

A STUDY OF FARMERS PERCEPTION TOWARDS AGRICULTURAL LOANS SANCTIONED BY PRIVATE BANKS: AXIS BANK

¹GONDYALA ARCHANA, ²DHULLA SRISAILAM

¹Student, ²Assistant Professor, Department of MBA, TEEGALA KRISHNA REDDY ENGINEERING COLLEGE, MEDBOWLI, MEERPET, BALAPUR, HYDERABAD, TELANGANA-500097

ABSTRACT

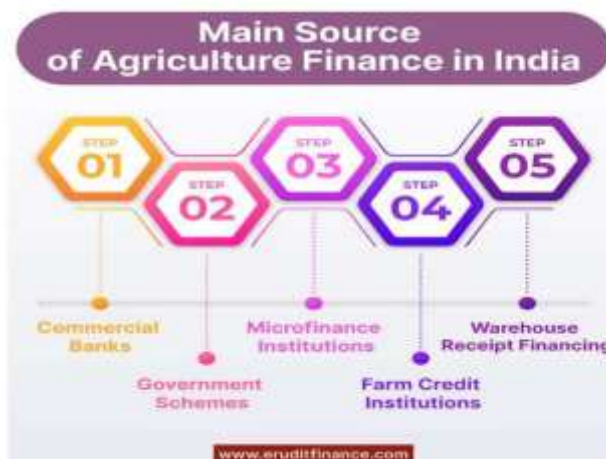
Agricultural finance plays a pivotal role in enhancing farm productivity, ensuring rural development, and improving the socio-economic conditions of farmers. This study investigates farmers' perceptions towards agricultural loans sanctioned by Axis Bank in Rangareddy District, Telangana. The research focuses on understanding the level of awareness, satisfaction, accessibility, and challenges faced by farmers while availing agricultural credit facilities. A descriptive research design was adopted using both primary and secondary data sources. Primary data were collected through a structured questionnaire administered to 150 farmers, while secondary information was gathered from journals, reports, books, and bank publications. The findings reveal that agricultural loans significantly support farmers in purchasing quality inputs, adopting modern technologies, and improving agricultural productivity. However, several challenges persist, including inadequate awareness of loan schemes, collateral requirements, procedural complexities, delayed loan processing, and repayment difficulties due to uncertain agricultural income. The study further highlights the importance of financial literacy and farmer-friendly banking practices in promoting institutional credit usage. Axis Bank's agricultural loan products have positively contributed to rural financial inclusion, yet continuous improvements in service quality, awareness programs, and customized financial solutions are required. The study concludes that effective agricultural financing mechanisms are essential for sustainable agricultural growth and enhanced farmer welfare.

Keywords: Agricultural Finance, Farmers' Perception, Agricultural Loans, Axis Bank, Rural Credit, Financial Inclusion, Farmer Satisfaction, Agricultural Development.

I. INTRODUCTION

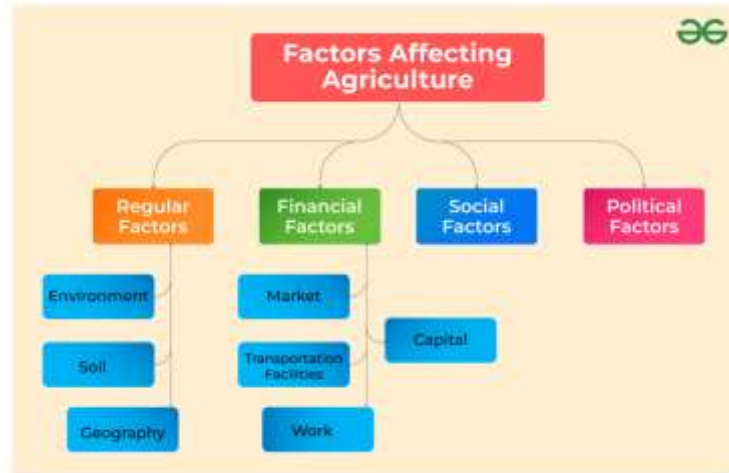
Agriculture remains the backbone of the Indian economy and continues to be a major source of livelihood for rural households. Access to timely and adequate agricultural finance is essential for ensuring sustainable agricultural production and rural development [1]. Agricultural credit enables farmers to purchase quality seeds, fertilizers, machinery, irrigation equipment, and other farm inputs necessary for increasing productivity [2]. Institutional finance has gradually replaced informal lending systems that often impose exorbitant interest rates on farmers [3]. The expansion of agricultural credit has significantly contributed to modernization in farming practices [4]. Financial institutions such as commercial banks, cooperative banks, and regional rural banks have played a vital role in extending credit support to the agricultural sector [5]. Government initiatives such as the Kisan Credit Card Scheme have further enhanced access to formal credit among farmers [6]. Agricultural finance not only supports crop production but also facilitates investment in farm infrastructure and allied agricultural activities [7]. The availability of affordable credit improves farm income and reduces rural poverty [8]. Credit accessibility strengthens farmers' resilience against climate uncertainties and market fluctuations [9]. Institutional lending has also contributed to increasing agricultural productivity and food security in India [10]. The role of

private sector banks in agricultural financing has expanded considerably in recent years [11]. Axis Bank has emerged as one of the leading private banks providing diverse agricultural loan products to support farmers' financial requirements [12]. The bank offers customized loan schemes for crop cultivation, horticulture, poultry, fisheries, and agricultural infrastructure development [13]. These financial services have improved credit accessibility and strengthened rural financial inclusion [14]. Farmers increasingly rely on banking institutions for fulfilling both productive and consumption-related financial needs [15].



Despite substantial improvements in agricultural lending, farmers continue to face numerous challenges while accessing institutional credit [16]. Limited financial literacy often prevents farmers from understanding loan procedures and government subsidy schemes [17]. Complex documentation requirements and collateral obligations act as barriers to obtaining agricultural loans [18]. Small and marginal farmers frequently experience difficulties in meeting eligibility criteria established by financial institutions [19]. High transaction costs and lengthy approval processes discourage many farmers from seeking formal credit [20]. Seasonal agricultural income patterns create repayment challenges and increase the risk of loan default [21]. Inadequate awareness regarding insurance schemes and risk mitigation measures further affects farmers' financial stability [22]. Studies have indicated that farmer satisfaction with agricultural loans is influenced by service quality, interest rates, loan processing time, and accessibility of banking services [23]. Understanding farmers' perceptions is therefore critical for improving agricultural financing policies [24]. Farmers' attitudes towards institutional credit significantly influence loan utilization and repayment behavior [25]. Evaluating customer satisfaction helps banks identify service gaps and improve financial product delivery [26]. Private banks have increasingly adopted technology-driven solutions to simplify agricultural loan processing [27]. Digital banking initiatives have

enhanced transparency and operational efficiency in rural lending [28]. Nevertheless, there remains a need to strengthen farmer awareness programs and financial education initiatives [29]. Therefore, this study examines farmers' perceptions towards agricultural loans sanctioned by Axis Bank and evaluates the factors influencing their satisfaction and borrowing experiences [30].



II. LITERATURE SURVEY

Several researchers have examined the significance of agricultural credit in promoting rural development and agricultural productivity. Pareek and Sharma reported that small and marginal farmers continue to depend heavily on non-institutional credit due to inadequate awareness and limited collateral availability [1]. Sharma and Goyal observed that institutional agricultural credit has expanded considerably, yet credit delivery remains insufficient for many rural households [2]. Narayanan found a positive relationship between formal agricultural credit and agricultural productivity growth [3]. Chinnappa highlighted that loan waiver schemes often fail to benefit prompt loan repayment farmers [4]. Henderson emphasized that declining farm incomes adversely affect loan repayment capacity and credit accessibility [5]. Upendranadh reported that small farmers face significant challenges due to fluctuating agricultural incomes and high interest rates [6]. Sourovi De observed that cumbersome procedures and documentation requirements discourage farmers from accessing formal credit institutions [7]. Devaraja identified inadequate rural credit access as a major factor contributing to agricultural distress [8]. Alagh emphasized the need for region-specific agricultural financing strategies to enhance rural development [9]. Planning Commission reports highlighted gaps in priority sector lending and the need for effective implementation of interest subvention schemes [10]. Various studies have confirmed that agricultural finance contributes significantly to technological adoption and farm modernization [11]. Researchers have also established the positive influence of institutional lending on rural employment generation and income enhancement [12]. Agricultural credit has emerged as a key instrument for poverty reduction and sustainable development [13]. Studies have further emphasized the importance of strengthening formal financial institutions in rural areas [14]. Financial inclusion initiatives have improved banking penetration among farmers [15].

Recent studies have focused on farmers' perceptions and satisfaction regarding agricultural banking services. Researchers found that service quality significantly influences farmers' willingness to avail institutional loans [16]. Awareness of loan products and government schemes positively affects credit utilization [17]. Financial

literacy has been identified as a critical determinant of successful loan adoption [18]. Several studies reported that collateral requirements remain a major obstacle for small farmers [19]. Loan processing delays negatively influence customer satisfaction [20]. Technology-enabled banking services have improved transparency and reduced transaction costs [21]. Digital financial platforms have enhanced accessibility to rural credit [22]. Researchers also highlighted the importance of customized financial products tailored to agricultural income cycles [23]. Effective risk management and crop insurance support improve repayment performance [24]. Studies indicate that farmer satisfaction increases when banks provide flexible repayment schedules [25]. Customer-centric banking services enhance long-term relationships between farmers and financial institutions [26]. Rural branch expansion has improved financial accessibility [27]. Agricultural lending contributes significantly to livelihood improvement and economic stability [28]. Strengthening agricultural credit systems remains essential for achieving sustainable agricultural growth [29]. Therefore, understanding farmers' perceptions is crucial for improving institutional agricultural finance delivery mechanisms [30].

III. RESEARCH METHODOLOGY

The present study adopts a descriptive research design to examine farmers' perceptions towards agricultural loans sanctioned by Axis Bank. The research aims to evaluate farmers' awareness, satisfaction levels, accessibility to agricultural credit, and challenges encountered during loan acquisition and repayment. Both primary and secondary sources of data were utilized to ensure comprehensive analysis. Primary data were collected directly from respondents through a structured questionnaire designed to capture socio-economic characteristics, loan utilization patterns, satisfaction levels, and problems faced while availing agricultural finance. Secondary data were obtained from books, journals, government reports, banking publications, research articles, NABARD reports, RBI publications, and agricultural finance literature. The study area selected was Rangareddy District, Telangana, where agriculture remains a major economic activity and institutional agricultural finance plays a crucial role in supporting farming operations.

A sample of 150 farmers was selected using a simple random sampling technique to ensure unbiased representation of the farming population. The questionnaire consisted of both closed-ended and structured questions to facilitate quantitative analysis. The collected data were systematically classified, tabulated, and analyzed using percentage analysis and descriptive statistical techniques. Demographic variables such as age, gender, education, landholding size, farming experience, and income levels were examined to understand their influence on farmers' perceptions towards agricultural loans. Factors such as awareness of loan schemes, interest rates, loan processing time, collateral requirements, repayment flexibility, and service quality were analyzed to evaluate customer satisfaction. The findings were interpreted using statistical summaries and comparative analysis. The methodology ensures reliability and validity by adopting standardized data collection procedures and objective analytical techniques. The overall approach facilitates a comprehensive understanding of the effectiveness of Axis Bank's agricultural financing services and provides valuable insights for improving institutional agricultural credit delivery mechanisms to better serve the farming community.

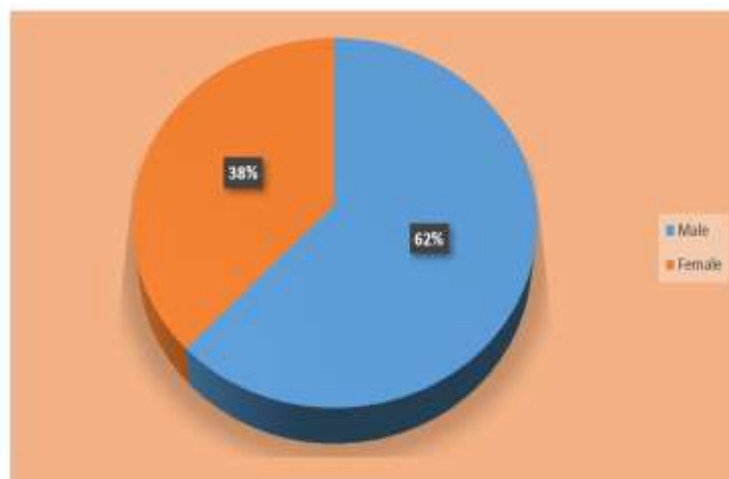
IV. RESULTS & DISCUSSION

The study reveals that agricultural loans provided by Axis Bank play a significant role in supporting farming activities and enhancing agricultural productivity. The majority of respondents acknowledged that institutional

credit enables them to purchase agricultural inputs, invest in farm equipment, and manage cultivation expenses effectively. Most farmers expressed moderate to high levels of satisfaction with the availability of agricultural loan products and the financial assistance offered by the bank. The findings indicate that middle-aged farmers constitute the largest group of borrowers, reflecting their active involvement in agricultural operations and financial decision-making. Awareness regarding agricultural loan schemes was found to be reasonably high among respondents; however, knowledge about government subsidy programs, crop insurance schemes, and interest subvention benefits remained limited. Several farmers reported challenges associated with documentation requirements, collateral obligations, and lengthy loan approval procedures. Small and marginal farmers particularly experienced difficulties in meeting eligibility criteria and providing sufficient security for obtaining loans.

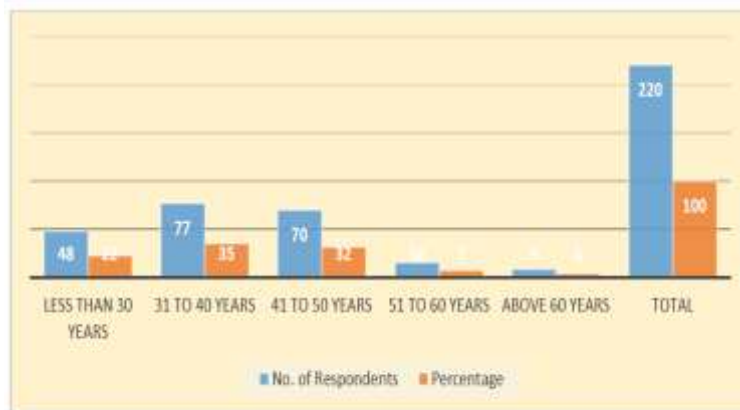
Gender	No. of Respondents	Percentage
Male	136	62
Female	84	38
Total	220	100

Source: Survey data



Age	No. of Respondents	Percentage
Less than 30 years	48	22
31 to 40 years	77	35
41 to 50 years	70	32
51 to 60 years	16	7
Above 60 years	09	4
Total	220	100

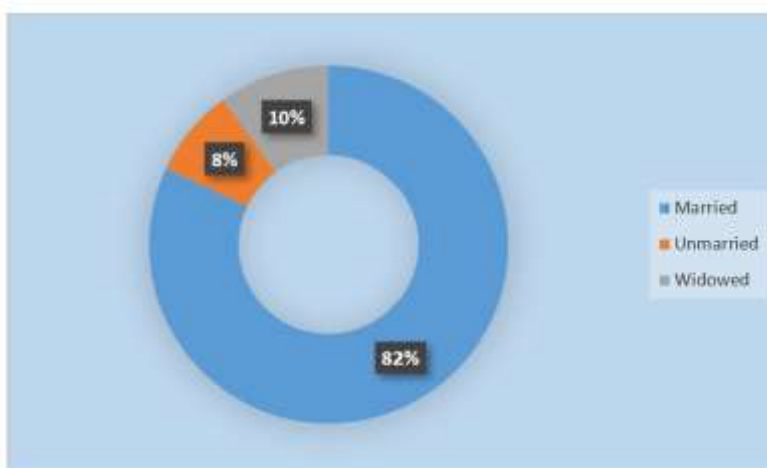
Source: Survey data



The study also found that repayment capacity is strongly influenced by climatic conditions, market price fluctuations, and seasonal agricultural income patterns. Delays in crop income frequently create repayment stress and increase financial vulnerability among farmers. Despite these challenges, respondents appreciated the professionalism, customer service, and accessibility of Axis Bank's agricultural lending services. The findings suggest that financial literacy programs, simplified documentation procedures, faster loan processing systems, and flexible repayment schedules can substantially improve farmer satisfaction. Strengthening awareness campaigns and expanding customized agricultural financial products can further enhance institutional credit adoption and promote sustainable agricultural development in rural areas.

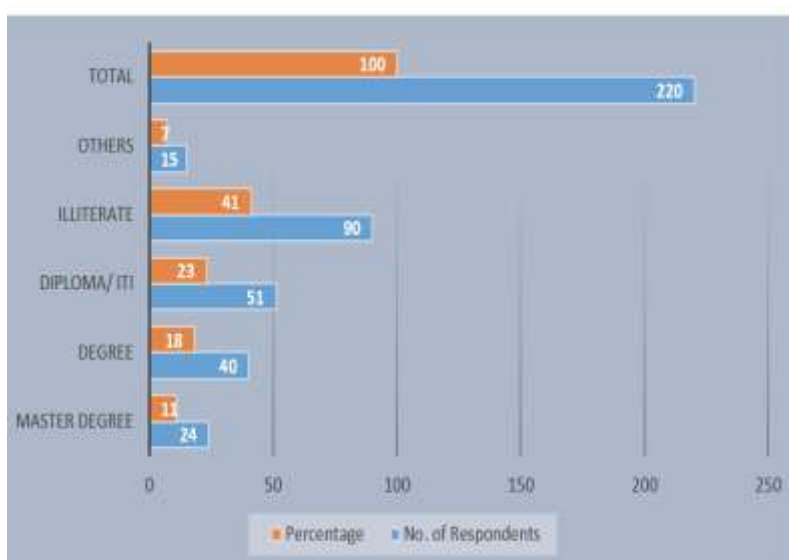
Marital	No. of Respondents	Percentage
Married	180	82
Unmarried	19	8
Widowed	21	10
Total	220	100

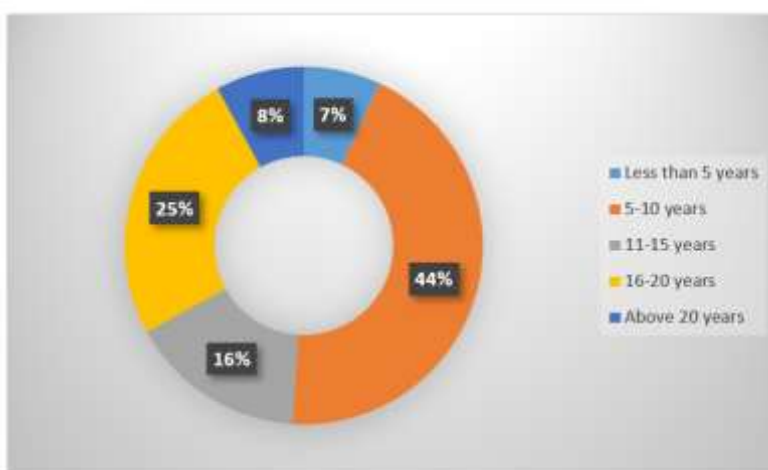
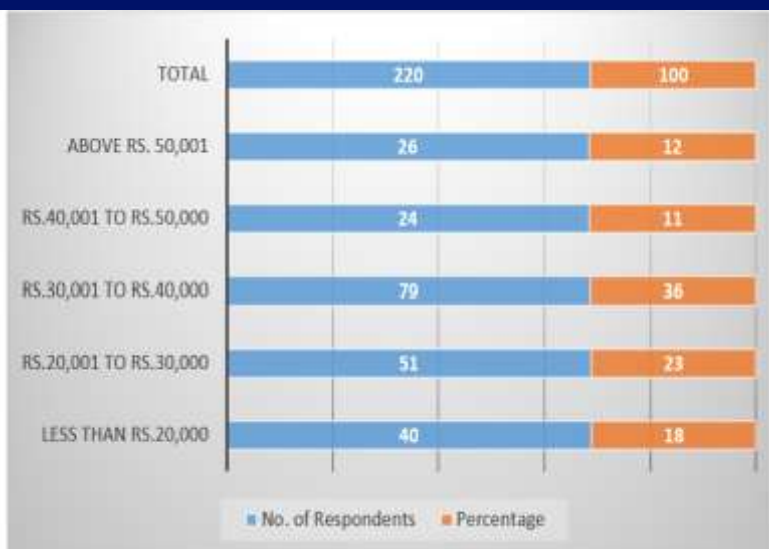
Source: Survey data



Qualification	No. of Respondents	Percentage
Master Degree	24	11
Degree	40	18
Diploma/ ITI	51	23
Illiterate	90	41
Others	15	07
Total	220	100

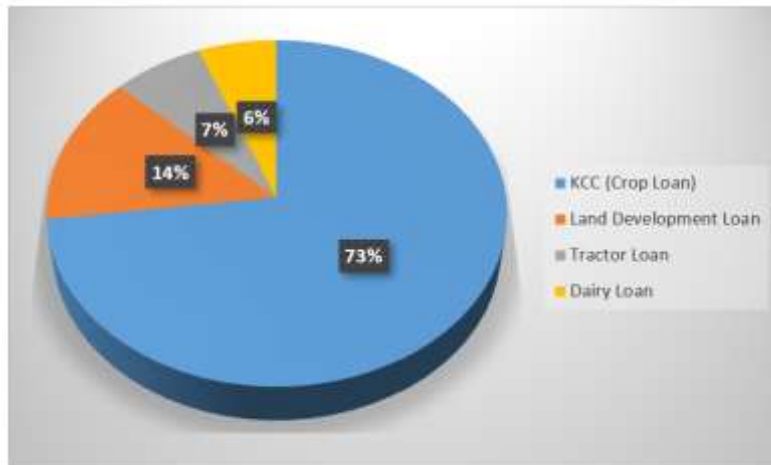
Source: Survey data





Details	No. Respondents	Percentage
A tractor	44	20
An irrigation	90	41
A storage facility	42	19
Improved seeds, pesticides etc.	44	20
Total	220	100

Source: Survey data



V. CONCLUSION

Agricultural finance is a critical instrument for promoting agricultural growth, rural development, and farmer welfare. The present study examined farmers' perceptions towards agricultural loans sanctioned by Axis Bank and identified key factors influencing awareness, accessibility, satisfaction, and utilization of agricultural credit. The findings demonstrate that institutional finance significantly contributes to agricultural productivity by enabling farmers to invest in modern inputs, technologies, and infrastructure. Axis Bank has played an important role in expanding financial inclusion through its diverse agricultural loan products designed to meet the needs of different categories of farmers. However, the study also highlights several challenges faced by borrowers, including limited awareness of government support schemes, collateral requirements, procedural complexities, and repayment difficulties arising from uncertain agricultural income. These challenges particularly affect small and marginal farmers who often possess limited financial resources and risk-bearing capacity. Improving financial literacy, simplifying loan procedures, and introducing flexible repayment mechanisms can enhance the effectiveness of agricultural lending programs. Banks should strengthen outreach initiatives and adopt farmer-centric approaches to increase trust and accessibility among rural borrowers. The integration of digital technologies can further improve transparency, reduce processing time, and enhance service delivery. Policymakers and financial institutions must work collaboratively to create an inclusive agricultural finance ecosystem that addresses the specific needs of farmers. Overall, the study concludes that efficient and accessible agricultural financing systems are essential for sustainable agricultural development, increased farmer prosperity, and long-term economic growth in rural India.

References

1. Alagh, Y. K. (2011). *The future of Indian agriculture*. NABARD Publications.
2. Axis Bank. (2023). *Agricultural business loans and rural banking services*. Axis Bank Publications.
3. Chinnappa, J. (2010). Coffee loan waiver schemes and farmers' perceptions. *Indian Journal of Agricultural Economics*, 65(2), 134–142.
4. De, S. (2010). Agricultural credit delivery and rural lending practices in India. *Agricultural Finance Review*, 70(3), 245–259.
5. Devaraja, T. S. (2011). Rural credit and agricultural development in India. *Economic Affairs*, 56(4), 311–

- 318.
6. Government of India. (2022). *Agricultural statistics at a glance*. Ministry of Agriculture.
 7. Henderson, J. (2010). Financial challenges facing farm enterprises. *Federal Reserve Bank Review*, 92(4), 45–58.
 8. Kaur, P., & Singh, R. (2019). Agricultural finance and farmer welfare. *Indian Journal of Economics and Development*, 15(3), 410–418.
 9. Mishra, A., & Padhan, P. (2021). Financial inclusion and agricultural growth. *Rural Development Journal*, 37(2), 121–134.
 10. NABARD. (2021). *Annual report 2020–21*. National Bank for Agriculture and Rural Development.
 11. Narayanan, S. (2021). Productivity impact of agricultural credit in India. *Agricultural Economics Research Review*, 34(1), 87–99.
 12. OECD. (2022). *Financing agriculture and rural development*. OECD Publishing.
 13. Pareek, S., & Sharma, R. (2024). Agricultural credit sources in India. *International Journal of Agricultural Finance*, 18(1), 22–35.
 14. Planning Commission. (2011). *Report on agricultural credit and rural finance*. Government of India.
 15. Reserve Bank of India. (2021). *Report on trend and progress of banking in India*. RBI.
 16. Sharma, A., & Goyal, P. (2022). Recovery performance of agricultural loans in India. *Journal of Rural Finance*, 14(2), 55–70.
 17. Singh, K., & Verma, S. (2018). Agricultural credit accessibility among small farmers. *Indian Journal of Rural Studies*, 25(1), 67–81.
 18. World Bank. (2020). *Agricultural finance and financial inclusion*. World Bank Publications.
 19. Upendranadh, C. (2010). Sustainability of agricultural credit support mechanisms. *Indian Cooperative Review*, 48(2), 89–101.
 20. Ahmed, N., & Khan, S. (2019). Agricultural lending and productivity. *Journal of Development Studies*, 12(4), 233–245.
 21. Gupta, V., & Mehta, R. (2020). Farmers' satisfaction towards institutional finance. *International Journal of Rural Management*, 16(2), 177–190.
 22. Kumar, R., & Patel, D. (2021). Credit accessibility and rural development. *Journal of Agricultural Development*, 11(3), 99–112.
 23. Rao, P., & Reddy, V. (2020). Role of commercial banks in agricultural finance. *Indian Banking Review*, 7(1), 15–28.
 24. Singh, M., & Kaur, H. (2022). Digital banking and agricultural lending. *International Journal of Banking Technology*, 9(2), 58–72.
 25. Thomas, J., & George, A. (2021). Financial literacy among farmers. *Rural Finance Journal*, 13(1), 41–55.
 26. Patel, R., & Shah, M. (2020). Institutional finance and farmer empowerment. *Journal of Agricultural Policy*, 8(3), 120–132.
 27. Kumar, S., & Jain, P. (2021). Agricultural loan utilization behaviour. *Indian Journal of Finance*, 15(4), 44–57.



28. Reddy, G., & Rao, B. (2022). Risk management in agricultural finance. *Journal of Rural Economics*, 18(2), 66–79.
29. FAO. (2021). *Agricultural finance and rural prosperity*. Food and Agriculture Organization.
30. United Nations. (2022). *Sustainable agriculture and financial inclusion*. United Nations Publications.