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A STUDY OF AGRICULTURAL LOAN FOR AXIS BANK LTD SHIRDI

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Abstract:

A Study of Agricultural Loan for Axis Bank ltd". The Branch head of the Axis Bank Shirdi BranchPvt. Ltd is to **Mr. Avinash Labade** sir who has all information Provide about the Bank & Agricultural Loan. And my subject topic is a study Agricultural Loan for Axis Bank.ltd In the Bank there are various produce i.e. crop Loan, Export finance, kisan credit card and other short term loan etc. and various products and services offered agricultural loan I have collected primary and secondary data from financial statement of Bank and discussion with various staff member in Bank. And the feedback the farmers who have borrowed loan from axis bank.

Keywords:

Encase 24, Fixed Deposits, Recurring Deposits,

Tax Saver Fixed Deposited

TERMS & CONCSEPTS:

Agriculture:

Agriculture is most important enterprise in India. It is a very broad term comprising all aspect of production .It provides food for population fodder for livestock & fulfills needslike fiber, Fuel, timbre, wood & Raw Material to various industries

Agricultural Finance:

The funds are required for the agriculture & for its allied activities. It provides financial assistance to various purposes or agriculture operation for short & medium periods like minor Irrigation, Land Development, soil conservation, Farm mechanization,

Plantation & Horticulture, cold Storage & other Allied activities. Direct Agriculture loans: It means short term production & investment loans provided directly to farmers for agriculture purposes. This would also include such loans provided directly to farmers for Agriculture purpose.

Need of agriculture finance:

2/3rd population depends on agriculture. Low growth in agriculture output results in risein food prices. Majority of the poor are farmers, a labour & casual labour therefore for reduction ultimately & elimination of poverty. Agriculture has a significant share in GDP. If GDP is low then overall GDP is fall down.

AGRICULTURAL FINANCE:

Since independence India has made substantial progress in respect of agricultural finance. The reports of all India Rural Credit Survey Committee and All India Rural Credit Review Show That farmers were entirely dependent sources of credit. Money Enders are main sources of credit. They were most convenient and easiest source . his administration as simple and flexible. The Indian government launched the three-tier banking structure in India. . At the apex is NABARD at the middlelevel are the urban co-operative banks (UCBS) and a few public sector banks (PSBS); and at the baseare Primary Agriculture credit societies (PACS).

- NABARD
- UCBS, PSBS
- PACS

Finance in villages is of two types:

Agricultural finance (credit)

Non Agricultural finance

Agricultural credit is of two type:

1. Production credit

2. Consumption credit

PRODUCTION CREDIT:

Short term:

Loans for 15to 18 months.

Loans for meet daily working requirements

Medium term:
Loans for 15months to 5 years.

NABARD gives loan for 18 to 7 years.

Creating capital asset

Purchase livestock, machinery, and equipment

Current Situation:

Agriculture Debt Waiver & debt relief scheme 2008

Hon`ble Union Finance minister during his budget speech for 2008-09 announced above scheme for farmers. It covers direct agriculture loan extended to marginal & small farmers & other farmers. It includes short term production loan & investment loans to farmers for agriculture purpose.

Short term production loan:

A loan gives in connection with rising of crops which is to be repaid within 18 months it includes working capital loans not exceeding rs. 1.00 lacs Investment loan:

It related to the replacement & maintenance of wasting asset E.g. Tractor Dug well, installation of pump sets

It divides farmers into 3 types

Marginal farmer

It means farmer cultivating agriculture land up to 1 hectare (2.5 Acres).

Small farmer
Farmer cultivating agriculture land of more 1 hectare up to 2 hectare (5 Acres).

Other farmers
Farmer cultivating agriculture land more than 2 hectare (more than 5 Acres).

Salient features;
Direct agriculture loans disbursed between mar.31, 1997& mar.31.2007 & remainingunpaid until Feb 29.2008 will be eligible for debt waiver.

Production loan for plantation & horticulture crops to be covered the scheme a ceiling ofRs. 1.00 Lakh has been prescribed.

Term loans overdue portion as on 31st Dec. 2007 7 which is not repaid up to 29.02.2008 will eligible for waiver in case of small & marginal farmers. Loans

Availed by the farmers in for agriculture activities upto 50000 will be eligible for loan waiverfor all farmers.

Executive Summary:

Agriculture:
Agriculture is the backbone of the Indian economy. It is the largest industry of the contry.in India 70% of workforce still engaged in Agriculture & allied activities. At present (1990-91) Agriculture is the main source of supply & support for Indian transport.

The Agriculture is the main source of raw material for leading industries. It is largely stands for prosperity of our country. The agriculture gone through the various stages like Green, White, and Yellow Revolution to floriculture. The drastic change take place from independence to today.

Role of Agriculture in India
A Flourishing Agriculture sector is far more important for the development of the Indianeconomy.

Since farming is less a business than a tradition in India. Even at this stage about 80%population lives in rural areas & directly or indirectly depends on Agriculture for its live hood About 85 cores of persons which are further multiplying at the rate of 2.5% per annum dependson Agriculture sector.

Most of our traditional industries depends on the bulk or foreign earnings draw their rawmaterial from this sector.

The surplus generated by this sector would help Indian economy to reach the “Golden Stage”

The share of Agriculture in national income plays crucial indicator in the economic development of country.

It supplies the necessities of life today Agriculture is feeding about 100 million people.Food production crossed mark of 200 million tons in 1999-2000.

Agriculture has a greater role in economic development in the less developed countries as it provides livelihood to a vast majority of people living in the country.

It provides offers enormous scope of alternative employment.

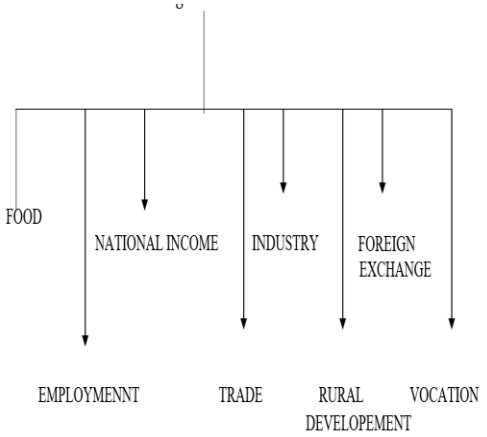

Figure: contribution of agriculture in different sectors

The rural area is become more & more independent on the moneylender. it was necessary to relieve the poor farmer from the clutches of village moneylender& stop their exploitation after many days the financial institution are introduced like government ,commercial ,private& cooperative societies are introduced & they act as a financial support to the farmers to Agricultureproduction.

Today the Agriculture have boom all over the world.

After the globalized economical process, lot of growth opportunities incorporated in service sector. Hospitality. Entertainment, Tourism, Banking Insurance & Finance sectors grown up fastly not only in terms of employments but also started offering various products and services to customers. Among the above mentioned service sectors the banking and finance sector is proved to be essential component of consumer's life so far as financial need are concerned.

Now–a-days the consumers are concerned about financial products in terms of personal loans, Individual loans, and Educational Loans and Agricultural loans. Being a student of financialmanagement I have decided to study the Agricultural loan as a financial product. The reasons for the same is being in the next subtitle.

Selection of the Topic:

Regarding the topic selected by me for study purpose, I want to quote following reasons why thisspecific financial product is selected**.**

History of Agriculture:

10,000 years ago the man invented agriculture

A primitive form of agriculture was shifting cultivation of crops.

After few years when these plots lost fertility & heavily infected with grass and soil born pests,the cultivator would shift to new site.

It is the backbone of Indian economy.

Agriculture in India

Agriculture is prime source of live hood of most of the population in India

It provides food for population fodder & also other needs like fibre, fuel, timber, wood & rowmaterials to various industries.

60% of the Indian population is engaged in agriculture & agro – based industries.

At present it occupied 35% shares of the Indian economy. India is exporting fruits, Tea, Coffee, Basmati rice & also many other agriculture commodities,which help to get foreign exchange.

Corporate -

Axis Bank is the third largest private sector bank in India. The Bank offers the entirespectrum of financial services to customer segments covering Large and Mid- Corporates, MSME, Agriculture and Retail Businesses The Bank has a large footprint of 4,758 domestic branches (including extension counters) with 10,990 ATMs & 5,972 cash recyclers spread across the country as of 31st March 2022. The Bank has 6 Axis Virtual Centers with over 1,500 Virtual Relationship Managers as of 31st March 2022. The Overseas operations of theBank are spread over eight international offices with branches in Singapore, Dubai (at DIFC), and Gift City-IBU; representative offices in Dhaka, Dubai, Abu Dhabi, Sharjah and an overseas subsidiary in London, UK. The international offices focus on Corporate Lending, Trade Finance, Syndication, Investment Banking, and Liability.

HISTORY OF AXIS BANK

AXIS Bank was the first of the new private banks to begin operations in 1994, after the Government of India allowed new private banks to be established. The Bank was promoted jointly by the Administrator of the specified undertaking of the Unit Trust of India (UTI - I), Life Insurance Corporation of India (LIC) and General Insurance Corporation of India (GIC) and other four PSU insurance companies, i.e. National Insurance Company Ltd., The New India Assurance Company Ltd., The Oriental Insurance Company Ltd. and United India Insurance Company Ltd.

Bank today is capitalized to the extent of Rs.358.56 crores with the public holding (other thanpromoters) at 57.60%.

The Bank's Registered Office is at Ahmedabad and its Central Office is located at Mumbai. Presently, the Bank has a very wide network of more than 701 branch offices and Extension Counters. The Bank has a network of over 2854 ATMs providing 24 hrs a day banking convenienceto its customers. This is one of the largest ATM networks in the country.

Minor Irrigation for Agriculturists

Farm Mechanization for Agriculturists

Conclusion

After analyzing & interpreting Data it was found that Axis Bank is very good various facilities are provided to farmer's relation between the branch officers & the farmers are very good.

Reference:

1.Bank have to focus on enhancing the quality of the some new schemes related to the farm development, equipment, plantation and farm mechanization which are helpful to fosteringthe agriculture production which are more important for the development of

2.So the, Bank have so take some efforts to create awareness about different financial product by taking some programmers and bank officers have play a proactive role in aggressive marketing of short term and investment credit to potential borrowers.

3. Bank will have to some promotional activities.

4. People of young age group who are risk takes by nature may be targeted separately. At present era they are taking the decision related each and activity in the family. So the bankofficers have to target the youngster's age group.

5. Some farmers are capable to repay the loan but they intentionally avoid to repay the loan. In which the government & bank recovery policy should tighten-up. After recovery of the funds can utilized for various purposes.

6. Because of overlapping of credit result in financial indiscipline both parts of lenders & borrowers. There is strictly restrict to farmers to borrowing loan from more than one agency.