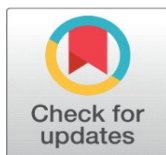
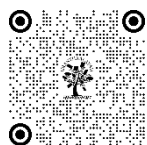


MICRO CREDIT LENDING BY COMMERCIAL BANKS UNDER PRIORITY SECTOR (WITH SPECIAL REFERENCE TO KRISHNAGIRI DISTRICTS)

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ABSTRACT

Micro finance is playing predominant role in constructing the economy of the modern world. Micro finance concepts are used in all the countries without differences. But it is widely used in the developing countries like India, Uganda, Indonesia, Serbia, and Honduras for sustainable growth in the diversified fields. Social developments are possible only where financial independence is available to the different interest participants. This purpose is fulfilled by the micro finance. It focuses mainly on priority sectors such as agriculture, education, small business, export credit, housing finance. This study is focusing on micro finance lending by commercial banks towards priority sectors. This study is exploratory in nature, both primary and secondary data is used. For the purpose of analysis percentage analysis, factor analysis and multiple regression analysis have been used. The Study shows that the customers are having more awareness on the Micro finance credit. But to develop and bring suitable growth suggestions have been Provide. Such as introducing diversified business strategy, filed visit, meeting the stake holders directly, and providing financial counseling to the middle class and lower and upper middle class. These strategies will lead to the financial developments..

Keywords: Sustainable developments, Self Help Groups, Micro finance institution, export credit

1. INTRODUCTION

Priority sector lending is focusing on the areas where special attention is required for financial inclusion measures. The RBI is defining eight board categorized which falls under priority sector lending such as agriculture, Micro and small medium enterprises (MSME), Export credit, Education, Housing, Social infrastructure lending, renewable energy and other areas falling under the special category. ¹The loans offered to weaker section, loans to economically backward, loans offered to sponsored organization and personal loan for self-developments are falling under special category.

REVAMPING LENDING STRATEGY

The RBI has come out with different strategy for strengthening the guideless for priority sector lending. It has adopted two different and significant steps first one is revamping the norms for offering PSL loans where some new

sectors have been included such as infrastructure, renewable energy, and medium enterprises. The second one was introducing the target schemes to facilitate the achievements of Priority sector lending. The RBI also encouraged banks to sell its surplus to peer banks that falls shortage of providing lending under priority sector.

MICRO CREDIT

The micro finance concept had been developed for providing source for economic development through financial inclusion measures. It was also considered as major tool for women empowerment and driving out of poverty. It had provided financial services and credit facilities to the socially backward community and unbanked sectors with the aim of achieving financial inclusion.² The loans provided under Micro finance category exclusively provide financial support to the lower income group population. It provides loans for working capital purposes and accessing necessities such as food, clothing shelter, and education. Micro finance was established for providing voluntary help to the most under privileged communities. But in the latter stage it has also provided market-based solutions for overcoming poverty. The success of the Micro finance was on the rate of interest offered for the stake holders and providing loan facilities around the year. The aim of micro finance was constructing transparency, regulated industry and role of the participants.³

2. STATEMENT OF THE PROBLEM

Micro finance institutions (MFIs) emerged in the past three decades to respond to the market unsuccessfulness and need to provide financial support to the lower income group. The most of the micro financial organizations are working for nonprofit, falls under socially motivated non-governmental organization developed with new credit policies. These institutions are offering financial support without the collateral securities and most of the time for micro business activities with lower interest rate and with different repayment strategies. In the modern days most of the Micro financial institution is performing well as compared with the commercial banks. The top performing micro financial institutions are more profitable than the top performing commercial banks.⁴

The system of micro finance in providing financial support has become an indispensable one. But on the other side the level of awareness among the beneficiaries are still raising questions. The awareness needs to be studied from the different perspective, such as various credit products and services offered, Business models and guidance, counseling on credit facility offered, explain the source of borrowing and repayment of borrowings, explain different types of borrowing etc...

Awareness on micro finance would bring more understanding on accessing the various lending facilities offered by the commercial banks. In providing financial support commercial banks role is a predominant one, hence here in this, the researcher is focusing on the Micro Credit Lending by Commercial Banks under Priority Sector (With Special Reference to Krishnagiri Districts).

3. REVIEWS OF LITERATURE

MotinivaNayak (2017) researched on "The Impact of Commercial Bank's characteristics on Micro, small and medium enterprises in India", The Banking system is one of the most important financial systems in India, it has been an important source of foreign corporate acquisition. The researcher used both primary and secondary data collection, the analysis being based on a univariate cross-tabulation approach. It also finds that better performing banks are not interested in lending to the priority sector. It analyses the relationship between commercial banking characteristics and its credit to the Micro Small Medium Enterprises (MSME). It analyzes the relationship between the sings of a commercial bank and is a debt to MSME. It also finds that better-performing banks are unwilling to lend to the sector ⁵

Dr. H. Kavitha (2020) Made a research on "A Study on Contribution of Commercial Banks to Small Scale Industry" In this study the researcher used the primary and secondary data, this study seeks to assess the impact of commercial bank lending to small businesses on India's economic growth. The results of this study states that the Indian economic growth does not depend on loans from commercial banks to small business, the Government should encourage small businesses with their own small credit schemes to provide affordable loans. The Government should also recoup the debt for small businesses to benefit so that they can use them to manage small businesses.⁶

4. OBJECTIVES

- a. To Analyse the profile of the respondents and their awareness level towards micro finance loans
- b. To examine various financial programmes provided by the commercial banks, and level of satisfaction.

5. HYPOTHESIS

H₀: there are no significant association between Economic factors of the respondents and level of awareness.

H₀: there are no significant association between various financial programmes offered by commercial banks and level of satisfaction.

6. METHODOLOGY

The research is based on both primary and secondary data. The primary data is collected with the help of questionnaire and the secondary data, was collected with the help of Journals, newspapers, articles, business journals, e-Journals, books ,RBI bulletins, and magazines published by the professional bodies.

SAMPLING DESIGN

The present research is based on exploratory research; it investigates the problem where no clarity is available. This type of research is conducted to have better understanding of the problems, but at the same time it does not provide conclusive results. ⁷Convenient sampling method is adapted for the purpose of data collection. Under convenient sampling participants are readily and conveniently available. It is a favored sampling technique and inexpensive in nature and helpful in overcoming many limitations.⁸

RESEARCH TOOLS

The researcher has used percentage analysis, mean, standard deviations, and exploratory factor analysis (EFA) and multiple regression analysis.

Exploratory factor analysis (EFA) is widely used tools in the field of social science, it is used as a factors reduction techniques. Where principal component matrix analysis is used with varimax rotation for data analysis, the factors which attains the reliability is retained and Kaiser Criterion is calculated. ⁹

FACTOR ANALYSIS

Factor analysis is used to examine the influence of underlying constructs with the measured variables. It is considered as factor reduction techniques used in the research analysis for reducing observed variables into few latent constructs and bringing influenced variables under the underlying common factors. ¹⁰ The primary aim of EFA is to determine the number of common factors influencing a set of variables, identifying the strength of relationship between the variables, knowing the set of items hangs together and demonstrates the dimensionality of the measurable scales.¹¹

Table No1: Socio economic profile of the Respondents

Gender wise classification			
S.No	Particulars	No, of Respondents	Percentage
1.	Male	121	55.3
2.	Female	98	44.7
Age wise classification			
1.	20-30	155	70.8
2.	30-40	38	17.4
3.	40-50	9	4.1
4.	Above 50	17	7.8
Educational status			
1.	Illiterate	8	3.7
2.	Primary	17	7.8
3.	Secondary	43	19.6
4.	Graduate	41	18.7
5.	Post Graduate	86	39.3
6.	Diploma	24	11.0

Present position of the respondents			
1.	Students	70	32.0
2.	house wife	29	13.2
3.	Self employed	50	22.8
4.	Business	18	8.2
5.	daily workers	21	9.6
6.	Former	9	4.1
7.	Others	22	10.0
Monthly income			
1.	Below Rs.10, 000	54	24.7
2.	Rs 10,000- Rs 20,000	98	44.7
3.	Rs 20,000- Rs 30,000	26	11.9
4.	Rs. 30,000 – Rs 40,000	27	12.3
5.	Rs.40, 000- 50,000	7	3.2
6.	above Rs.50, 000	7	3.2
Living area			
1.	Rural	43	19.6
2.	Urban	86	39.3
3.	Semi urban	90	41.1
Marital Status			
1.	Married	84	38.4
2.	Unmarried	135	61.6
Type of Family			
1.	Joint family	90	41.1
2.	Nuclear- family	129	58.9

Source: computed Data

It could be inferred from the above table that most of the respondents belongs to the male category and 20–30 years of age group of the respondents are availing micro finance credit facility offered by the commercial banks towards priority sector, the respondents whose educational qualifications at Post graduate level are prone to avail more credit facility offered by the commercial banks under priority sector lending, most of the post graduate students are availing loan under the priority sector lending for their educational purpose, The respondents monthly income falls between Rs.10,000 to 20,000 are utilizing priority sector lending for establishing their small business or for other related activities, most of the semi-urban respondents are using credit facility under priority sector offered by the commercial banks, most of the unmarried youths are using the loan under priority sector lending, most of the respondents who live as a nuclear family are prone to use the loan offered by the commercial banks under priority sector lending for their business activities or its relegated activities.

BANKING PROFILE OF THE CUSTOMERS

The researcher has also analyzed the banking profile of the respondents. The results are presented in the following table

Table No 2: Banking profile of the customers

S.no	Particulars	No of Respondents	Percentage to Total
Type Of Banks Maintained			
1.	Public	118	53.9
2.	Private	70	32.0
3.	Region Rural Banks	23	10.5
4.	co-operative banks	8	3.7
Type Of Account Maintained			
1.	Current Account	54	24.7
2.	Saving Account	66	30.1
3.	Fixed Deposit Account	52	23.7
4.	Recurring Deposit Account	20	9.1
5.	Tax saving Deposit	27	12.3

Sources Of Awareness			
1.	Bank officials	54	24.7
2.	Advertisements/Hording	66	30.1
3.	Friends	52	23.7
4.	Relatives	20	9.1
5.	Other sources	27	12.3
Purpose Of Loan			
1.	Helped to establish the business	46	21.0
2.	Served the need of the financial requirements	92	42.0
3.	Loan are provided on time	66	30.1
4.	Easy for approaching services	15	6.8
Type Of Benefits Availed			
1.	Low interest	85	38.8
2.	less formalities	59	26.9
3.	Quick disbursement	30	13.7
4.	Subsidy	25	11.4
5.	No such benefits	20	9.1
Type Of Assistance From The Lenders			
1.	Providing repayment holidays	58	26.5
2.	waiving of penal interest	66	30.1
3.	Assistance as per Govt, guidelines	73	33.3
4.	Moratorium Options	22	10.0

Source: computed data.

Table shows that out 219 respondents, 118 (53.9 %) of the respondents are maintaining their banks account in public sector banks, 66 (30.1%) respondents are maintaining saving banks accounts, 66 (30.1%) respondents have got awareness of Micro credit through advertisements and hording , 92 (42.0%) respondent’s financial purposes have been solved by the commercial banks under priority sector lending, 85 (38.8%) respondents have availed loan for lower interest rates, 66 (30.1%) respondents have got benefit of waiving of penal interest exclusively during pandemic condition.

AWARENESS LEVEL OF THE MICRO FINANCE CREDIT FACILITY OFFERED BY THE COMMERCIAL BANK

The researcher has compiled the details of the Awareness level of bank customers in using Micro finance facility offered by the commercial banks towards priority sector lending. The score is assigned in the order of 5,4,3,2 and 1 point’s viz., Extreme, Sufficient, Moderate, Some What and Not at all. The details are furnished in the following table.

Table No: 3 Awareness level of the micro finance credit facility offered by the commercial bank

Sl.NO	Awareness level	Extreme	Sufficient	Moderate	Some What	Not at all	Total	% Total
1.	knowledge of Credit facility for Microenterprises	113 (51.6%)	50 (22.8%)	25 (11.4%)	27 (12.3%)	3 (1.4 %)	219	100%
2.	Counseling on financial budgeting	30 (13.7%)	126 (57.5%)	40 (18.3%)	22 (10.0%)	1 (0.5 %)	219	100%
3.	Explaining Business model and financial restrictions.	25 (11.4%)	127 (58.0%)	54 (24.7%)	10 (4.6%)	3 (1.4%)	219	100%
4.	Availability of credit products and services	34 (15.5%)	132 (60.3%)	32 (14.6%)	20 (9.1%)	1 (0.5%)	219	100%
5.	Advice on Credit limits	41 (18.7%)	127 (58.0%)	34 (15.5%)	15 (6.8%)	2 (0.9%)	219	100%
6.	importance of debt repayment	26 (11.9%)	136 (62.1%)	41 (18.7%)	13 (5.9%)	3 (1.4%)	219	100%

7.	Knowing the Source of borrowing	25 (11.4%)	138 (63.0%)	41 (18.7%)	12 (5.5%)	3 (1.4%)	219	100%
8.	Explaining Different types credit facility	19 (8.7%)	144 (65.8%)	38 (17.4%)	16 (7.3%)	2 (0.9%)	219	100%
9.	Explaining Different types credit facility	19 (8.7%)	144 (65.8%)	38 (17.4%)	16 (7.3%)	2 (0.9%)	219	100%
10.	Direct Benefit Transfer Under subsidy is explained	28 (12.8%)	133 (60.7%)	48 (21.9%)	4 (1.8%)	6 (2.7%)	219	100%
11.	Pre-Counseling on Financial planning	22 (10.0%)	141 (64.4%)	33 (15.1%)	13 (5.9%)	10 (4.6%)	219	100%
12.	E-banking banking importance	25 (11.4%)	130 (59.4%)	50 (22.8%)	12 (5.5%)	2 (0.9%)	219	100%
13.	Maintenance of proper financial	36 (16.4%)	135 (61.6%)	34 (15.5%)	9 (4.1%)	5 (2.3%)	219	100%

	Records							
14.	Default and banking support	18 (8.2%)	140 (63.9%)	39 (17.8%)	21 (9.6%)	1 (0.5%)	219	100%
15.	Modern financial supportive services offered	26 (11.9%)	128 (58.4%)	45 (20.5%)	15 (6.8%)	5 (2.3%)	219	100%
16.	Micro Finance credit facility its importance	34 (15.5%)	136 (62.1%)	30 (13.7%)	17 (7.8%)	2 (0.9%)	219	100%
17.	knowledge on Other facilities and Benefits of borrowing from banks	26 (11.9%)	149 (68.0%)	31 (14.2%)	9 (4.1%)	4 (1.8%)	219	100%
18.	Explaining the Borrowing limit and its importance	30 (13.7%)	134 (61.2%)	40 (18.3%)	12 (5.5%)	3 (1.4%)	219	100%
19.	importance of repayment of loan	20 (9.1%)	149 (68.0%)	32 (14.6%)	12 (5.5%)	6 (2.7%)	219	100%
20.	Knowledge of Govt schemes for priority sector	26 (11.9%)	141 (64.4%)	34 (15.5%)	9 (4.1%)	9 (4.1%)	219	100%
21.	banking Grievance Redressal system	21 (9.6%)	144 (65.8%)	41 (18.7%)	9 (4.1%)	4 (1.8%)	219	100%
22.	Default and actions	21 (9.6%)	141 (64.4%)	32 (14.6%)	17 (7.8%)	8 (3.7%)	219	100%

Source: Computed Primary data.

From the above table it is known that 51.6 % of the respondents are extremely aware of the knowledge of Credit facility for Microenterprises and for other variables viz., Counseling on financial budgeting, Availability of credit products and services, Explaining Business model and financial restrictions, Availability of credit products and services, Advice on Credit limits, importance of debt repayment, Knowing the Source of borrowing, Explaining Different types credit facility, Explaining Different types credit facility, Direct Benefit Transfer Under subsidy is explained, pre Counseling on Financial planning, E-banking banking importance, Maintenance of proper financial records, Default and banking support, Modern financial supportive services offered, Micro Finance credit facility its importance, knowledge on Other facilities and Benefits of borrowing from banks, Explaining the Borrowing limit and its, Importance of repayment of loan. Knowledge

of Government schemes for priority sector, Default and actions, banking Grievance redressal system, the respondents are sufficiently aware.

7. FACTOR ANALYSIS

KAISER-MEYER-OLKIN TEST

The factorability of the correlation matrix is Bartlett’s test of sphericity (19543), it is used to test the hypothesis of the correlational diagonals. It was generated for randomization of the data. This test is used to test the reliability of the data and justify the application of exploratory factor analysis. When large sized samples are used Bartlett test is used to identify the trivial deviations from the randomness. Hence the sampling adequacy is attained.

Large sample sizes make the Bartlett test sensitive to even trivial deviations from randomness, so its results should be supplemented with a measure of sampling adequacy. KMO values lies between 0.00 -

1.00 and computed for the value of total correlation matrix. The overall KMO value should be $\geq .70$ (Hoelzle & Meyer, 2013; Lloret et al., 2017) ¹²

Table 4 shows KMO measure and sample requirements of Bartlett’s check sphericity.

Table No: 4 KMO and Bartlett’s Test-Satisfaction Level Of Micro Finance

KMO and Bartlett’s Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.895
Bartlett’s Test of Sphericity	Approx. Chi-Square	3984.300
	df	231
	Sig.	0.000

Source: computed data

It is clear from the above table, that the value of Kaiser-Meyer-Olkin Measure of Sampling Adequacy is more than the required level (The overall KMO value should be $\geq .70$) and significant at 1% level ($p < 0.000$). Hence the result produced is good for further analysis and taken for the purpose of proceeding further analysis.

VARIANCE AND EXTRACTED FACTORS – EIGEN VALUES - SATISFACTION

The principal component analysis is used for the newly generated data and eigen values are acquired. The Principal components model is used for drawing sampled random data matrices or otherwise the data must be free from error. The eigen value for each variable is computed and the elements which has the eigen value of more than 1 or around 1 are normal under this method.¹³ When the eigen value is much less than the specified value is rejected. The output of the value is represented in the following table.

Table: 5 Total variance explained- satisfaction of Micro finance

Component	Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	11.716	53.257	53.257	4.334	19.698	19.698
2	1.589	7.222	60.478	3.938	17.902	37.600
3	1.137	5.169	65.648	3.741	17.004	54.604
4	.924	4.202	69.850	3.354	15.245	69.850

Source: output SPSS – Principal component Analysis.

The proportion of variance exists among the components have been explained with the help of Eigen value. Table 5 has clearly defined cumulative variance of the rotated sums of squared loadings. The value of cumulative should be more than 50% for identifying validity of the rotated sums, here the value of rotated cumulative percentage 69.850, it shows the perfect validity.

COMMUNALITIES EXPLANATION OF ORIGINAL VARIABLES – CUSTOMER’S SATISFACTION ON MICRO CREDIT UNDER PRIORITY SECTOR LENDING

The communality is defined as the variance of original variables explained in the present factors. It explains the variables that are not much in common with the other variables, which shows the high uniqueness.¹⁴ the communality of the selected variables, have been represented in the following table.

Table No: 6 Communalities- Awareness on Micro finance Credit under Priority sector Lending

S. No	Statements	Initial	Extraction	S. No	Statements	Initial	Extraction
1.	knowledge of Credit facility for Microenterprises	1.000	.672	12	E-banking banking importance	1.000	.523
2.	Counseling on financial Budgeting	1.000	.657	13	Maintenance of proper financial records	1.000	.669
3.	Explaining Business model and financial restrictions.	1.000	.642	14	Default and banking support	1.000	.750
4.	Availability of credit products and services	1.000	.645	15	Modern financial supportive services offered.	1.000	.682
5.	Advice on Credit limits	1.000	.737	16	Micro Finance credit facility its importance	1.000	.769
6.	Importance of debt repayment	1.000	.795	17	knowledge on Other facilities and Benefits of borrowing from banks	1.000	.746
7.	Knowing the Source of borrowing	1.000	.615	18	Explaining the Borrowing limit and its importance.	1.000	.793
8.	Explaining Different types credit facility	1.000	.770	19	importance of repayment of loan	1.000	.801
9.	Direct Benefit Transfer Under subsidy is explained.	1.000	.735	20	Knowledge Govt schemes for priority sector	1.000	.777
10.	Direct benefit schemes and Subsidies	1.000	.604	21	banking Grievance Redressal system	1.000	.677
11.	pre Counseling on Financial planning	1.000	.643	22	Default and actions	1.000	.664

Extraction Method: Principal Component Analysis.

Source: computed value SPSS.

The above table shows that the communalities selected for 22 variables have good reliability 0.957, and clearly checked no one of the variable is having low loading value, (less than 0.5). Hence finally all the 22 variables have been taken for factor analysis.

ROTATED COMPONENT ANALYSIS

The varimax rotation is the most commonly used orthogonal rotational method in the rotational component matrix. When other methods are considered, the rotation is partially generalized. But the error in the estimated factor loading shall be same no matter what rational method is used.¹⁵

Under rotated component analysis, the variables with the high loading are considered and having greater influence on represented factors. All the four factors have been assigned names as F1, F2, and F3. F4 on the basis of the variables represented in each case.

Table no: 7 Rotated comment matrix - Micro finance lending under priority sector

S.NO	Factor		Component			
			1	2	3	4
1.	V1	knowledge of Credit facility for Microenterprises	.721	.001	.212	.327
2.	V2	Counseling on financial budgeting	.687	.285	.080	.312
3.	V13	Maintenance of proper financial records	.620	.464	.257	.058
4.	V14	Default and banking support	.613	.490	.201	.304
5.	V12	E-banking banking importance	.574	.279	.207	.270
6.	V3	Explaining Business model and financial restrictions.	.559	.254	.500	.120
7.	V19	importance of repayment of loan	.193	.774	.209	.348
8.	V18	Explaining the Borrowing limit and its importance.	.349	.726	.279	.258

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9.	V20	Knowledge about Govt schemes for priority sector	.317	.672	.414	.232
10.	V17	knowledge on Other facilities and Benefits of borrowing from banks	.144	.659	.529	.103
11.	V21	banking Grievance Redressal system	.305	.512	.476	.310
12.	V22	Default and actions	.489	.509	.176	.369
13.	V16	Micro Finance credit facility its importance	-.069	.386	.743	.251
14.	V15	Modern financial supportive services offered.	.250	.375	.682	.119
15.	V5	Advice on Credit limits	.394	.065	.649	.395
16.	V4	Availability of credit products and services	.461	.190	.627	-.057
17.	V11	pre Counseling on Financial planning	.485	.200	.519	.313
18.	V8	Explaining Different types credit facility	.281	.154	.162	.801
19.	V6	importance of debt repayment	.033	.313	.421	.720
20.	V10	Direct Benefit Transfer Under subsidy is explained.	.483	.217	.052	.673
21.	V7	Knowing the Source of borrowing	.345	.303	.088	.629

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 15 iterations.

Source: competed data

It is noted from the above table that the communalities for the initial variable is 0.721, which has capacity of 72.1 percent against the variable, the statistics interpretation of the first variable is “knowledge of Credit facility for Microenterprises” is explained through four factors and in the same way , the communalities of other variables are also being computed.

Factor 1 is the most important factor it explains 19.698 percent of the variation. The variable V1 (knowledge of Credit facility for Microenterprises 0.721), V2 (Counseling on financial Budgeting (0.687) V13 (Maintenance of proper financial records 0.620) V12 (E-banking banking importance(0.574),V3,(Explaining Business model and financial restrictions 0.559) these statements show the opinion of the commercial banks credit facility for Micro credit. Hence the researcher has named this segment as credit facility for Micro credi, and the customers have satisfied with the commercial “**banks credit facility**” for micro credit. The reliability of the theses 5 variables have been measured with the help of cronbach’s alpha and its value is 0.837

Factor 2 explains 15.245 percent of the variations and contains 6 variables, the variable Var19 (importance of repayment of loan 0.774), Var18 (Explaining the Borrowing limit and its importance 0.726), Var,20 (Knowledge about Government schemes for priority sector 0.672),Var,17 (knowledge on Other facilities and Benefits of borrowing from banks 0.659),Var 21 ,(banking Grievance Redressal system 0.512), Var,22 (Default and actions) These variables are showing the satisfaction of micro credit under priority sector lending in the study area. Therefore the researcher names this segment of the services as “**source of borrowing offered**” by the commercial banks in providing micro credit facility. The reliability of these variables has been measured with the help of cronbach’s Alpha and its value is 0.918

The variable of factor 3 is measured as 17.004 percent it consist of 5 variables. These variables are Var,16 (Micro Finance credit facility its importance 0.743), Var,15 (Modern financial supportive services offered 0.682), Var,5 (Advice on Credit limits 0.649) Var,4 (Availability of credit products and services 0.627),Var,11(pre Counseling on Financial planning 0.519) these variables are inter-correlated highly with each other. The statements contained in the factor reelect the satisfaction of the customers towards “**pre counseling facility**” offered by the commercial banks in the study area. The reliability of the variables has been identified with the help of crobach’s Alpha 0.846.

The factor 4 exhibits 15.245 percent of variance it contains 4 variables and these variables have been highly inter correlated with each other. These variables are V8 (Explaining Different types credit facility 0.801), Var,6 (importance of debt repayment 0.720). Var,10 (Direct Benefit Transfer Under subsidy is explained 0.673) Var,7(Knowing the Source of borrowing 0.629) These variables projects the satisfaction of the customers towards credit products services in accessing the micro finance facility offered by the commercial banks. Hence the researcher has classified this segment of the services towards the “**credit products services**” in the study area. The reliability of these tow variables is identified with the help of cronbach’s alpha and its value identifies as 0.823

The satisfaction of the customers availing micro credit facilities from the commercial banks have been classified into to four factors namely “banks credit facility”, “source of borrowing offered”, “pre counseling facility”, and “credit products”.

The initial statements which has 21 variables had been adjusted to account of 4 factors.

In order to access the overall satisfaction of the customers availing micro credit facility offered by the commercial banks in the krishnagiri district and to identify the relative connectivity of the individual dimensions of the generated scale, the multiple regression analysis is being performed. For performing the regression analysis, the study adapts the single item direct measurements for overall customers' satisfaction in the study area and five –point scale measurement is excellent for performance.

The regression model considers the four dimensions as the independent variables and the overall influencing variable as dependent variable. The adjusted R² of 0.584 (p=0.000) shows that 58.4 percent of variance in overall satisfaction of the customers using micro credit facility from the commercial banks. again the results also indicates all the four variables viz., banks credit facility, source of borrowing offered, pre counseling facility, and credit products is significant at 1% (p<0.001) in measuring over satisfaction of the customers.

Table No: 8 Effect of the individual dimensions of customer's satisfaction and Regression analysis

S.No	Factor	Standardized Coefficients	t	Sig.
		Beta		
1.	Banks Credit Facility	.139	1.808	.072
2.	Source Of Borrowing Offered	.482	5.747	.000*
3.	Pre Counseling Facility	.256	3.288	.001*
4.	Credit Products	-.069	-.948	.344

Source: computed data.

The resulted equation is

Customer's satisfaction towards Micro finance Credit facility offered by the commercial banks towards priority sector.
 = (0.139 x Banks Credit Facility) + (0.482xs Source of Borrowing Offered) + (0.256x Pre-Counseling Facility) + (-0.069 x Credit Products)

It has been found that one unit of increase in the customer satisfaction is predicted from 0.139 unit increase of Banks Credit Facility, 0.482 unit increase of Source Of Borrowing Offered, 0.256 unit increase of Pre Counseling Facility, and -0.069 unit increase of Credit Products. It has been concluded form the factor analysis that the selected 21variables related to the customers satisfaction towards accessing micro credit facility offered by the commercial banks for Priority sector consists of four factors "banks credit facility", "source of borrowing offered", "pre counseling facility", and "credit products",customer satisfaction is predicted form 0.139 unit increase of Banks Credit Facility, 0.482 unit increase of Source Of Borrowing Offered, 0.256 unit increase of Pre Counseling Facility, and -0.069 unit increase of Credit Products. Among four factors Pre Counseling, Facility, source of Borrowing are having significant impact on the overall customer's satisfaction towards micro crudity facility offered by the commercial banks towards priority sector lending in Krishnagir district.

8. SUGGESTIONS

The following suggestions have been recommended from the study to improve awareness level among the bank customers of commercial banks towards Micro credit facility for priority sector for taking efficient measures to offer the banking services in the study area.

- The result of percentage analysis shows that most of the respondents falling under male category, between 20-30- years, post graduate, students, income between Rs.10,000-20,000, from urban are using credit facility under priority sector lending, on the other hand other categories have been not focused by the commercial banks like, Female, other age groups, business people, other income groups, and to rural areas. Hence the Commercial banks should take appropriate measures to provide sufficient measures, and the bankers should visit the directly the employees in their working environment and provide orientation programme, village awareness programme, weekly field visit, meeting farmers, etc... will enhance the awareness level of the customers.
- The result revels most of the customers are having sufficient awareness about the micro credit facilities offered by the commercial banks towards priority sector lending, though commercial banks are providing different kinds of services, It needs to focus on retaining such awareness and should take more measures to take the services to the lower, and middle income groups with new and effective business strategies. Such as, providing loan with minimum formalities, providing subsidies for regular and perfect customers, offering special loan to females, and conducting financial services programmes for enhancing perfect knowledge.

- By using the factor Analysis the variables have been classified into four categories Viz., F1,F2,F3 and F4 and rotational component is used for reducing the factors, and classified accordingly and found most influencing factors. Those factors have revealed that the customers are having high level of awareness about the various services offered by the commercial banks towards the priority sector lending. But to increase the business of the banks and helping for financial inclusion measures the bankers has to focus on cliental interest, taking the different credit products to the customers, and providing proper counseling on financial planning will lead the customers towards the progress.
- With the help of multiple regressions analysis the beta value is identified for four factors, viz Banks Credit Facility, Source of Borrowing Offered, Pre Counseling Facility, and Credit Products. Among these four factors tow factors such as “Source of Borrowing Offered” and “Pre Counseling Facility” are significant at 1% percent level. Hence there is perfect differences exist between these two variables. Hence the bankers need to focus on providing sources for borrowing faculties offered and pre-counseling has to be provided for creating more awareness among the customers for availing loan facility under priority sector lending, strategies should be framed to provide the financial services according to the different class of customers. The same business strategy shall not suitable at all the levels.

9. CONCLUSIONS

The study is mainly focusing on the micro credit lending by commercial banks under priority sector in Krishnagiri districts. Micro credit lending is the emerging and innovative idea developed in the year 1974, and then self-employed women’s association was established in Ahmadabad was the first Micro finance institution. The micro financial institutions work based on tow channels such as Self-Help Group and Micro finance institution. The micro financial institutions are creating more opportunity to the new and budding entrepreneurs for establishing their dream business, and provide more opportunity to the business people, students, agriculturist, and for women empowerment.

In order to achieve these goals, the commercial banks need to improve its operation and lending efficiently in such way it is suitable for the modern development. The big challenge in the hands of banker is to identify the real beneficiaries and finding the real needy people who utilizes the loan for the real financial inclusion measures for achieving the goal the bankers need to give priority to the young learned Communities, and healthy entrepreneurs, people with real visions. The Micro financing institutions should provide diversified credit lending facilities which is suitable for the different class of people living in different social backgrounds.

CONFLICT OF INTERESTS

None.

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