, the financial services officer or the sanchalak along with the farmer visit the bank and after all documentation disbursement will take place either through cash withdrawal or savings account.

**RESEARCH METHODOLOGY**

Research design: It is a conceptual structure with which research is undertaken. It constitutes the collection, measurement and analysis of data. The researcher had an interaction with farmers for about 2 months and during which he had an overall view about the benefits and problems faced by them in operating kisan credit card. To assess the specific areas of discontent of the farmers and to suggest remedial measures this study was undertaken. He also had an interaction with field officers of the company, the said bank and other commercial banks to find out the services provided by them to farmers and benefits of introducing kisan credit card to their organizations.

**PRIMARY DATA**

Primary data was collected from different kisan credit card holders - the company, and other banks.

- **SECONDARY DATA:** Websites of the said company, Nabard and the said bank.
- No of Company's hubs visited/ districts visited: 7, these are Astha, Pipariya, Timarni, Harda, Itarsi, Sagar and Betul of Madhya Pradesh state.
- **Sampling Technique:** The Sampling technique adopted is **Random Sampling Technique**.
- **Sample size: kisan credit card holders- 250, Company's staff and banks- 20.**
- **Type of research: Descriptive Research**

Data analysis: The data is analyzed by using statistical tools chi-square test, correlation, anova and frequencies.

**DATA ANALYSIS AND INTERPRETATION**

**SPEARMAN'S CORRELATION**

**TABLE 4.1**

**Case Processing Summary**

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
satisfaction * limit	250	100.0%	0	.0%	250	100.0%

**satisfaction \* limit Crosstabulation**

Count		limit			Total
		less than Rs. 50000	Rs. 50000-1 lakh	1-3 lakh	
satisfaction	unsatisfied	34	19	7	60
	satisfied	45	67	67	179
	extremely satisfied	0	6	5	11
Total		79	92	79	250

**Symmetric Measures**

		Value	Asymp. Std. Error <sup>a</sup>	Approx. T <sup>b</sup>	Approx. Sig. <sup>c</sup>
Interval by Interval	Pearson's R	.325	.052	5.410	.000 <sup>c</sup>
Ordinal by Ordinal	Spearman Correlation	.328	.053	5.468	.000 <sup>c</sup>
N of Valid Cases		250			

- a. Not assuming the null hypothesis.
- b. Using the asymptotic standard error assuming the null hypothesis.
- c. Based on normal approximation.

**INFERENCE**

From the above table, we can see that the value of Spearman correlation is 0.328. This shows that there is a positive correlation between the limit fixed by the bank and the satisfaction level of the farmers. This means that if limit per acre increases the satisfaction level of the farmers will also increase.

**FREQUENCIES**

From the following frequency table, we can interpret that out of the 250 respondents, 32 percent of respondents have been using kisan credit card for less than 1 year and 21 percent of the respondents have been using it for 5 years and above.

**TIME PERIOD OF USAGE OF KISAN CREDIT CARD BY RESPONDENTS**

**TABLE 4.2**

**using**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid less than 1 year	80	32.0	32.0	32.0
1-2 year	57	22.8	22.8	54.8
3 year	60	24.0	24.0	78.8
5 year	53	21.2	21.2	100.0
Total	250	100.0	100.0	

**COVERAGE OF LARGE, SMALL AND MARGINAL FARMERS AMONG THE RESPONDENTS**

**TABLE 4.3 CATEGORY**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Large farmer	147	58.80	58.80	58.80
Small farmer	61	24.4	24.4	83.2
Marginal farmer	42	16.8	16.8	100.0
Total	250	100.0	100.0	

From the above table, we can see that 59 percent of the respondents are large farmers, 24 percent are small farmers and 17 percent are marginal farmers.

**AVERAGE LAND HOLDING OF FARMERS**

**TABLE 4.4**

**land**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid less than 5 acres	45	18.0	18.0	18.0
5-7 acres	58	23.2	23.2	41.2
8 acres	51	20.4	20.4	61.6
more than 8 acres	96	38.4	38.4	100.0
Total	250	100.0	100.0	

From the above table we can infer that, out of the 250 farmer respondents, 96 farmers have an average of 8 acres and above and 45 farmers have an average of less than 5 acres.

**OTHER FINANCIAL SERVICES WHICH FARMERS APPLY WITH BANK**

**TABLE 4.5**

**othrprod**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid saving account	191	76.4	76.4	76.4
life insurance policy	14	5.6	5.6	82.0
tractor loan	5	2.0	2.0	84.0
both 1&2 or 1&3	40	16.0	16.0	100.0
Total	250	100.0	100.0	

From the above table we can see that most of the farmers prefer to have a savings account and least farmers apply for tractor loan.

**BENEFITS STATED BY FARMERS IN USING KCC**

**TABLE 4.6: BENEFITS**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid timely credit	50	20.0	20.0	20.0
purchase of agricultural inputs	52	20.8	20.8	40.8
delay in the sale of crops	36	14.4	14.4	55.2
development of irrigational facilities	29	11.6	11.6	66.8
development of agricultural land	61	24.4	24.4	91.2
purchase of new house	12	4.8	4.8	96.0
purchase of new land	10	4.0	4.0	100.0
Total	250	100.0	100.0	

From the above table, we can infer the maximum no of respondents have opted for development of agricultural land as a benefit of kcc, while minimum responses have been given for purchase of new land as a benefit of kisan credit card.



PROBLEMS IN OPERATING KISAN CREDIT CARD

TABLE 4.7

PROBLEMS

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid field officer not cooperating	33	13.2	13.2	13.2
delay in disbursement of funds	38	15.2	15.2	28.4
pass book entry not made	31	12.4	12.4	40.8
crop insurance scheme not beneficial	47	18.8	18.8	59.6
limit should be raised	70	28.0	28.0	87.6
reduction in interest rates	13	5.2	5.2	92.8
atm card facility not provided	18	7.2	7.2	100.0
Total	250	100.0	100.0	

From the above table, we can infer that maximum respondents have stated inadequate credit (limit should be raised) as a problem in using kisan credit card. While minimum no of respondents have opted for ATM facility not being provided.

NO OF COMPANY'S E- CHOUPALS DEALING WITH KCC

TABLE 4.8: CHOUPALS

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 10 choupals	5	25.0	25.0	25.0
15 choupals	6	30.0	30.0	55.0
20 choupals	9	45.0	45.0	100.0
Total	20	100.0	100.0	

From the above table we can see that, 45 percent have gone with 20 choupals and 25 percent have gone with 10 choupals. From this we can infer that in each of the 7 hubs visited, out 35/40 Company's choupals only 50 percent are active and remaining choupals are inactive.

BENEFITS OF KISAN CREDIT CARD TO BANKS

TABLE 4.9: BENEFITS TO BANKS

	Frequency	Percent	Valid Percent	Cumulative Percent
VALID INCREASE IN CUSTOMER BASE	6	30.0	30.0	30.0
INCREASE IN REVENUES TO THE BANK	7	35.0	35.0	65.0
BETTER BANKER AND CLIENT RELATIONSHIP.	4	20.0	20.0	85.0
REDUCTION IN TRANSACTION COST	3	15.0	15.0	100.0
TOTAL	20	100.0	100.0	

From the above table we can infer that, most of the bank staff feels that kisan credit card increases the revenues of the bank. The minimum responses are for reduction in transaction cost.

BENEFITS OF KISAN CREDIT CARD TO COMPANY'S HUBS

TABLE 4.10: BENEFITS TO COMPANY

	Frequency	Percent	Valid Percent	Cumulative Percent
VALID INCREASE IN CUSTOMER BASE	5	25.0	25.0	25.0
DIRECT INTERACTION WITH FARMERS	5	25.0	25.0	50.0
REQUEST THEM TO BUY FMCG	6	30.0	30.0	80.0
REQUEST THEM TO BUY INSURANCE	4	20.0	20.0	100.0
TOTAL	20	100.0	100.0	

From the above table, we can interpret that 30 percent of the Company's hub staff feel that in dealing with kisan credit card they can lure farmers to buy Fmcg from them. While 20 percent feel that it helps in sale of life insurance. 25 percent each have opted for increase in customer base and direct interaction with farmers.

CHI- SQUARE TESTS

NULL HYPOTHESIS: There is no significant difference between channel of application of kisan credit cards and quality of service provided by banks

TABLE 4.11

applied \* rate Crosstabulation

Count		rate				Total
		poor	average	good	very good	
applied	through Company hub	7	4	46	0	57
	directly with bank	11	4	46	4	65
	through other banks	23	10	65	1	99
	cooperative banks and regional rural banks	13	0	16	0	29
Total		54	18	173	5	250

CHI-SQUARE TEST

	Value	df	Asymp Sig.(2-sided)
Pearson Chi-square	23.592 <sup>3</sup>	9	.005
Likelihood ratio	24.122	9	.004
Linear-by-Linear Association	9.805	1	.002
N of valid cases	250		

DIRECTIONAL MEASURES

			Value	Asymp Std. Error <sup>3</sup>	Approx. T <sup>b</sup>	Approx. Sig.
Nominal by Nominal	Lambda	Symmetric	.013	.010	1.346	.178
		Applied dependent	.020	.015	1.346	.178
		Rate dependent	.000	.000	.	.
Goodman and Kruskai tau		Applied dependent	.027	.011		.019 <sup>d</sup>
		rate dependent	.035	.020		.002 <sup>d</sup>

SYMMETRIC MEASURES

			Value	Approx. Sig.
Nominal by Nominal	Phi		.307	.005
	Cramer's V		.177	.005
N of valid cases			250	

Inference: we can see that the value of chi-square is 0.005 which means that our null hypothesis is rejected and our alternate hypothesis must be accepted. The value of lambda is 0.013 which means that there is 1.3 percent reduction in error in comparing the two variables. The value of Cramer's V is 0.177 which shows that there is low correlation when we compare the mode of application of kishan credit cards and the quality of service of banks.

Thus we can find from this that the best bank in the country provides the best service to the farmers.

**NULL HYPOTHESIS:** There is no significant between the limit by the bank and the land held by the farmers.

TABLE 4.12

limit \* land Crosstabulation

Count		land				Total
		less than 5 acres	5-7 acres	8 acres	more than 8 acres	
limit	less than Rs. 50000	43	27	6	3	79
	Rs. 50000-1 lakh	2	31	34	25	92
	1-3 lakh	0	0	11	68	79
Total		45	58	51	96	250

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	206.820 <sup>a</sup>	6	.000
Likelihood Ratio	229.518	6	.000
Linear-by-Linear Association	154.501	1	.000
N of Valid Cases	250		

			Value	Asymp Std. Error <sup>3</sup>	Approx. T <sup>b</sup>	Approx. Sig.
Nominal by Lambda	Symmetric		.426	.049	7.575	.000
	limit dependent		.532	.051	8.017	.000
Nominal	land dependent		.318	.055	5.017	.000
	Goodman and	limit dependent	.403	.036		.000 <sup>c</sup>
	Kruskai tau	land dependent	.300	.029		.000 <sup>c</sup>

**SYMMETRIC MEASURES**

		Value	Approx. Sig.
Nominal by	Phi	.910	.000
Nominal	Cramer's V	.643	.000
N of valid cases		250	

From the tables and analysis, we can interpret that:

The value of Pearson's chi-square is 0.000 which is less than 0.05. Thus our null hypothesis is rejected and our alternate hypothesis is accepted. So there is significant difference between the limit fixed by the bank and the land held by the farmers. The value of lambda is 0.426 that is there is 4.26% reduction in error in comparing the two variables. The Cramer's V value is 0.643 which means there is high/ strong correlation when comparing the two variables.

**ANOVA TEST**

**NULL HYPOTHESIS:** There is no significant difference between gender and satisfaction level.

**TABLE 4.13**

**Satisfaction \* gender**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.079	2	.040	.158	.854
Within Groups	61.845	247	.250		
Total	61.924	249			

Comparing the factor we find that the factor has value more than .05 significance level hence the null hypothesis is accepted. Hence the conclusion can be that all the farmers of any gender are somewhat satisfied with kisan credit cards.

**NULL HYPOTHESIS:** There is no significant difference between gender and application for other bank products.

**TABLE 4.14**

**Other products \* gender**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.604	3	.201	.807	.491
Within Groups	61.320	246	.249		
Total	61.924	249			

The factor has value more than 0.05 significance. Hence the null hypothesis is accepted. The conclusion is that gender of the farmer does not matter when they apply for other products of the bank like savings account, life insurance policy etc.

**NULL HYPOTHESIS:** There is no significant difference between gender and limit fixed by the bank.

**TABLE 4.15**

**Limit fixed by the bank\* gender**

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.494	2	.247	.992	.372
Within Groups	61.430	247	.249		
Total	61.924	249			

The factor has significance value more than .05. Hence the null hypothesis is accepted. We can conclude that the limit fixed by the bank does not depend on the gender of the farmer.

**NULL HYPOTHESIS:** There is no significant difference between age and satisfaction level of the farmers.

TABLE 4.16

**Satisfaction\* gender**

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.599	2	.300	.248	.780
Within Groups	298.137	247	1.207		
Total	298.736	249			

We can see that the significance value of the factor is more than .05. Hence the null hypothesis is accepted. So we can conclude that all the farmers of any age are somewhat satisfied with kisan credit cards.

**FINDINGS**

- The level of satisfaction of farmers is high in most of the cases where the limit fixed by the bank is high and vice versa. So, there is a significant relationship between the two variables.
- The no of large farmers who have applied for kisan credit cards in Madhya Pradesh is higher than the no of small farmers who applied for kisan credit cards. This shows that the company and the said bank prefer large farmers because of their repayment capacity. But that doesn't mean that they should ignore the small and marginal farmers.
- In the 7 districts visited, i.e. Astha, Pipariya, Timarni, Harda, Itarsi, Betul and Sagar the average land holding of farmers is between 8-9 acres. This shows the coverage of large farmers in these areas.
- Almost 80 percent of the kisan credit card respondents are having a savings account with the issuing bank and only 20 percent of them have applied for Tractor loans and other agricultural loans. This shows that the banks put in huge efforts to ensure that farmers in rural areas have a savings account.
- The potential of kisan credit card in Madhya Pradesh state is very good and in most of the districts it is the only agricultural loan that is taken by farmers.
- Kisan credit cards were launched in India almost ten years. But the company started dealing with kisan credit cards only two years back. So the no of farmers who applied for kcc through the company is very low compared to those farmers who have applied directly through bank and those with others nationalized banks.
- Kisan credit card is one of the most innovative financial services launched for farmers in India. Before farmers used to take loans from money lenders in villages for developing their agricultural lands and for buying agricultural inputs like seeds and fertilizers. These money lenders used to cheat the farmers by charging interest rates like 25% and 30%. But banks are offering kisan credit card loan to farmers at low interest rates like 7%-8%. This is very beneficial to farmers as they can easily repay their loans and also they need not halt their daily agricultural activities
- Most of the farmers interviewed have stated the following as the benefits from kisan credit card loan- timely access to agricultural credit, easy purchase of agricultural inputs, development of agricultural land, development of irrigational facilities in the fields and farmers can delay the sale of their crops and can sell them at higher prices on a future date.
- Few of the respondents have even stated that the kisan credit card loan has helped them in purchasing more agricultural land and building of a new house in a good locality.
- There are also few problems faced by kisan credit card holders while operating it. There are many respondents who feel that the limit fixed by the bank should be raised and many respondents feel that the crop insurance scheme which is a part of kcc is not at all beneficial. Because the banks charge some particular amount every year from the farmers as crop insurance, but when the crops of the farmers are destroyed no amount is paid to them.
- There is significant difference between the repayment period allowed to the farmers and the level of satisfaction. This means that if the farmers are allowed to repay their loan in one year instead of six months there satisfaction level will increase.
- There is significant difference between the Bank providing kisan credit cards and the farmers rating their level of service. The farmers feel that the said bank provides the best service when it comes to kisan credit cards.
- There is significant difference between the quality of service provided by the banks and the rate of interest paid by the farmers. This means that according to the farmers the bank which charges low interest rates provides the best service.
- There is significant difference between the limit fixed by the bank and the land held by the farmer. This means that a large farmer gets a higher limit or loan amount when compared to a small or marginal farmer.
- In the seven hubs visited, the company has at least 40 choupals (villages) covered by it. But in all these hubs only 15-20 choupals are actively dealing with kisan credit cards and the remaining choupals are inactive and the sanchalak of these choupals are not taking much interest.
- The company and most of the banks need to follow few good practices in dealing with Kcc. Some suggestions for the above are given below.
- Punjab National bank, Central bank of India, Bank of Maharashtra and few cooperative banks are the other banks which are providing kisan credit cards in those locations where bank-Company tie up exists.
- Farmers of any age, whether it is 25 or 65, produce similar crops in their agricultural lands in Madhya Pradesh. The common crops being Wheat, Soya and Chana.
- Many of the large farmers were complaining because even after three years of usage, banks have not provided them with ATM facility. They feel that banks should provide them ATM facility so that they can make easy withdrawals from any branch at any time.

**SUGGESTIONS**

**TO THE COMPANY:** For increasing the potential of its Kcc business.

- Whenever there is a public gathering or an exhibition in a district or a village, the concerned Company hub should put a kisan credit card stall there and start attracting new farmers who have not still applied for kisan credit cards.
- It should sign MOU's with other commercial banks and regional rural banks to act as their channel partners and increase its coverage in many more hubs. This will increase the strength of the channel and also because in a few hubs instead of bank, some other commercial or a regional rural bank is the leading performer in Kcc.
- The company shall ensure that the sanchalaks are paid for their services regularly. Because it is very important to motivate the sanchalaks because if we see Company's Kcc process flow it is the Sanchalaks who are helping the financial services officer in getting cases regularly.
- The company, if possible can increase the incentives that is paid to the financial services officers. Because the financial services officers are helping the company in expanding its Kcc business and they need to be motivated.

**TO THE SAID BANK AND OTHER COMMERCIAL BANKS:**

- In order to increase the level of satisfaction of farmers, banks like Central Bank of India, Punjab National Bank and cooperative banks must increase the limit per acre fixed by them. Or else it leads to dissatisfaction of farmers.

- Kshetriya Grameena Banks (regional rural banks) charge higher rate of interest when compared to the nationalized commercial banks. Therefore, these banks should reduce their rate of interest in order to attract more farmers.
- The said bank and other commercial banks should put in efforts to increase the sales of other rural finance products like tractor financing, warehouse receipt and agricultural term loans to its already existing Kcc holders.
- Banks should ensure that farmers who are applying for kishan credit cards are utilizing it for the right purpose and not for non agricultural purposes. Because the main objective of the kishan credit card scheme is to provide loan to farmers for agricultural development.
- Banks should pay the crop insurance to the farmers if their crops are destroyed. Or else the farmers become dissatisfied and they feel cheated by the bank.
- Banks should provide ATM facility to those large farmers who have completed three years of usage of kisan credit card. So that these farmers who need huge amounts of money regularly for the development of their lands or for investing in some other business can withdraw money from any branch of the bank at any point of time.

## CONCLUSION

The expectation of the researcher was to get exposure of the various aspects of kishan credit card and their role in the development of agricultural credit. It is acceptable that not all farmers can be satisfied with the benefits of kishan credit card. So the management and commercial banks must take proactive steps to make the product more attractive and feasible for the farmer.

Having analyzed the data and presented the findings and suggestions to the organization, the researcher expects the organization to take action and implement new strategies and practices which would benefit the farmers. These findings are very useful to the organization to take future decisions and improve the product. The research would also be useful to anyone who will be interested in studying about kishan credit card and the role played by the company in developing it.

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