

INTERNATIONAL JOURNAL OF RESEARCH IN COMPUTER APPLICATION & MANAGEMENT

IJR
C
M



A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A., Google Scholar,

Indian Citation Index (ICI), J-Gate, India [link of the same is duly available at Inlibnet of University Grants Commission (U.G.C)].

Index Copernicus Publishers Panel, Poland with IC Value of 5.09 (2012) & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than 6001 Cities in 194 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

<http://ijrcm.org.in/>

CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	REWARD MANAGEMENT PRACTICES AND ITS IMPACT ON EMPLOYEES MOTIVATION: AN EVIDENCE FROM SOME SERVICE ORGANIZATIONS IN LUCKNOW <i>AJITA CHANDRA, Dr. DURGESHMANI TRIPATHI & Dr. D. S. CHAUBEY</i>	1
2.	ACTIVITY CATALOG IN CUSTOMER PROSPECT - A PATHWAY TO E-TAILING EXCELLENCE <i>B. UPENDRA RAO & Dr. V. KRISHNA MOHAN</i>	7
3.	BUSINESS ETHICS AND INFORMATION SECURITY IN THE DIGITAL WORLD <i>LINA MARIA DIAS E FERNANDES</i>	16
4.	DETERMINANTS OF CAPITAL STRUCTURE: A CASE STUDY OF AUROBINDO PHARMA LIMITED <i>Dr. V. MOHANRAJ & S. K. KAVITHA</i>	19
5.	A STUDY ON RISK PERCEPTION OF COMMERCIAL BANK TOWARDS AGRICULTURAL FINANCE WITH SPECIAL REFERENCE TO ALAPPUZHA DISTRICT <i>LIGI JOLLY</i>	23
6.	A STUDY ROLE OF SIDBI'S IN GROWTH AND DEVELOPMENT OF SSI & MSME IN INDIA <i>Dr. RAJ KUMAR AGRAWAL</i>	29
7.	IMPACT OF TRAINING, RISK PERCEPTION AND EXPECTED INCOME TOWARDS STUDENTS' INTENTION TO INVEST IN CAPITAL MARKET <i>HENDRA SASTRAWINATA, DEWI FADILA, MARISKHA Z & M. RISK MAULANA EFFENDI</i>	31
8.	EFFECT OF TECHNOLOGY ACCEPTANCE OF TRUST AND CONSUMER IN ONLINE PURCHASE INTENTIONS THROUGH SOCIAL MEDIA (CASE STUDY ON APPLICATION BLACKBERRY MESSENGER AND INSTAGRAM) <i>Dr. SYAHRAN & NURUL UTAMI</i>	35
9.	ROLE OF STRATEGIC HUMAN RESOURCE MANAGEMENT IN AN ORGANISATION <i>Dr. LALITA MISHRA</i>	40
10.	A STUDY ON ECONOMIC PERFORMANCE OF A SELECT BASIC CHEMICAL INDUSTRY IN TAMILNADU <i>J. DHANALAKSHMI</i>	46
	REQUEST FOR FEEDBACK & DISCLAIMER	52

CHIEF PATRON**Prof. (Dr.) K. K. AGGARWAL**

Chairman, Malaviya National Institute of Technology, Jaipur
 (An institute of National Importance & fully funded by Ministry of Human Resource Development, Government of India)
 Chancellor, K. R. Mangalam University, Gurgaon
 Chancellor, Lingaya's University, Faridabad
 Founder Vice-Chancellor (1998-2008), Guru Gobind Singh Indraprastha University, Delhi
 Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

FOUNDER PATRON**Late Sh. RAM BHAJAN AGGARWAL**

Former State Minister for Home & Tourism, Government of Haryana
 Former Vice-President, Dadri Education Society, Charkhi Dadri
 Former President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

FORMER CO-ORDINATOR**Dr. S. GARG**

Faculty, Shree Ram Institute of Business & Management, Urjani

ADVISOR**Prof. S. L. MAHANDRU**

Principal (Retd.), Maharaja Agrasen College, Jagadhri

EDITOR**Dr. A SAJEEVAN RAO**

Professor & Director, Accurate Institute of Advanced Management, Greater Noida

CO-EDITOR**Dr. BHAVET**

Former Faculty, Shree Ram Institute of Engineering & Technology, Urjani

EDITORIAL ADVISORY BOARD**Dr. CHRISTIAN EHIOBU CHE**

Professor of Global Business/Management, Larry L Luing School of Business, Berkeley College, USA

Dr. SIKANDER KUMAR

Chairman, Department of Economics, Himachal Pradesh University, Shimla, Himachal Pradesh

Dr. JOSÉ G. VARGAS-HERNÁNDEZ

Research Professor, University Center for Economic & Managerial Sciences, University of Guadalajara, Guadalajara, Mexico

Dr. RAJENDER GUPTA

Convener, Board of Studies in Economics, University of Jammu, Jammu

Dr. D. S. CHAUBEY

Professor & Dean (Research & Studies), Uttaranchal University, Dehradun

Dr. TEGUH WIDODO

Dean, Faculty of Applied Science, Telkom University, Bandung Technoplex, Jl. Telekomunikasi, Indonesia

Dr. S. P. TIWARI

Head, Department of Economics & Rural Development, Dr. Ram Manohar Lohia Avadh University, Faizabad

Dr. BOYINA RUPINI

Director, School of ITS, Indira Gandhi National Open University, New Delhi

Dr. KAUP MOHAMED

Dean & Managing Director, London American City College/ICBEST, United Arab Emirates

SUNIL KUMAR KARWASRA

Principal, Aakash College of Education, ChanderKalan, Tohana, Fatehabad

Dr. MIKE AMUHAYA IRAVO

Principal, Jomo Kenyatta University of Agriculture & Tech., Westlands Campus, Nairobi-Kenya

Dr. M. S. SENAM RAJU

Professor, School of Management Studies, I.G.N.O.U., New Delhi

Dr. NEPOMUCENO TIU

Chief Librarian & Professor, Lyceum of the Philippines University, Laguna, Philippines

Dr. PARVEEN KUMAR

Professor, Department of Computer Science, NIMS University, Jaipur

Dr. ANA ŠTAMBUK

Head of Department of Statistics, Faculty of Economics, University of Rijeka, Rijeka, Croatia

Dr. H. R. SHARMA

Director, Chhatarpati Shivaji Institute of Technology, Durg, C.G.

Dr. CLIFFORD OBIYO OFURUM

Professor of Accounting & Finance, Faculty of Management Sciences, University of Port Harcourt, Nigeria

Dr. SHIB SHANKAR ROY

Professor, Department of Marketing, University of Rajshahi, Rajshahi, Bangladesh

Dr. MANOHAR LAL

Director & Chairman, School of Information & Computer Sciences, I.G.N.O.U., New Delhi

Dr. SRINIVAS MADISHETTI

Professor, School of Business, Mzumbe University, Tanzania

Dr. ANIL K. SAINI

Professor, Guru Gobind Singh Indraprastha University, Delhi

Dr. VIRENDRA KUMAR SHRIVASTAVA

Director, Asia Pacific Institute of Information Technology, Panipat

Dr. VIJAYPAL SINGH DHAKA

Professor & Head, Department of Computer & Communication Engineering, Manipal University, Jaipur

Dr. NAWAB ALI KHAN

Professor & Dean, Faculty of Commerce, Aligarh Muslim University, Aligarh, U.P.

Dr. EGWAKHE A. JOHNSON

Professor & Director, Babcock Centre for Executive Development, Babcock University, Nigeria

Dr. ASHWANI KUSH

Head, Computer Science, University College, Kurukshetra University, Kurukshetra

Dr. ABHAY BANSAL

Head, Department of Information Technology, Amity School of Engg. & Tech., Amity University, Noida

Dr. BHARAT BHUSHAN

Head, Department of Computer Science & Applications, Guru Nanak Khalsa College, Yamunanagar

MUDENDA COLLINS

Head, Operations & Supply Chain, School of Business, The Copperbelt University, Zambia

Dr. JAYASHREE SHANTARAM PATIL (DAKE)

Faculty in Economics, KPB Hinduja College of Commerce, Mumbai

Dr. MURAT DARÇIN

Associate Dean, Gendarmerie and Coast Guard Academy, Ankara, Turkey

Dr. YOUNOS VAKIL ALROAIA

Head of International Center, DOS in Management, Semnan Branch, Islamic Azad University, Semnan, Iran

P. SARVAHARANA

Asst. Registrar, Indian Institute of Technology (IIT), Madras

SHASHI KHURANA

Associate Professor, S. M. S. Khalsa Lubana Girls College, Barara, Ambala

Dr. SEOW TA WEEA

Associate Professor, Universiti Tun Hussein Onn Malaysia, Parit Raja, Malaysia

Dr. OKAN VELI ŞAFAKLI

Professor & Dean, European University of Lefke, Lefke, Cyprus

Dr. MOHINDER CHAND

Associate Professor, Kurukshetra University, Kurukshetra

Dr. BORIS MILOVIC

Associate Professor, Faculty of Sport, Union Nikola Tesla University, Belgrade, Serbia

Dr. IQBAL THONSE HAWALDAR

Associate Professor, College of Business Administration, Kingdom University, Bahrain

Dr. MOHENDER KUMAR GUPTA

Associate Professor, Government College, Hodal

Dr. ALEXANDER MOSESOV

Associate Professor, Kazakh-British Technical University (KBTU), Almaty, Kazakhstan

Dr. MOHAMMAD TALHA

Associate Professor, Department of Accounting & MIS, College of Industrial Management, King Fahd University of Petroleum & Minerals, Dhahran, Saudi Arabia

Dr. ASHOK KUMAR CHAUHAN

Reader, Department of Economics, Kurukshetra University, Kurukshetra

Dr. RAJESH MODI

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

WILLIAM NKOMO

Asst. Head of the Department, Faculty of Computing, Botho University, Francistown, Botswana

YU-BING WANG

Faculty, department of Marketing, Feng Chia University, Taichung, Taiwan

Dr. SHIVAKUMAR DEENE

Faculty, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

Dr. MELAKE TEWOLDE TECLEGHIORGIS

Faculty, College of Business & Economics, Department of Economics, Asmara, Eritrea

Dr. BHAVET

Faculty, Shree Ram Institute of Engineering & Technology, Urjani

Dr. THAMPOE MANAGALESWARAN

Faculty, Vavuniya Campus, University of Jaffna, Sri Lanka

Dr. ASHISH CHOPRA

Faculty, Department of Computer Applications, National Institute of Technology, Kurukshetra

SURAJ GAUDEL

BBA Program Coordinator, LA GRANDEE International College, Simalchaur - 8, Pokhara, Nepal

Dr. SAMBHAVNA

Faculty, I.I.T.M., Delhi

Dr. LALIT KUMAR

Faculty, Haryana Institute of Public Administration, Gurugram

FORMER TECHNICAL ADVISOR**AMITA****FINANCIAL ADVISORS****DICKEN GOYAL**

Advocate & Tax Adviser, Panchkula

NEENA

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

LEGAL ADVISORS**JITENDER S. CHAHAL**

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

CHANDER BHUSHAN SHARMA

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

SUPERINTENDENT**SURENDER KUMAR POONIA**

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to the recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography; Development Planning; Development Studies; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work/manuscript** **anytime** in **M.S. Word format** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. infoijrcm@gmail.com or online by clicking the link **online submission** as given on our website ([FOR ONLINE SUBMISSION, CLICK HERE](#)).

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____

THE EDITOR

IJRCM

Subject: SUBMISSION OF MANUSCRIPT IN THE AREA OF _____.

(e.g. Finance/Mkt./HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript titled ‘ _____ ’ for likely publication in one of your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published anywhere in any language fully or partly, nor it is under review for publication elsewhere.

I affirm that all the co-authors of this manuscript have seen the submitted version of the manuscript and have agreed to inclusion of their names as co-authors.

Also, if my/our manuscript is accepted, I agree to comply with the formalities as given on the website of the journal. The Journal has discretion to publish our contribution in any of its journals.

NAME OF CORRESPONDING AUTHOR :
 Designation/Post* :
 Institution/College/University with full address & Pin Code :
 Residential address with Pin Code :
 Mobile Number (s) with country ISD code :
 Is WhatsApp or Viber active on your above noted Mobile Number (Yes/No) :
 Landline Number (s) with country ISD code :
 E-mail Address :
 Alternate E-mail Address :
 Nationality :

* i.e. Alumnus (Male Alumni), Alumna (Female Alumni), Student, Research Scholar (M. Phil), Research Scholar (Ph. D.), JRF, Research Assistant, Assistant Lecturer, Lecturer, Senior Lecturer, Junior Assistant Professor, Assistant Professor, Senior Assistant Professor, Co-ordinator, Reader, Associate Professor, Professor, Head, Vice-Principal, Dy. Director, Principal, Director, Dean, President, Vice Chancellor, Industry Designation etc. **The qualification of author is not acceptable for the purpose.**

NOTES:

- a) The whole manuscript has to be in **ONE MS WORD FILE** only, which will start from the covering letter, inside the manuscript. **pdf. version is liable to be rejected without any consideration.**
 - b) The sender is required to mention the following in the **SUBJECT COLUMN of the mail:**
New Manuscript for Review in the area of (e.g. Finance/Marketing/HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)
 - c) There is no need to give any text in the body of the mail, except the cases where the author wishes to give any **specific message** w.r.t. to the manuscript.
 - d) The total size of the file containing the manuscript is expected to be below **1000 KB**.
 - e) Only the **Abstract will not be considered for review** and the author is required to submit the **complete manuscript** in the first instance.
 - f) **The journal gives acknowledgement w.r.t. the receipt of every email within twenty-four hours** and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of the manuscript, within two days of its submission, the corresponding author is required to demand for the same by sending a separate mail to the journal.
 - g) The author (s) name or details should not appear anywhere on the body of the manuscript, except on the covering letter and the cover page of the manuscript, in the manner as mentioned in the guidelines.
2. **MANUSCRIPT TITLE:** The title of the paper should be typed in **bold letters, centered and fully capitalised**.
 3. **AUTHOR NAME (S) & AFFILIATIONS:** Author (s) **name, designation, affiliation (s), address, mobile/landline number (s), and email/alternate email address** should be given underneath the title.
 4. **ACKNOWLEDGMENTS:** Acknowledgements can be given to reviewers, guides, funding institutions, etc., if any.
 5. **ABSTRACT:** Abstract should be in **fully italic printing**, ranging between **150 to 300 words**. The abstract must be informative and elucidating the background, aims, methods, results & conclusion in a **SINGLE PARA**. **Abbreviations must be mentioned in full**.
 6. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of **five**. These should be arranged in alphabetic order separated by commas and full stop at the end. All words of the keywords, including the first one should be in small letters, except special words e.g. name of the Countries, abbreviations etc.
 7. **JEL CODE:** Provide the appropriate Journal of Economic Literature Classification System code (s). JEL codes are available at www.aea-web.org/econlit/jelCodes.php. However, mentioning of JEL Code is not mandatory.
 8. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER**. **It should be free from any errors i.e. grammatical, spelling or punctuation. It must be thoroughly edited at your end.**
 9. **HEADINGS:** All the headings must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
 10. **SUB-HEADINGS:** All the sub-headings must be bold-faced, aligned left and fully capitalised.
 11. **MAIN TEXT:**

THE MAIN TEXT SHOULD FOLLOW THE FOLLOWING SEQUENCE:**INTRODUCTION****REVIEW OF LITERATURE****NEED/IMPORTANCE OF THE STUDY****STATEMENT OF THE PROBLEM****OBJECTIVES****HYPOTHESIS (ES)****RESEARCH METHODOLOGY****RESULTS & DISCUSSION****FINDINGS****RECOMMENDATIONS/SUGGESTIONS****CONCLUSIONS****LIMITATIONS****SCOPE FOR FURTHER RESEARCH****REFERENCES****APPENDIX/ANNEXURE****The manuscript should preferably be in 2000 to 5000 WORDS, But the limits can vary depending on the nature of the manuscript.**

12. **FIGURES & TABLES:** These should be simple, crystal **CLEAR, centered, separately numbered** & self-explained, and the **titles must be above the table/figure. Sources of data should be mentioned below the table/figure. It should be ensured that the tables/figures are referred to from the main text.**
13. **EQUATIONS/FORMULAE:** These should be consecutively numbered in parenthesis, left aligned with equation/formulae number placed at the right. The equation editor provided with standard versions of Microsoft Word may be utilised. If any other equation editor is utilised, author must confirm that these equations may be viewed and edited in versions of Microsoft Office that does not have the editor.
14. **ACRONYMS:** These should not be used in the abstract. The use of acronyms is elsewhere is acceptable. Acronyms should be defined on its first use in each section e.g. Reserve Bank of India (RBI). Acronyms should be redefined on first use in subsequent sections.
15. **REFERENCES:** The list of all references should be alphabetically arranged. **The author (s) should mention only the actually utilised references in the preparation of manuscript** and they may follow Harvard Style of Referencing. **Also check to ensure that everything that you are including in the reference section is duly cited in the paper.** The author (s) are supposed to follow the references as per the following:
- All works cited in the text (including sources for tables and figures) should be listed alphabetically.
 - Use (ed.) for one editor, and (ed.s) for multiple editors.
 - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc., in chronologically ascending order.
 - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
 - The title of books and journals should be in italic printing. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
 - For titles in a language other than English, provide an English translation in parenthesis.
 - **Headers, footers, endnotes and footnotes should not be used in the document. However, you can mention short notes to elucidate some specific point,** which may be placed in number orders before the references.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–23

UNPUBLISHED DISSERTATIONS

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>

A STUDY ON RISK PERCEPTION OF COMMERCIAL BANK TOWARDS AGRICULTURAL FINANCE WITH SPECIAL REFERENCE TO ALAPPUZHA DISTRICT

LIGI JOLLY
ASST. PROFESSOR
N.S.S. COLLEGE
PANDALAM

ABSTRACT

Agriculture is the foundation of a country like India where Kerala especially Kuttanad in Alappuzha district is called the rice bowl of Indian economy. Most of the agricultural land in Kerala is dying due to the non-availability of finance to support farming activities and due to lack of interest of local community towards agrarian activities. Only 30% of local community approaches commercial banks and organised financial institutions to avail credit facilities, rest are still under the clutches of local moneylenders. It is mainly because of lack of awareness of farmers towards various schemes of finance offered through banks or due to poor service of commercial banks. Banks always classify agricultural loans and credit under high-risk category or Non-performing category from their experience of default in payment of interest and principal from the part of farmers. The present study is an attempt to study the risk perception of commercial banks towards agricultural finance and perception of farmers towards various finance related matters in connection with agriculture.

KEYWORDS

agriculture, commercial banks, finance, risk perception.

JEL CODE

A14

INTRODUCTION

Indian economy is an agricultural based economy as it provides food, clothing and other basic necessities for the entire society. It plays a crucial role in the economic life of the Indian society. In the Indian economy, agriculture contributes one-third of the national income. 50-70 percentage of export directly or indirectly originates from agriculture sector and it provides employment to around 60 percent of the workforce. It plays an inevitable role in the economic development and planning of the Indian economy.

To meet the various credit requirements of the farming community, the Government of India has initiated several policy measures and support schemes that are disbursed through multi-agency network consisting of Commercial Banks, Regional Rural banks and cooperatives. Before making any financial decisions, credit analysis should be done by banks and institutions as part of the screening process. The risk profile of borrowers that is trust worthy borrower with low credit risk would be granted loans while a high-risk borrower would be denied. A good pre-credit risk assessment helps financial institution on loan pricing, determining the loan amount, credit risk management and ensuring prompt and timely loan repayment by the borrower. Pre-Credit analysis also includes determining the financial strength of the borrower, estimating the probability of default and reducing the risk of non-payment to an acceptable level.

Realizing the importance of agriculture finance in fostering agricultural growth and promotion, the emphasis on the institutional framework for agricultural finance is being emphasized since the beginning of planned development era in India and still working on it.

REVIEW OF LITERATURE

Prasad (1969) in his study on, "Capital Investment in Agriculture-A Study in Regional Variations" classified the factors responsible for variations in the investment pattern into internal and external factors. The internal factors included those on which the individual has control like cropping pattern, type of farming, the resource position and the progressive nature of the cultivator. External factors are those that create opportunities or the necessary infrastructure conducive to the individual for investing capital in agriculture such as, construction of irrigation projects and provision of cheap credit.

Paradhasarathi (1978) in his work "Agricultural Finance by Commercial Banks Technicalities" stated that over dues had to be analysed by finding the reasons, which forced the loan to become overdue or debt. The causes might be the factors, which were controllable in nature as unsound lending policy, inadequate supervision by bank personnel, poor management by the farmers, or factors, which are uncontrollable in nature such as crop failure due to natural calamities.

Ashok Kumar, Pandey and Sushita Kaul (1987) in their article "Study of Growth and Disparity in Agricultural Advances by Commercial Banks" stated the number of commercial bank branches and their advances to agriculture in Kerala have growth with a compound growth rate of 10.5 per cent and 28.49 per cent respectively during 1969 and 1982. They also found that the per hectare flow in agricultural credit from commercial banks in Kerala increased from Rs. 28.70 during 1969 to Rs. 714.11 during 1982.

Bhat (1995) in his article "Agricultural Borrowers from Banks - A Profile and Policy Implications" has made and attempt to present the profile of the agricultural borrowers from commercial banks, RRBs and cooperative credit societies in Dakshina Kannada District of Karnataka. A high degree of inequalities exists in the ownership of land. The data reveals that 64.2 per cent of the sample beneficiaries are small farmers and 9.2 per cent are big farmers. The study shows that the inequality in the distribution of income is greater 127.8 than the distribution of land 90.4 among beneficiaries. He has suggested that, the cost of institutional credit to the target group should be lower than the cost of credit to the non-target group of borrowers, non interest cost of institutional credit to the target group should be reduced and it is essential to device new measures and schemes of lending to the target group against securities other than land.

S. Gandhimathi and S. Vanitha (2010) in their study "Determinants of Borrowing Behaviour of Farmers - A Comparative Study of Commercial and Cooperative Banks", analysed that the preference of farmers between commercial and cooperative banks for borrowing has been studied with the objectives of finding distribution of institutional credit across various categories of farmers and to assess the coverage and quantum of credit and socio-economic factors which tell on the borrowing behaviour of farmers towards commercial and cooperative banks. In the study, based on 100 farmer borrowers, the discriminant analysis has been carried out. The study has offered some suggestions also for a better access of farmers to institutional credit.

SIGNIFICANCE OF THE STUDY

To insulate farmers against the risks in agriculture, government has launched several schemes such as National Agricultural Insurance scheme and Weather index based crop insurance scheme. But their coverage seems to be limited among the farmers due to lack of full information. Likewise institutional finance is instrumental in acquiring productive form assets and development of irrigation facilities. But the recovery of loans granted through various institutions is become a difficult task which requires collective effort of banks and loaners.

STATEMENT OF THE PROBLEM

'Agriculture is the back-bone of Indian economy'. The agricultural sector is important for food security, employment generation and economic growth. But it is showing a downward trend. Green revolution in the early stage did augmented the food grain production but became a cause for unsustainable agriculture due to lack of knowledge base. In Kerala, especially in Alapuzha District agriculture and farming activities are the most overriding sectors of the economy.

Intitutional support is essential for the promotion and development of agricultural sector. Farmers approach banks and cannot get loan from the banks due to the reason of holding small sized land. Due to non availability of credit, lack of institutional support and substandard inputs, farmers have committed suicide at the age of 40-50. At the time of independence the most important source for agricultural credit was money lenders. Money lenders accounted for as much as 71.6 percent of rural credit during this period. The almost total dependence of the farmers on the money lenders, enabled them to dictate terms and exploit farmers in a number of ways like money lenders charged high rate of interest and also forced the farmers to sell their produce to them at lower prices.

The government of India mandated commercial banks to give credit facilities to the agricultural sector of the country in order to expand the scope of farm operations, adoption of new technologies, enhance optimal use of farm inputs and increase agricultural production and hence increase attainment of food self-sufficiency. Unfortunately inspite of the importance of loan in agricultural production, its repayment is fraught with a number of problems especially in the small holder farming. The poor repayment of loan has affected so many financial institutions to the extent of causing them to liquidate. Over the years, farmers have been found to be insensitive or unresponsive on repayment of agricultural loan obtained from the banks.

Because of the above cited importance, it is worthwhile to conduct a study on credit risk faced by commercial banks in Kerala with respect to agricultural finance with special reference to Alapuzha district.

RESEARCH OBJECTIVES

1. To analyse the risk perception of commercial banks towards agricultural finance with reference to Alapuzha district.
2. To study the socio-economic condition of the farmers availing agricultural loans from banks through various schemes.
3. To analyze whether there is any difference in the perception of commercial banks regarding agricultural finance and other form of finance.
4. To identify the various credit schemes followed by the commercial banks and the loans sanctions under various schemes.
5. To understand the risk mitigation measures implemented by the Government.

METHODOLOGY

The following methodology is adopted for conducting the present study. The study is an analytical one based on primary as well as secondary sources of data

SOURCES OF DATA

Both primary and secondary data are to be used for the study. Primary data is to be collected directly from commercial banks and farmers in Alappuzha district by using questionnaire and interview schedule. Secondary data is to be collected from published books, journals, magazines and websites.

POPULATION

The population for the study consists of commercial banks and farmers of Alapuzha District, Kerala.

SAMPLE

Random sampling method is adopted for selecting the sample population. There are 20 different kinds of commercial banks and around 122 branches in Alapuzha district. 5 branches of 12 banks ie.60 banks have been selected, representing different kinds of banks and data have been collected from 240 respondents (12 banks*20 framers).

TOOLS FOR ANALYSIS

For the purpose of analyzing and interpreting the data, percentages are to be used.

RESULTS AND DISCUSSIONS

Data collected from the commercial banks were

1. State bank of India
2. Bank of India
3. Canara Bank
4. Corporation Bank
5. Indian Overseas Bank
6. Central Bank of India
7. Bank of Baroda
8. Punjab National Bank
9. Syndicate bank
10. Union Bank of India
11. Oriental bank
12. UCO bank

TABLE 1: NATURE OF FARMERS

Type of farmers	Below 10 years	10-20 years	Above 20 years	Total
Traditional	20	120	20	160
Non traditional	20	45	15	80
Total	40	165	35	240

Source: Primary data

Interpretation: out of 240 farmers 160 are traditional farmers and rest are non-traditional.

TABLE 2: NATURE OF OWNERSHIP

Nature of land	Below 5 acres	5-10 acres	Above 10 acres
Own land	60	10	10
Leasehold	70	20	30
Tenant farming	10	10	-
Share cropping	20	-	-

Source: Primary Data

Interpretation: The above table shows the categorisation of farmers on the basis of nature and size of agricultural land

TABLE 3: SIZE OF CULTIVABLE LAND

Size of land	Below 2.5 acres	2.5-5 acres	Above 5 acres
Own land	40	30	10
Leasehold land	80	10	22
Teasant farming	10	10	-
Share cropping	20	-	-

Source: Primary Data

Interpretation: Table shows the size of cultivable land on the basis its nature.

TABLE 4: CROPPING PATTERN

Pattern	Below 2.5 acres	2.5-5 acres	Above 5 acres
paddy	100	30	30
vegetables	10	20	25
Tuberous	20	10	10

Source: Primary Data

Interpretation: Paddy is the main crop cultivated by the farmers

TABLE 5: REMEDIES TO AVOID DEFAULT PAYMENT

Remedies	Number	Percentage
Prior assessment of borrower	20	33
Collateral security	20	33
Crop insurance	16	28
Reminder	2	3
penalty	2	3
rewards	-	-
Total	60	100

Source: Primary Data

Interpretation: Banks can reduce the possibility of non payment of dues by resorting remedial measures

FIGURE 1

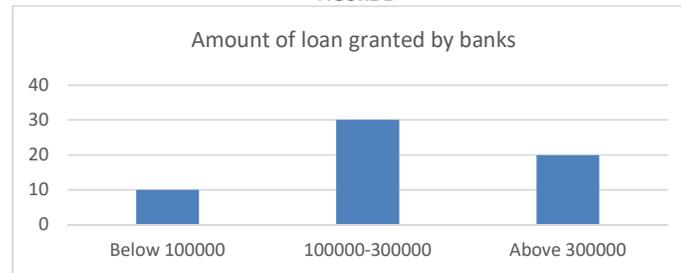


FIGURE 2

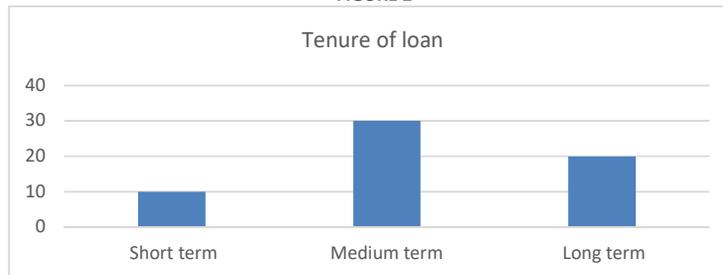


FIGURE 3

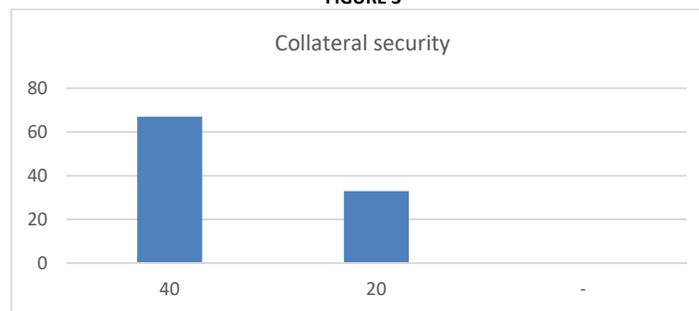


FIGURE 4

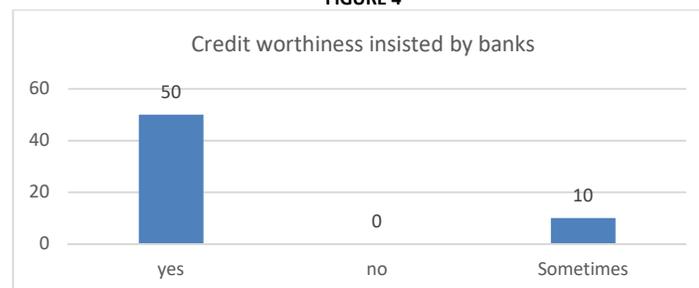


FIGURE 5

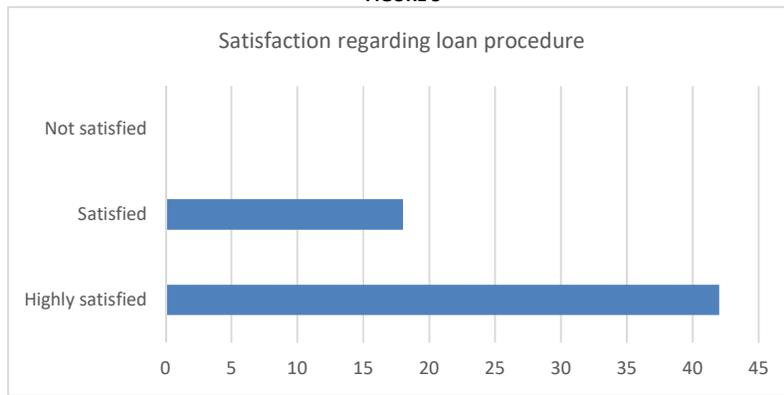


FIGURE 6

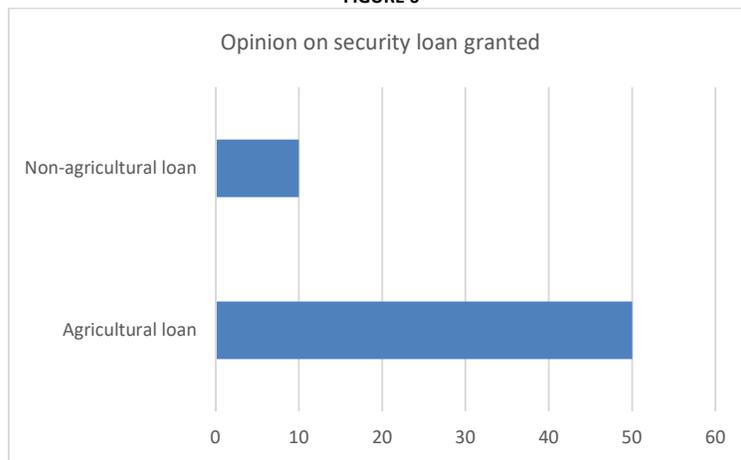


FIGURE 7

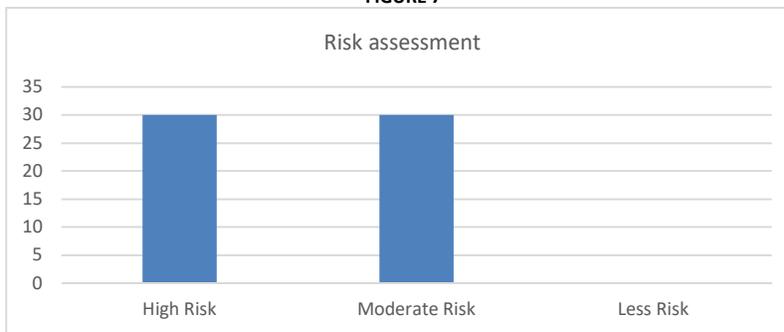


FIGURE 8

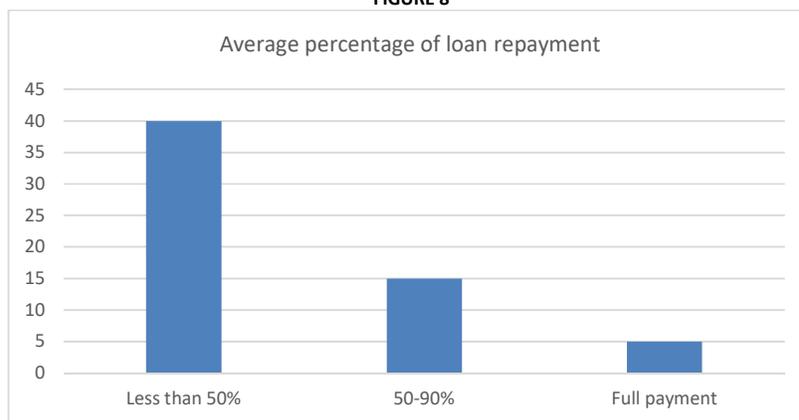


FIGURE 9

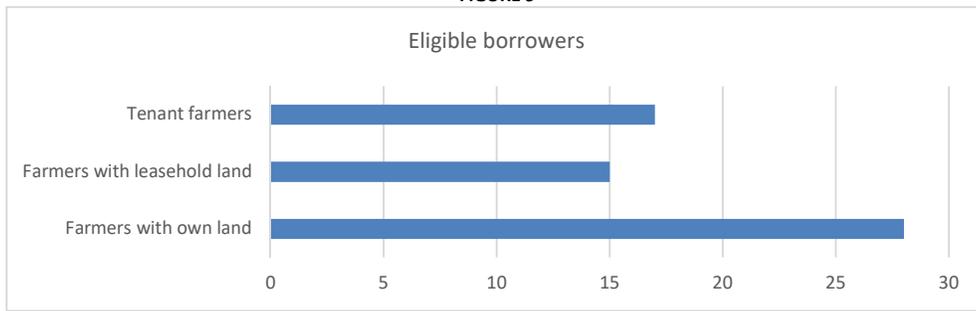


FIGURE 10

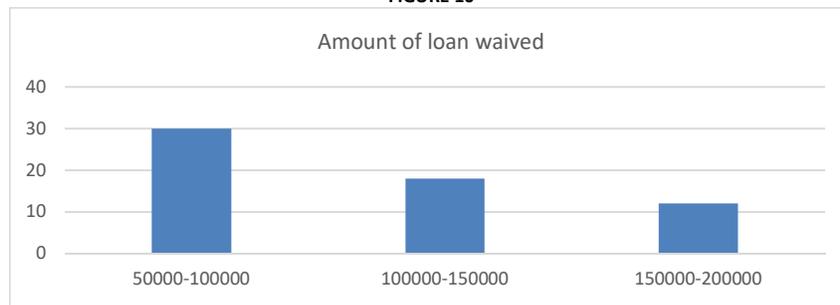


FIGURE 11

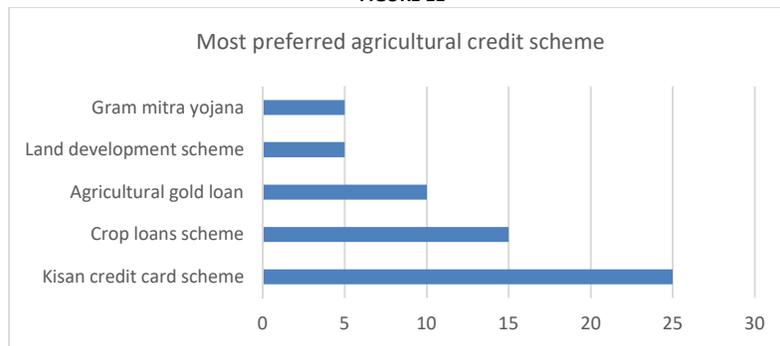
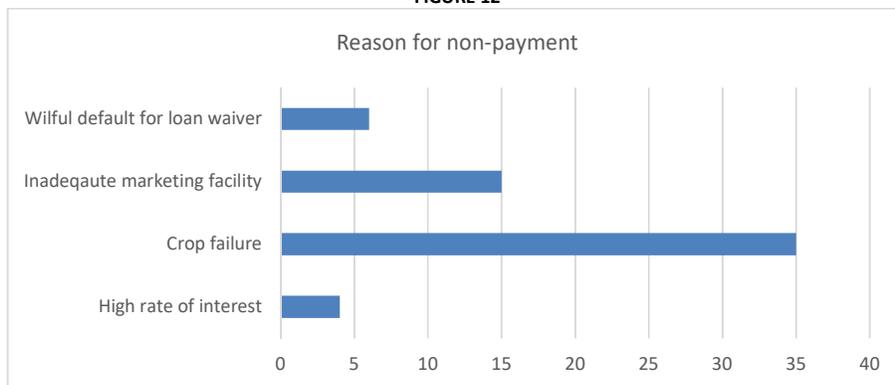


FIGURE 12



FINDINGS

The study was conducted among 60 branches of 12 banks. Among the 122 branches of 20 commercial banks and among 240 farmers. 5 branches of 12 banks were selected for the study to ease the availability of data

- 5 branches of SBI, Bank of India, Canara Bank, Corporation Bank, Indian Overseas Bank, Central Bank of India, Bank of Baroda, Syndicate Bank, Union Bank of India, Oriental Bank of Commerce, UCO bank, were selected for the study.
- 50% of banks prefer to give Rs. 100000-300000 as agricultural loan and 33% has given loan exceeding Rs. 300000.
- Medium term loans are preferred by most of the commercial banks to secure their loan amount.
- 67% of banks charges below 5% interest for most of the agricultural credit schemes offered.
- 83% of banks always prefer to insist on bringing margin money for raising loans.
- 67% of banks prefer collateral security at the time of availing loan, if loan amount exceeding Rs. 50000 and sometimes it is not mandatory for those farmers who have good track record with the bank.
- 83% of banks assess credit worthiness of borrowers before granting agricultural credit.
- 83% of banks are of the opinion that farmers are well aware about various schemes offered by the banks, 17% thinks that awareness level is nil.

9. 70% of banks thinks that farmers are satisfied with the loan procedures followed in their banks it is because most of the banks offer 'Help Desk 'facility for ill-literate farmers.
10. 83% of banks think that Non-agricultural loans are much secured than agricultural credit and 50% of them thinks that agricultural loans are highly risky and the other half thinks that they have moderate risk.
11. In the opinion of banks, very less percentage of farmers makes full settlement of their dues in time.
12. Banks grants loans mainly for development of agricultural alns. 13% grants for purchasing the agricultural land, 35% grants loan for purchasing fertilizers and seeds. Some banks grants loans even for paying-off the earlier debts of farmers.
13. 47% banks secure their loan by granting credit to farmers with own land, 28% grant loans to leasehold tenants, 25% to tenant farmers.
14. 50% are of the opinion that farmers sometimes make prompt payment which will depends upon the amount of loan and risk factor associated with their farming activities.
15. 50% of banks thinks that farmers are satisfied with the interest rates charged on various schemes, 33% thinks that farmers are highly satisfied in the interest rate offered on various agricultural credit schemes.
16. 92% banks undertake follow-up actions to secure their loans from becoming Non-performing asset.in order to avoid these banks always sends reminders and notices to ensure prompt and timely payment.
17. Most of the banks have waived agricultural loan once in 10 years.
18. 42% of banks thinks that their customers are highly satisfied in their services.
19. Banks thinks that crop failure is the main reason for non-payment of agricultural credit
20. Majority of the banks charge penal arte of interest from the default farmers.
21. 75% of banks have availed assistance from government in connection with agricultural credit.
22. 33% of banks thinks that prior assessment on credit worthiness of borrower and by means of collateral can reduce agricultural loans to become NPA. 28% thinks that farmers themselves can secure from losses by means of crop insurance. Reminders and rewards can reduce willful default of farmers to an extent.

SUGGESTIONS

From the findings drawn from the study, Followings suggestions are made.

SUGGESTION TO BANKS

1. The agriculture finance should be provided to fairly long period and it should be provided at lower rate of interest.
2. The finance should be granted against collateral security of borrowers.
3. Banks should make effort to establish a close relation with the borrowers.
4. Banks should conduct meeting in the villages of farmers to educate them regarding the various schemes offered by the banks.
5. Bank officers should render necessary advisory services to the borrowers. This post finance follow up action act as a check on finance utilisation.
6. Farmers should be provided guidance for improved farming techniques, balanced fertilisation, use of water saving devices and proper plant protection measures.
7. Viable schemes for soil and water conservation on water-shed basis should be formulated and implemented through bank finance in order to bring more area under cultivation and to increase the productivity of land.
8. The loans should be advanced only to the needy and deserving farmers who have high degree of integrity and are equipped with honest sense of financial management.
9. Publicity of agricultural finance schemes should be arranged through media like radio, television etc.
10. Banks should take efforts to send reminders and notices to ensure the prompt payment of borrowers
11. Banks should simplify their loan procedures so that farmers get access to Banks.
12. Banks should insist margin from borrowers while granting loans.
13. Prior assessment of credit worthiness and previous track record of borrowers can reduce risk in connection with agricultural credit.
14. Banks should advice farmers to undertake crop insurance policy to hedge them against crop failures.
15. Banks should waive loans of only trustworthy and high indebted farmers to avoid suicide and other life threatening issues.

CONCLUSION

The present study was conducted to analyse the attitude and perception of commercial banks in Kerala, particularly in Alappuzha district towards various credit facilities offered to farmers. It has been recognized that banks considers credit assistance for farming activities attract a substantial amount of risk from their earlier experience. Due to various factors such as crop failure, lack of availability of rain, lack of adequate marketing facilities farmers are unable to make prompt payment of their dues, which may ultimately increases their indebtedness and finally results in suicides, which is a social injustice to the mankind. Banks are taking efforts to avoid such evil effects through loan waiver scheme, crop insurance etc. It is to be concluded that government should redefine agricultural and credit policies such a way that farmers are get benefitted through various subsidies and concessions.

REFERENCES

1. Abedullah, N. Mahmood, M. Khalid1 and S. Kouser (2010) "The Role of Agricultural Credit in the Growth of Livestock Sector: A Case Study of Faisalabad" Department of Environmental and Resource Economics; University of Agriculture, Faisalabad, Pakistan.
2. Arunajatesan. S and Balaji. S, "Financing Agriculture – Need to Adopt an Area-wise Approach", The Hindu Business Line, dated 09-11-1997.
3. Ashok Kumar, Pandey and Sushita Kaul, "Study of Growth and Disparity in Agricultural Advances by Commercial Banks", Financing Agriculture, 19 (1), 1987: 14 – 15.
4. Balishter and Singh, "A Study on Institutional Finance in Agriculture", Agriculture Situations in India, 24(11), 1986.
5. Banerjee. P. K. (1970), "Indian Agricultural Economy", New Delhi: Chaitanya Publication.
6. Basu. S. K. (1979), "Commercial Banks and Agricultural Credit – A study of Regional Disparity in Indian Allied Publications", Bombay.
7. Betty Kibaara and James Nyoro, "Expanding the Agricultural Finance Frontier: A Kenyan Case" Institute of Agricultural Policy and Development, P.O Box 20498-00200 Nairobi, Kenya AAAE Conference Proceedings 287-290. 2007.
8. Bhat, "Agricultural Borrowers from Banks-A Profile and Policy Implications", Financing Agriculture, 27 (2), 1995.
9. Bhuvaneswari and Algumani, "Determinants of Capital Formation in Agriculture in Dindigul, Anna District, Tamilnadu", Indian Journal of Agricultural Extension, 51(4), 1996: 602 – 603
10. C. Mahadeva Murthy B. H. Suresh and K. P. Veena, "Dimensions of Institutional Finance for Agricultural Activities: An Analysis" Indian Management Studies Journal. 2009.

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Computer Application & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue, as well as on the journal as a whole, on our e-mail infoijrcm@gmail.com for further improvements in the interest of research.

If you have any queries, please feel free to contact us on our e-mail infoijrcm@gmail.com.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward to an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-

Co-ordinator

DISCLAIMER

The information and opinions presented in the Journal reflect the views of the authors and not of the Journal or its Editorial Board or the Publishers/Editors. Publication does not constitute endorsement by the journal. Neither the Journal nor its publishers/Editors/Editorial Board nor anyone else involved in creating, producing or delivering the journal or the materials contained therein, assumes any liability or responsibility for the accuracy, completeness, or usefulness of any information provided in the journal, nor shall they be liable for any direct, indirect, incidental, special, consequential or punitive damages arising out of the use of information/material contained in the journal. The journal, neither its publishers/Editors/ Editorial Board, nor any other party involved in the preparation of material contained in the journal represents or warrants that the information contained herein is in every respect accurate or complete, and they are not responsible for any errors or omissions or for the results obtained from the use of such material. Readers are encouraged to confirm the information contained herein with other sources. The responsibility of the contents and the opinions expressed in this journal are exclusively of the author (s) concerned.

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals

