

# **Project Report**

## **“Study of Agriculture loan lending system in Bank of Maharashtra ”**

Submitted to:

**DMSR**

**G.S. College of Commerce and Economics, Nagpur  
(An Autonomous Institution)**

Affiliated to:

**Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur**

In partial fulfilment for the award of the degree of

**Master of Business Administration**

Submitted by:

**Pallavi N. Dupare**

Under the Guidance of:

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**Academic Year 2022-23**

**Department of Management Sciences and Research,  
G.S. College of Commerce & Economics,  
Nagpur NAAC Accredited "A" Grade Institution**



**Academic Year 2022- 2023**

**CERTIFICATE**

This is to certify that **Pallavi N. Dupare** has submitted the project report titled, “**Study of Agriculture loan lending system in Bank of Maharashtra**”, towards the partial fulfillment of **MASTER OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate.

It is further certified that she has ingeniously completed her project as prescribed by **DMSR, G. S. College of Commerce and Economics, Nagpur, (NAAC Reaccredited "A" Grade Autonomous Institution)** affiliated to **Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.**

**Prof. Leena Kapse**  
**(Project Guide)**

**Dr. Sonali Gadekar**  
**(Co-ordinator)**

**Place: Nagpur**

**Date:**

**Department of Management Sciences and Research,  
G.S. College of Commerce & Economics, Nagpur  
NAAC Accredited "A" Grade Institution**



**Academic Year 2022-23**

**DECLARATION**

I here-by declare that the project with title "**Study of Agriculture loan lending system in Bank of Maharashtra** " has been completed by me in partial fulfillment of **MASTER OF BUSINESS ADMINISTRATION** degree examination as prescribed by **DMSR, G. S. College of Commerce and Economics, Nagpur, (NAAC Reaccredited "A" Grade Autonomous Institution)** affiliated to Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course under taken by me.

**Pallavi N. Dupare**

**Place: Nagpur**

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**Academic Year 2022-23**

### **ACKNOWLEDGEMENT**

With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to **Dr. Swati Kathaley**, Principal, G. S.College of Commerce & Economics, Nagpur.

I am extremely thankful to my Project Guide **Prof. Leena Kapse** for her guidance throughout the project. I tender my sincere regards to the Coordinator, **Dr. Sonali Gadekar** for giving me guidance, suggestions and invaluable encouragement which helped me in the completion of the project.

I will fail in my duty if I do not thank the Non-Teaching staff of the college for their Co-operation.

I would like to thank all those who helped me in making this project complete and successful.

**Mis. Pallavi N. Dupare**

**Place: Nagpur**

**Date:**

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# CHAPTER 1

## EXECUTIVE SUMMARY

This project are enable to know the Banking Industry is basically my concern industry, to work for this was really a complex, and hectic task .I took the challenge and approach with the project “**STUDY OF AGRICULTURE LOAN IN BANK OF MAHARASHTRA ”** .

To find out what type of problem customer are facing related to service delivered by BOM.

To find out the level of customer satisfaction from the product marketing of BOM retailbanking .Loans for Agricultural sector for farmers .

At the end I concluded from the project that customer availing loan from BOM are satisfied from the Service and the Employee cooperation as well as the whole loan procedure was so supportive that they want to avail loan in future from BANK OF MAHARASHTRA only.

## **CHAPTER 2**

### **INTRODUCTION**

#### **CHAPTER 2.1**

##### **FINANCIAL MANAGEMENT :**

In the modern world, all the activities are concerned with the economic activities and very particular to earning profit through any venture or activities. The entire business activities are directly related with making profit. (According to the economics concept of factors of production, rent given to landlord, wage given to labour, interest given to capital and profit given to shareholders or proprietors), a business concern needs finance to meet all the requirements. Hence finance may be called as capital, investment, fund etc., but each term is having different meanings and unique characters. Increasing the profit is the main aim of any kind of economic activity.

##### **MEANING OF FINANCE :**

Finance may be defined as the art and science of managing money. It includes financial service and financial instruments. Finance also is referred as the provision of money at the time when it is needed. Finance function is the procurement of funds and their effective utilization in business concerns. The concept of finance includes capital, funds, money, and amount. But each word is having unique meaning. Studying and understanding the concept of finance become an important part of the business concern. 8

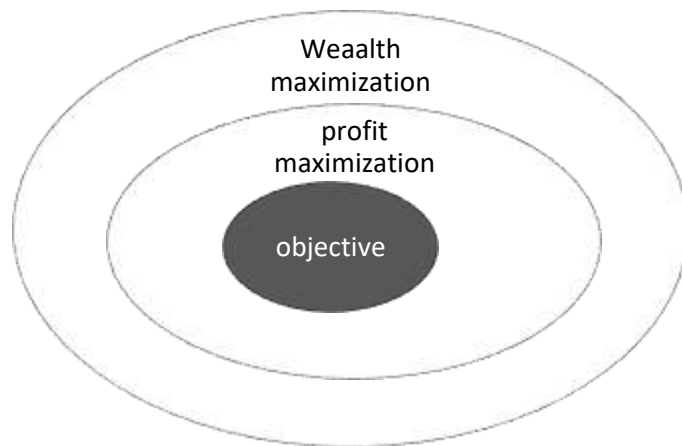
##### **DEFINITION OF FINANCE**

1. According to Khan and Jain, "Finance is the art and science of managing money".
2. Financial Management According to Oxford dictionary, the word 'finance' connotes 'management of money'. Webster's Ninth New Collegiate Dictionary defines finance as "the Science on study of the management of funds' and the management of fund as the system that includes the circulation of money,

##### **OBJECTIVES OF FINANCIAL MANAGEMENT :**

Effective procurement and efficient use of finance lead to proper utilization of the finance by the business concern. It is the essential part of the financial manager. Hence, the financial manager must determine the basic objectives of the financial management. Objectives of Financial Management may be broadly divided into two parts such as:

1. Profit maximization
2. Wealth maximization



### **Profit Maximization :**

1. Profit maximization is also called as cashing per share maximization. It leads to maximize the business operation for profit maximization.
2. Ultimate aim of the business concern is earning profit, hence, it considers all the possible ways to increase the profitability of the concern.
3. Profit is the parameter of measuring the efficiency of the business concern. So it shows the entire position of the business concern.
4. Profit maximization objectives help to reduce the risk of the business.

### **Wealth Maximization :**

1. Wealth maximization is superior to the profit maximization because the main aim of the business concern under this concept is to improve the value or wealth of the shareholders.
2. Wealth maximization considers both time and risk of the business concern.
3. Wealth maximization provides efficient allocation of resources.
4. It ensures the economic interest of the society

### **SOURCES OF FINANANCING :**

Finance is the lifeblood of business concern, because it is interlinked with all activities performed by the business concern. In a human body, if blood circulation is not proper, body function will stop. Similarly, if the finance not being properly arranged, the business system will stop. Arrangement of the required finance to each department of business concern is highly a complex



one and it needs careful decision. Quantum of finance may be depending upon the nature and situation of the business concern. But, the requirement of the finance may be broadly classified into two parts:

#### **Long-term Financial Requirements or Fixed Capital Requirement :**

Financial requirement of the business differs from firm to firm and the nature of the requirements on the basis of terms or period of financial requirement, it may be long term and short-term financial requirements. Long-term financial requirement means the finance needed to acquire land and building for business concern, purchase of plant and machinery and other fixed expenditure. Longterm financial requirement is also called as fixed capital requirements. Fixed capital is the capital, which is used to purchase the fixed assets of the firms such as land and building, furniture and fittings, plant and machinery, etc. Hence, it is also called a capital expenditure.

#### **Short-term Financial Requirements or Working Capital Requirement :**

Apart from the capital expenditure of the firms, the firms should need certain expenditure like procurement of raw materials, payment of wages, day-to-day expenditures, etc. This kind of expenditure is to meet with the help of short-term financial requirements which will meet the operational expenditure of the firms. Short-term financial requirements are popularly known as working capital.

### **SOURCES OF FINANCE**

Sources of finance mean the ways for mobilizing various terms of finance to the industrial concern. Sources of finance state that, how the companies are mobilizing finance for their requirements. The companies belong to the existing or the new which need sum amount of finance to meet the long-term and short-term requirements such as purchasing of fixed assets, construction of office building, purchase of raw materials and day-to-day expenses. Sources of finance may be classified under various categories according to the following important heads:

- Based on the Period Sources of Finance may be classified under various categories based on the period. Long-term sources: Finance may be mobilized by long-term or short-term. When the finance mobilized with large amount and the repayable over the period will be more than five years, it may be considered as long-term sources.
- Share capital, issue of debenture, long-term loans from financial institutions and commercial banks come under this kind of source of finance. Long-term source of finance needs to meet the capital expenditure of the firms such as purchase of fixed assets, land and buildings, etc.

- **Long-term sources of finance include:**  
Equity Shares , Preference Shares , Debenture . Long-term Loans , Fixed Deposits  
Short-term sources: Apart from the long-term source of finance, firms can generate finance with the help of short-term sources like loans and advances from commercial banks, moneylenders, etc.
- Short-term source of finance needs to meet the operational expenditure of the business concern.  
Short-term source of finance include: ,Bank Credit , Customer Advances ,Trade Credit ,Factoring ,Public Deposits ,Money Market Instruments

### **Cost of Capital :**

Cost of capital is an integral part of investment decision as it is used to measure the worth of investment proposal provided by the business concern. It is used as a discount rate in determining the present value of future cash flows associated with capital projects. Cost of capital is also called as cut-off rate, target rate, hurdle rate and required rate of return. When the firms are using different sources of finance, the finance manager must take careful

decision with regard to the cost of capital; because it is closely associated with the value of the firm and the earning capacity of the firm.

Cost of capital is the rate of return that a firm must earn on its project investments to maintain its market value and attract funds. Cost of capital is the required rate of return on its investments which belongs to equity, debt and retained earnings. If a firm fails to earn return at the expected rate, the market value of the shares will fall and it will result in the reduction of overall wealth of the shareholders .

### **Working capital management:**

Working capital management is also one of the important parts of the financial management. It is concerned with short-term finance of the business concern which is a closely related trade between profitability and liquidity. Efficient working capital management leads to improve the operating performance of the business concern and it helps to meet the shortterm liquidity. Hence, study of working capital management is not only an important part of financial management but also are overall management of the business concern. Working capital is described as the capital which is not fixed but the more common uses of the working capital is to consider it as the difference between the book value of current assets and current liabilities.

## **CONCEPT OF WORKING CAPITAL :**

Working capital can be classified or understood with the help of the following two important concepts.

**Gross Working Capital** Gross Working Capital is the general concept which determines the working capital concept. Thus, the gross working capital is the capital invested in total current assets of the business concern. Gross Working Capital is simply called as the total current assets of the concern.

$$\text{➤ GWC} = \text{CA}$$

**Net Working Capital** Net Working Capital is the specific concept, which, considers both current assets and current liability of the concern. Net Working Capital is the excess of current assets over the current liability of the concern during a particular period. If the current assets exceed the current liabilities it is said to be positive working capital; if it is reverse, it is said to be Negative working capital.

$$\text{➤ NWC} = \text{CA} - \text{CL}$$

## **NEEDS OF WORKING CAPITAL**

Working Capital is an essential part of the business concern. Every business concern must maintain certain amount of Working Capital for their day-to-day requirements and meet the short-term obligations. Working Capital is needed for the following purposes.

1. **Purchase of raw materials and spares:** The basic part of manufacturing process is, raw materials. It should purchase frequently according to the needs of the business concern. Hence, every business concern maintains certain amount as Working Capital to purchase raw materials, components, spares, etc.

2. **Payment of wages and salary:** The next part of Working Capital is payment of wages and salaries to labour and employees. Periodical payment facilities make employees perfect in their work. So a business concern maintains adequate the amount of working capital to

make the payment of wages and salaries.

3. **Day-to-day expenses:** A business concern has to meet various expenditures regarding the operations at daily basis like fuel, power, office expenses, etc.

4. **Provide credit obligations:** A business concern responsible to provide credit facilities to the customer and meet the short-term obligation. So the concern must provide adequate Working Capital.

## CHAPTER 2.2 : LOANS

A loan is when one receives finance from a bank, friend, or some finance entity with the assurance of returning it in the future along with the principal as well as the interest. Principal is the borrowed amount, and interest is the charge on receiving the loan. Considering that lenders take a risk by offering you the loan facility and the fear that you may not be in a position to repay the same, they have to protect the losses by charging an amount in the form of interest.

Mostly loans are categorised as secured or unsecured. Secured loans pose the need for promising an asset such as a car or house as a loan collateral in case the borrower defaults, or does not repay the loan. In this case, the lender gets the possession of the asset. Unsecured loans are sought after, yet less common. In case the borrower fails to pay back an unsecured loan, lender cannot take anything in return.

In finance, a loan is the lending of money by one or more individuals, organizations, or other entities to other individuals, organizations etc. The recipient (i.e., the borrower) incurs a debt and is usually liable to pay interest on that debt until it is repaid as well as to repay the principal amount borrowed.

The document evidencing the debt (e.g., a promissory note) will normally specify, among other things, the principal amount of money borrowed, the interest rate the lender is charging, and the date of repayment. A loan entails the reallocation of the subject asset(s) for a period of time, between the lender and the borrower.

The interest provides an incentive for the lender to engage in the loan. In a legal loan, each of these obligations and restrictions is enforced by contract, which can also place the borrower under additional restrictions known as loan covenants. Although this article focuses on monetary loans, in practice, any material object might be lent.

Acting as a provider of loans is one of the main activities of financial institutions such as banks and credit card companies. For other institutions, issuing of debt contracts such as bonds is a typical source of funding

Other forms of secured loans include loans against securities - such as shares, mutual funds, bonds, etc. This particular instrument issues customers a line of credit based on the quality of the securities pledged. Gold loans are issued to customers after evaluating the quantity and quality of gold in the items pledged. Corporate entities can also take out secured lending by pledging the company's assets, including the company itself.

The interest rates for secured loans are usually lower than those of unsecured loans. Usually, the lending institution employs people (on a roll or on a contract basis) to evaluate the quality of pledged collateral before sanctioning the loan. A loan may be secured by collateral such as a mortgage or it may be unsecured such as a credit card. Revolving loans or lines can be spent, repaid, and spent again, while term loans are fixed-rate, fixed-payment loans.

## TYPES ON LOANS :

A loan may be secured by collateral such as a mortgage or it may be unsecured such as a credit card. Revolving loans or lines can be spent, repaid, and spent again, while term loans are fixed-rate, fixed-payment loans.

The common types of loans that people avail are:

Home Loan , Agricultural loan , Car Loan, Education Loan ,Personal Loan,

**Personal Loan** : personal loan is a loan availed by individuals for their requirements. This type of loan comes really handy when you have unexpected expenses to take care of. The loan is usually taken from a bank or a non-banking financial company (NBFC).

### Why take a Personal Loan?

Personal loans are a great way to offset any temporary financial crunch as it allows the users to avail a loan without any pre-conditions on the usage of the loan amount. Personal loans have a quick approval as compared to other loans. Usually, personal loans get approved as early as 24 hours.

- **Easy Availability:** Almost all banks and non-banking financial companies (NBFCs) offer personal loans for its customers. Personal loans are not very expensive and are available at reasonable interest rates making them a lucrative option to overcome any immediate financial need.
- **Minimal Documentation:** Getting a personal loan requires minimal documentation as it is based on your credit score and income.

### Points to consider before applying for a Personal Loan

- **Interest Rates:** Since personal loans are unsecured in nature, interest rates could be on the higher side. You need to choose from a fixed or a variable interest rate depending on bank or NBFC.
- **Penalty Charges:** Banks & NBFCs charge a high penalty on your loan if in case you don't pay your dues/EMIs on time.
- **Analyse loan necessity:** Personal loans or any loan are meant for genuine and immediate needs. So, if your financial situation can be handled without taking the loan, you should restrain from taking it.

## **Home Loan :**

Buying a house is one of the biggest dreams come true for most people and obviously an extravagant affair altogether. Imparting life into such a dream is once in a lifetime deal and the best one can do to accommodate it is to take a home loan.

A home loan can be opted for either buying a new house/flat or even a plot of land, or renovation, extension, and repairs to an existing house.

### **Process of Applying**

Availing a home loan has gotten easier from before, thanks to the various mediums. One can either go to the bank branch directly and inquire about the loan or opt for online application. Upon making a decision, the bank collects required documents and initiates the loan process which includes checking of CIBIL score, the value of the asset, eligibility calculation etc.. Based on the evaluation of all the documents, the banks make a decision on the loan.

## **Car Loan :**

An automobile was once a luxurious commodity, but in today's economically developing world, a car is a necessity for various reasons; ranging from professional to recreational. Owning a car is not only about luxury & comfort but more about practicality, convenience and functionality. Applying for a car loan is just a few clicks away. Almost every bank today offers car loans and at attractive interest rates and other benefits. Based on one's affordability, it is now, quite easy to take a car loan and then pay EMIs without really biting into a person's finances.

Car loans can be availed through different mediums. Either you directly go to the bank branch and enquire or you can apply online. The bank you choose will collect your documents and initiate the loan process which includes checking your CIBIL score, the value of the asset (vehicle), eligibility calculation etc. and then give a decision on your loan based on the evaluation results.

## **Education Loan :**

Quality Education is of prime importance to any individual and students go the extra mile to achieve that. However, the cost of education is on the rise these days and opting for an education loan seems to be the single best solution. Education loan is a loan that students apply for in order to complete their educational requirements. Almost all banks & NBFCs in India offer education loans. There are numbers of ways in which you can avail an education loan.

You can either go to the respective bank and inquire about the loan process, or you can apply online. Once the loan is finalized, the bank will initiate the process by collecting your documents, evaluate the course of study for which you wish to take the loan and then keep you notified.

## **Agricultural Loans :**

Agriculture is the backbone of Indian economy and it definitely comes as no surprise to see financial institutions offer monetary aid to farmers all across the country. Agricultural loans are available for different kinds of farming-related activities.

### **National Bank for Agriculture and Rural Development (NABARD)**

In India, all premier banking and financial organisations, at all levels, offer a great deal of financial help to farmers. However, this trend of boosting the rural economy and agriculture through financial credit was started by the National Bank for Agriculture and Rural Development (NABARD) back in the early 1980s. When it comes to credit in the field of agriculture, all other banks throughout the country fall under the purview of the NABARD.

This financial institution is working in conjunction with the Government of India to boost agriculture sector. It is credited with several innovative schemes that have immensely aided the farmers throughout the country. The most notable scheme launched by the NABARD is the Kisan Credit Card (KCC).

## **BENEFITS OF LOANS TO CUSTOMERS :**

### **Benefits To Customers**

#### **Fast processing-**

De-centralised operations for fast processing and quick availability of loans

#### **Convenient Documentation –**

Convenient documentation process to offer ease and flexibility

#### **Dedicated and exclusive relationship managers –**

Dedicated relationship managers to provide complete financial solutions

#### **Attractive Pricing –**

Low interest rates and commission charges

#### **Priority sector clients –**

Attractive pricing offered for customers under priority sector lending

#### **Fast and Easy renewals –**

Hassle free renewals with less documentation

#### **Easy Accessibility –**

Leverage on our anywhere banking services through 3000 plus branch network

## **Advantages & Disadvantages of a Bank Loan**

### **Advantages**

**Flexibility:** A bank loan allows one to repay as per convenience as long as the instalments are regular and timely. Unlike an overdraft where all the credit is deducted in go. Or a consumer credit card where the maximum limit cannot be utilised in one go

**Cost Effectiveness:** When it comes to interest rates, bank loans are usually the cheapest option compared to overdraft and credit card.

- **Profit Retention:** When you raise funds through equity you have to share profits with shareholders. However, in a bank loan raised finance you do not have to share profits with the bank.
- **Benefit of Tax:** Government makes the interest payable on the loan a tax-deductible item when the loan has been taken for business purpose.

### **Disadvantages**

**Hard Prerequisite:** Since big finance from a bank is based on collateral, most young businesses will find it hard to finance the operations based on bank loan.

- **Irregular Payment Amounts:** Over a long duration payback via monthly instalment might witness variation in the rate of interest. This means that the EMI will not be constant, rather it will change as per the influence of the market on the interest applicable.



## Chapter 2.3

### **BANK OF MAHARASHTRA PROFILE:**



#### **BOARDS OF DIRECTORS OF Bank Of Maharashtra :**

A.S. Rajeev, assumed charge as Managing Director & CEO of Bank of Maharashtra on 2nd December 2018.

Shri Hemant kumar tamta and shri A.B. Vijay kumar assumed charge as executive managing directors of bank of maharashtra

#### **History of the bank:-**

Bank of Maharashtra is the premier bank of Maharashtra, operating in the country of India. Bank of Maharashtra was registered on 16 September 1935 with an authorized capital of 10.00 lakh & commenced business on 8th February 1936.

Bank of Maharashtra is a public sector bank in Maharashtra, which offers personal banking, cash management, retail loans and other financial services.

Their services include deposits, savings/current bank account, vehicle 20 loans, personal loans, agriculture loan, retail trade finance, global banking, lending to priority sector and small-scale sector, foreign exchange and export finance, corporate loans and equipment loans.

It is known as common man's bank since inception, its initial help to small units has given birth to many of today's industrial houses. After 1969, the bank expanded rapidly. It now has 1375 branches all over India. The bank has the largest network of branches by any public sector bank in the state of Maharashtra.

It was founded by a group of visionaries led by Late V.G.kale & D.K.Sathe & registered as banking company on 16 September 1935 at Pune. The vision was to reach out & serve the

common man & meet all their Banking needs. Today Bank of Maharashtra has over 12 million customers across the length.

The substantial growth of financial sector in India after globalization has brought many sectors under its benefits. The prime sectors are real estate, housing, Industrial development. It is already discussed & proved that agriculture sector in India is important; require lot of technological developments to meet the challenges of this country.

All the developments that is infrastructural, technological require financial Investment. Without financial support & investment agricultural developments are not at all possible.

A major sector like agriculture in our country if kept underdeveloped only because of lack of finance, no justice is made to the cultivators & a major population which depends on this sector as a source of livelihood.

As per the directives of Reserve Bank of India many of the financial institutes 21 are offering their support to agriculture sector. Large number of investments are made in the same. The selected topic is that's why important as it deals with the major sector of this Country

i.e. Agriculture. Definitely the findings & outcome of the study will be Important & useful for me as a student of management as well as Bank of Maharashtra selected for the study purpose.

Mahabank Self Employment Training Institute (M-SETI) is an efforts Initiated by Mahabank,

Agricultural & Rural Development Fund (MARDEF) is a trust run by Bank of Maharashtra receiving help from National Bank for Rural Development (NABARD). The organization runs various self employment training courses for the rural unemployed youth .

Mission:-

- To innovate products and services.
- To adopt latest technology on a continuous basis.
- To build proactive, professional and involved workforce.
- To enhance the shareholders'' wealth through best practices and corporate governance.
- To enter international arena through branch network 22

□ Bank Profile (BOM)

<b>Branch profile</b>	<b>No.of Branches</b>
Rural Branches	591
Semi Urban Branches	204
Urban Branches	295
Metropolitan Branches	273
7-days working Branches	4
High tech bar agriculture	4
Industrial Finance Branches(with 23 fex centers)	2
Computerized branches	1363
Branches with Telebanking facility	83
Query Terminal	88
ATM	343

## **some other information:-**

### **A. Internet Banking :**

Bank of Maharashtra offers following services through banking & people these facilities by using internet connectivity.

1. Account balance inquiry.
2. Statement of account
3. View all accounting details for all types of accounts
4. Check status & inquiry.
5. Check book queries.
6. E-payment of taxes

### **b) Mobile Banking:-**

Bank of Maharashtra offers mobile banking services with its new technology „ Bank of maharashtra Mobile“. It is a mobile banking application that works on a safe secured menu base interface provided through J2ME technology.

The customer can carry out inquiry functions, transfer of funds, e commerce transactions by using mobile application installed on customers mobile instruments

### **C) Facilities under Mobile under Banking :**

Balance inquiry.

- Funds transfer- within customer's own account
- Funds transfer- to any other account within Bank of Maharashtra
- View of mobile banking transaction log.
- Change of application password .

### **(d) Computerization :**

All the branches of the bank is fully computerized including rural branches.

### **(e) Data Center :**

The bank has its own data center at Pune, to take care of the IT Processing requirements with disaster recovery site in Hyderabad 25

### **(f) ATM Network:-**

The bank expanded ATM network from 505 to 545 ATMs during 2009-10. Bank has entered into collaboration with VISA for issue of debit cards to its customers. The average hits per day have increased from 37 to 91 per year. The bank has also joined national financial switch (NFS) & MITR network for broadening its own network.

## **Chapter 2.4 :**

### **BENEFITS TO AGRICULTURE LOANS AT BANK OF MAHARASHTRA :**

#### **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 needs like fibre, Fuel, timbre, wood & Raw Material to various industries.

#### **Agricultural Finance:-**

The funds are required for the agriculture & for its allied activities .It Provided financial assistance to various purposes or agriculture operation for short & medium periods like minor irrigation, and 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 purposes.

#### **Need of agriculture finance:-**

2/3rd population depends on agriculture. Low growth in agriculture output results in rise in 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.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 threetier banking structure in India. At the apex is NABARD at the middle level are the urban co-operative banks (UCBS) and a few public sector banks (PSBS); and at the base are Primary Agriculture credit societies (PACS).

- **NABARD**
- **UCBS, PSBS**
- **PACS 28**

## **Finance in villages is of two types:-**

1. Agricultural finance (credit)
2. Non Agricultural finance

## **Agricultural credit is of two types:-**

1. Production credit
2. Consumption credit

### **1) Production Credit:-**

#### **a) Loans Short term:-**

- for 15 to 18 months
- Loans for meet daily working requirements
- cash components
- kind component: co-operative marketing societies.

#### **b) Medium term:-**

- Loans for 15months to 5 years.
- NABARD gives loan for 18 to 7 years.
- Creating capital asset
- Purchase livestock, machinery, equipments

#### **c) Long Term:-**

- 5-7 YEARS
- Land fencing mechanization construction of farm house, storage facilities

### **2) Consumption Credit:-**

It is basically for survival of farm families

## Bank of Maharashtra gives revised margin & security norms for Agriculture

Sr.No.	Type of credit	Loan amount	Margin
1	Margin money		
A	Crop loans & other short Term loan	. Up to Rs. 50000/- Over Rs. 50000/-	No Margin. 15 to 20% (depend on quantum of finance).
B	Term Loans	Up to Rs. 50000/- Over Rs. 50000/-	No Margin. 15 to 20%.
2	Security norms	-	-
C	Crop loans & other short Term loans	Up to Rs. 50000/- Over Rs. 50000	Hypothecation of crops. Mortgage of land& third party guarantee.
D	Long term	Up to rs. 50000/- Over Rs. 50000/-	

**The Agriculture loans offered by Bank of Maharashtra can be categorized into the following types: -**

- Mahabank Kisan Credit Card
- Minor Irrigation for Agriculturists – Farm Mechanisation for Agriculturists
- Animal Husbandry
- Horticulture
- Scheme for financing establishment of Agri-Business Centres and Agri Clinics for Agriculture Graduates
- Financing Farmers for Land Purchase
- Financing Two Wheelers to Farmers
- Consumer Loans to Farmers.
- Hi-tech Projects 31



## ➤ Mahabank Kisan Credit Card

➤ Purpose	Cultivation of crops Meeting the short-term credit needs of farmers for crop production and allied activities etc. Maintenance of farm equipment etc.
➤ Eligibility	Agriculturist who owns agricultural land
➤ Amount	As decided by District Technical committee & limit worked out for the purpose
➤ Security	Mortgage of land. Hypothecation of crop/Asset
➤ Repayment	Revolving credit facility for 3 years Coinciding with harvesting of crops-season/marketing of produce.
➤ Other Terms & Conditions	Assured and timely availability of working capital for crop cultivation. Borrowers are covered under personal accident insurance scheme. Insurance for notified crops is available.

## ➤ **Minor Irrigation for Agriculturist:-**

↓ Purpose

Digging of new wells, revitalization of existing well, purchase of oil engine, electric motor, pump set installation of pipe line, sprinkler, irrigation, drip irrigation, tube well, bore well, etc.

↓ Eligibility

Agriculturist who owns agricultural land.

↓ Amount

For new dug wells as per the NABARD Unit costs for equipments/estimates.

↓ Security

Mortgage of land, Hypothecation of movable assets and guarantors.

↓ Repayment

Depending upon the repaying capacity 7 to 11 years.

↓ Other Terms & Conditions

Proposed well should be located in white watershed area. It should not be in dark watershed area

➤ **Farm mechanization for Agriculturist:-**

↓ Purpose
Purchase of Tractors/Power tillers Purchase of Harvesters Purchase of Threshers & other farmimplements
↓ Eligibility
Agriculturist who owns at least 8 acres of Irrigated land. The Tractor should get at least 1500 hrs of work in a year.
↓ Amount
As per cost of machinery
↓ Security
Hypothecation of Tractor/trolley and accessories, Mortgage of land.
↓ Repayment
7 to 9 years.
↓ Other Terms & Conditions
Comprehensive insurance of machinery with bank clause.

➤ **Animal Husbandry:-**

↓ Purpose
Purchase of Cows/Buffaloes Poultry- Broiler Farm, Layers Farm, Hatchery Sheep/Goat Rearing Construction of Byre, Purchase of Machinery Working Capital Requirements.
↓ Eligibility
Agriculturist, agri. Labour and / or those who have necessary expertise.
↓ Amount
Animal cost - As per NABARD unit costs Others- as per the project.
↓ Security
Hypothecation of Animals/Plant Machinery to be purchased Mortgage of land.
↓ Repayment
4 to 5 years with suitable installments.
↓ Other Terms & Conditions
Insurance of all animals is essential.

➤ **Horticulture**

↓ Purpose Cultivation of fruit crops-mango, Pomegranate, Grapes etc.
↓ Eligibility Agriculturist with adequate provision of irrigation
↓ Amount As per NABARD Unit costs/ Project
↓ Security Mortgage of land. Hypothecation of crops.
↓ Repayment Within 15 years.

➤ **Scheme for financing establishment of Agri-Business Centers & Agri-Clinic for Agriculture graduate:**

↓ Purpose
Setting up of Agriclincs Setting up of Agribusiness Centers.
↓ Eligibility
Agriculture graduates
↓ Amount
Individuals Max. Rs 10 lakh, Group Rs 50 lakh
↓ Security
Hypothecation of Assets created out of bank loan Mortgage of land.
↓ Repayment
5 to 10 years.

➤ **Financing farmers for Land purchase:-**

↓ Purpose Purchase of land
↓ Eligibility Small & Marginal farmers, share croppers/Tenant farmers.
↓ Amount Maximum Rs 15,00,000/-
↓ Security Mortgage of land. Hypothecation of crop/Assets.
↓ Repayment As per the repaying capacity & incremental income.
↓ Other Terms & Conditions Total land holding including proposed land should not exceed 5 acres.

➤ **Financing two wheelers to Farmers:-**

↓ Purpose Purchase of two wheeler.
↓ Eligibility Net annual Agril. Income above Rs 50,000/- or 5 acres of irrigated land.
↓ Amount Max. Rs 50,000/-
↓ Security Hypothecation of Asset. Guarantors.
↓ Repayment 3 to 5 years.



➤ **Consumer loan to Farmers:-**

↓ Purpose
Purchase of consumer durables.
↓ Eligibility
Net annual Agril. Income above Rs 50,000/- or 5 acres of irrigated/10 acres seasonally irrigated land.
↓ Amount
Max. Rs 50,000/-, for four wheelers Max. Rs 2 lakh.
↓ Margin
10%
↓ Security
Hypothecation of assets.
↓ Repayment
3 to 5 years.

➤ **Hi-tech Projects:-**

↓ Purpose
Hi-tech projects.
↓ Eligibility Agriculturist with knowledge of advance techniques in the farming.
↓ Amount As per the project cost.
↓ Security Hypothecation of goods Other collateral security.
↓ Repayment Within 6 to 8 years.

## 2.5 : Objectives of the study:-

- To study financial statements of Bank of Maharashtra.
- To know the role of government in encouraging the agriculture sector.
- To study the Rate of interest of agriculture loan in Bank of Maharashtra in comparison other financial institution.
- To understand the various aspects of agriculture loan provided of bank of maharashtra .
- To understand the Feedback received from the farmers who have taken agricultural loan from Bank of Maharashtra. .

## CHAPTER 3

### Review of Literature

Ramesh and Chandel (2011) studied the financial performance and viability of four District Central Cooperative Banks (DCCBs) operating in Hisar division in Haryana for a period of twelve years (1997-98 to 2008-09) by financial analysis with different parameters and zscore analysis. The financial parameters were taken i.e. profitability, liquidity, efficiency, solvency, risk and bankruptcy and results revealed that four DCCBs with approximately fifty branches have not been performing well on all financial parameters taken for study.

- Chanda (2012) evaluated the potentiality of the Kisan Credit Card Scheme in India. The Kisan Credit Card Scheme was introduced in India in 1998- 99 has since become a flagship program providing access to short term credit in the agricultural sector. According to the Government of India, over a 100 million cards had been issued cumulatively by March 2011. Using data from 2004-05 to 2009-10, he critically examines the determinants of KCC lending across states in India and districts in Bihar and also examine the effects of the scheme on agricultural growth and yields. His results suggest that states with initially better access to agricultural credit show subsequently greater amounts of KCC lending. However, Bihar and other states also showed a faster adoption rates that cannot be explained by their recent growth accelerations.

- Kanchu, Thirupathi (2012) examined the growth of DCCBs in India through selective indicators that included and analysed the Deposits, Credits and C/D Ratios of DCCBs. He also studies the growth of investment, working Capital and Cost of Management position in DCCBs and collected the data from various secondary sources and analysed it by using various statistical tools.

- Kumar et al. (2013) examined the performance of agricultural credit flow and has identified the determinants of increased use of institutional credit at the farm household level in India. The study was based on the secondary data compiled from several sources, has revealed that the institutional credit to agriculture in real terms has increased tremendously during the past four decades. The structure of credit outlets has witnessed a significant change and commercial banks have emerged as the major source of institutional credit in recent years. But, the declining share of investment credit in the total credit may constrain the sustainable agricultural growth. The quantum of institutional credit availed by the farming households is affected by a number of socio-demographic factors which include education, farm size, family size, caste, gender, occupation of household, etc. The study has suggested simplification of the procedure for a better access to agricultural credit of smallholders and less-educated/illiterate farmers

- Godara et al. (2014) studied the credit delivery to the agriculture sector and found that it is continues to be insufficient. It appears that the banking system is still hesitant on various grounds to provide credit to small and marginal farmers. Transformation in banking policies and practices and the resultant of access to total bank credit during the post-bank nationalisation period have not satisfactorily addressed equitable and efficient delivery of agriculture and rural credit. Due to declining in public capital formation in the rural and agriculture sector and the persistent unenthusiastic attitude of rural bankers towards formal financing, the planners and

policymakers are believe on micro-finance to suitably supplement formal banking in rural India.

Kaur (2015) analyse the growth of agricultural credit in India for a period of 2000-01 to 2011-12 and collected the data from secondary sources. Percentages and compound annual growth rates are used for data analysis. The study reveals that flow of institutional credit to agriculture has increased over a period of time. The amount of loans issued to agriculture both as direct and indirect finance has shown an increase during the reference period. At the same time, the loans outstanding have also grown over a period of time.

Kanchan (2016) studied the role of cooperative banks of Punjab in agricultural finance and she found that though the number of PACS has shown a tremendous rise but the situation has deteriorated in Punjab as number of PACS has shown a tremendous downfall. Loans issued by PACS in the state of Punjab recorded very meagre share over the loan issued by all PACS in India

Venkatesulu A. (2018) identified that the Urban Co-operative Banks were playing most significant role in availing funds from NABARD and State Co-operative Banks and disbursing it to farmers through Primary Agricultural Co-operative Societies and studied the current status of the urban co-operative banks (UCBs) industry in India. He concluded that some UCBs have shown credible performance in the recent years, a large number of banks have shown discernible signs of weakness. The operational efficiency is unsatisfactory and characterised by low profitability, ever growing non-performing assets (NPA) and relatively low capital base. Also urban cooperative banks have not been able to service the growing credit requirements of clients or the newer demands for loans in the field of personal finance.

## CHAPTER 4

### RESEARCH METHADODOLOGY

The prepared to extract exhaustive information on different aspects of co-operative bankings on rural development.

**For example, question to Borrowers includes:**

1. General identifications (Farm asset)
2. Caste of the respondent to determine whether there is discriminations in farming loans.
3. Cost of credit (short-term)
4. Land cultivated
5. Credit linked marketing 6. Rate of interest
6. Method of repayment

Questions to Financial Institutions included:

1. Specific reasons for opening new branch
2. Government policies and interference
3. Training programme adopted by this institutions
4. Perception about institutional credit

This chapter deals with recommendations and suggestions. The provisions applicable to rural farmers and tries to evaluate regulatory and implementing institutions, like NABARD. The study is intended to examine the adequacy of rural banking policy in place. The projections of cooperative banks to lending in rural areas and availability of liquid fund within their disposal. However, the study reveals the following points; The policy of rural banks keeps on changing and this makes recovery difficult For example - Land Development Banks recovery indicator shows that in 1984-1985 demand was Rs. 438.95 crores and recovery was Rs. 355.51 crores (which is 81%) whereas in 1993-94 demand was Rs. 2277.38 and recovery Rs. 1278 crores (which is just 57%). The loan procurement has made further complications as policies are amended often, thus throwing banks into uncomfortable position. In granting loans and advances for agricultural purposes, the financial institutions should consider the credit worthiness of the schemes of which credit is asked for rather than the credit worthiness of the individual They should be bifurcation between Bank of Maharashtra and Pune District Central Cooperative Bank in terms of lending to both rural farms and rural industries. While PDCC Bank takes charges of rural farmers (Agricultural) Bank of Maharashtra should take charge of rural industries

Rural development is a comprehensive program in the rural area where agriculture development happens to be its nucleus. The agricultural and other sectors of rural economy are to be developed in an integrated manner.

As a matter of fact, of all the sectors, it is the agricultural sector that influences to a considerable extent the standard of living of the rural masses. The industries that exist in the rural area depend directly or indirectly on agricultural output for their inputs.

Agriculture on the other hand is the potential market for a number of industrial products. Agricultural growth can also achieve equity if its benefits are spread across poor regions. "Agriculture requires credit for seasonal agricultural operations and the investment credit provided for irrigation, agricultural equipment and machinery. The credit is also required for agricultural allied activities such as dairy, poultry, animal husbandry, horticulture & agro based industries." Agricultural credit in current context would embrace areas such as marketing, agricultural processing and all other forward and backward linkages. New activities like seed production, aquaculture, floriculture, etc. are being taken up in a big way and credit support to these activities is vitally important for their success.

My research is exploratory and formulative leading to hypothesis ^ It not only narrateV facts and situation but place on record, the problems of targets cum projections; adequacies or inadequacies in the efforts of Co-operative Banks in meeting rural finance needs especially in agriculture. On the basis of the method adopted by NABARD and its agency like Lead Bank (Bank of Maharashtra), the operational credit requirement was arrived at. For purpose of detailed field study, a total of 105 borrowers were selected.

This study can be regarded as diagnostic because it also tries to find out the problems of service area approach adopted by various Co-operative banks. This research is exploratory research in nature since it attempts to find out the qualitative factors such as effectiveness, efficiency and other attributes on the corporate performance reference to banking sector in bank of Maharashtra. Hence, it is targeting IT professionals in banks who were involved in handling e-business. Those people are aware of the risk and responses of using e-businesses, several security issues of using e-business facilities in banks. To go further step and measure, in real life, the research is also targeting the customers of the banks who are using these facilities

## **RESEARCH DEFINATION :**

Research is a process in which the researcher wishes to find out the end result for a given problem and thus the solution helps in future course of action.

## **RESEARCH DESIGN**

This research is exploratory research in nature since it attempts to find out the qualitative factors such as effectiveness, efficiency and other attributes on the corporate performance reference to banking sector in Maharashtra. To fulfill the research objectives, this research is based on two surveys: one targeted to banking professionals in banks who were involved in handling e-business, the professionals who are aware of the risk and responses of using ebusinesses, several security issues of using e-business facilities in banks etc. The objective of the first survey which will be targeting the IT professionals in the banks will be to find out the qualitative factors that affect e-business functionality. The survey will have mostly open ended questions as the nature of open ended questions will enable the banking professionals to input their own feedback freely and provide more explanation to support their ideas. The second survey will be developed and published after finalizing and coding the results from the banking professionals' survey. The survey questionnaires will be designed from the qualitative factors that will be collected from banking professionals. The target people in the second survey are IT professionals handling e-business in different banks in Maharashtra. To ease the measurement of the input provided by banking professionals, the survey questions will be designed using close-ended questions with different scale

### **Nature of Research:**

**Research is basically of two types.**

1. Descriptive research
2. Explorative research
3. Quantitative Research
4. Qualitative Research
5. Analytical Research
6. Fundamental Research
7. Conclusive Research



## **1. Descriptive Research: .**

Facts are considered in descriptive methods and surveys and case studies are done to clarify the facts. These help to determine and explain with examples, the facts, and they are not rejected. Many variables can be used in descriptive research to explain the facts

- Describe the characteristics of certain groups/ samples / populations.
- Estimate proportions in specified populations.
- Make specific predictions.

## **2.Explorative research**

Exploratory research represents a qualitative study, which based on in-depth interviews, and constitutes first step of intended entire study, As a result of research, consumers mentioned more than seventy items which creates stress during taking banking services in total. These items were tried to be reorganized and categorized by; stressors resulted from service attributes, ergonomic failures of branches, business applications, employees, web pages, automatic telling machines and tele-banking services.

- o High interest rates
- o Lack of credibility
- o Insufficiency of credit card limit
- o Possible deficiency for paying debts
- o Possible deficiency for credit card payments
- o Unnecessary execution operations
- o Difficulty of reaching consumer services

## **3. Quantitative Research**

As the name suggests, quantitative refers to the numbers where data is collected based on numbers, and a summary is taken from these numbers. Graphs help to quantify the results in quantitative research.

## **4. Qualitative Research**

Qualitative refers to the non- numerical elements in the research. When the information or data cannot be grasped in terms of numbers, qualitative research comes for the rescue.

Though not reliable as much as quantitative, qualitative research helps to form a better summary in terms of theories in the data. Based on the nature of the research . 47

### **5. Analytical Research**

Analytical research uses the facts that have been confirmed already to form the basis for the research and critical evaluation of the material is carried out in this method. Analytical methods make use of quantitative methods as well.

### **6. Fundamental Research**

Fundamental research is the basic or pure research done to find out an element or a theory that has never been in the world yet. Several domains are connected and the aim is to find out how traditional things can be changed or something new can be developed. The summary is purely in common language and logical findings are applied in the research. Based on research design,

### **7. Conclusive Research**

Conclusive Research aims at providing an answer to the research topic and has a proper design in the methodology. A well-designed structure helps in formulating and solving the hypotheses and give the results. The results will be generic and help the outside world. Researchers will have an inner pleasure to solve the problems and to help society in general.

## **Data collection :**

There are two main sources of data

1. Primary data
2. Secondary data

### **Primary Data:**

It consists of original information's collected for specific Purpose. Primary data for this research, data are collected through a direct source like survey to obtain the first hand information is others resources are written below. The Primary data means collection of first hand information, which is not published earlier. The researcher has collected primary data through questionnaires, interviews and field visits . The systematic questionnaires are designed separately for PACSs and their member beneficiaries to collect data on the required topics. The primary data is collected with the application of random and deliberate sampling method. Interviews of office bearers of Primary Agriculture Credit Co-operative Societies (PACS) of bank of maharashtra are conducted for primary data collection. In addition questionnaires are being got filled up from selected beneficiaries who have taken loan from Primary Agriculture Credit Cooperative Society of bank of Maharashtra . In addition to the above techniques of data collection, field visits are done to know the actual functioning of the societies and working conditions and their problems etc

- . • Survey.
- Face to face interaction.

## **Secondary Data:**

It consists of information that already exists somewhere and has been collected for some specific purpose in the study. The secondary data for this study is collected from various sources like, Secondary data is not originally collected by the researcher but obtained from published or unpublished sources. The secondary data is collected from;

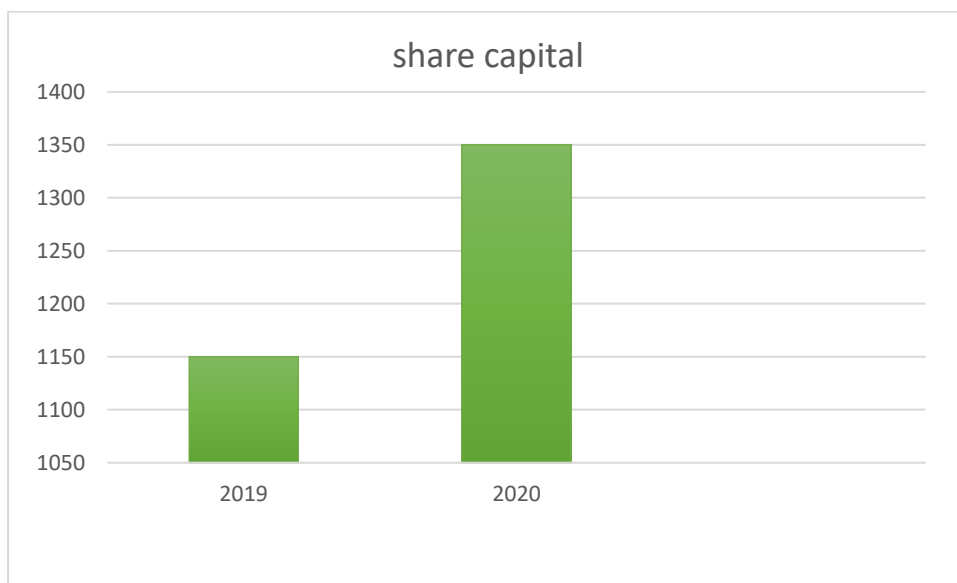
1. Annual Reports of Primary Agricultural Credit to farmers from bank of Maharashtra
2. Publications of the Govt, periodicals, publications of federal bodies/ associations, institutions. Reports of various committees, Bureau of statistics etc.
3. Unpublished data are also collected from Govt. Offices, Research Institutions and Financial institutions.
4. Research papers published & unpublished on the subject were studied.
5. The Journals, Magazine and News papers were used.

- Books.
- Website.
- Newspaper.
- Financial Magazine. ( weekly , business world etc)

## CHAPTER 5

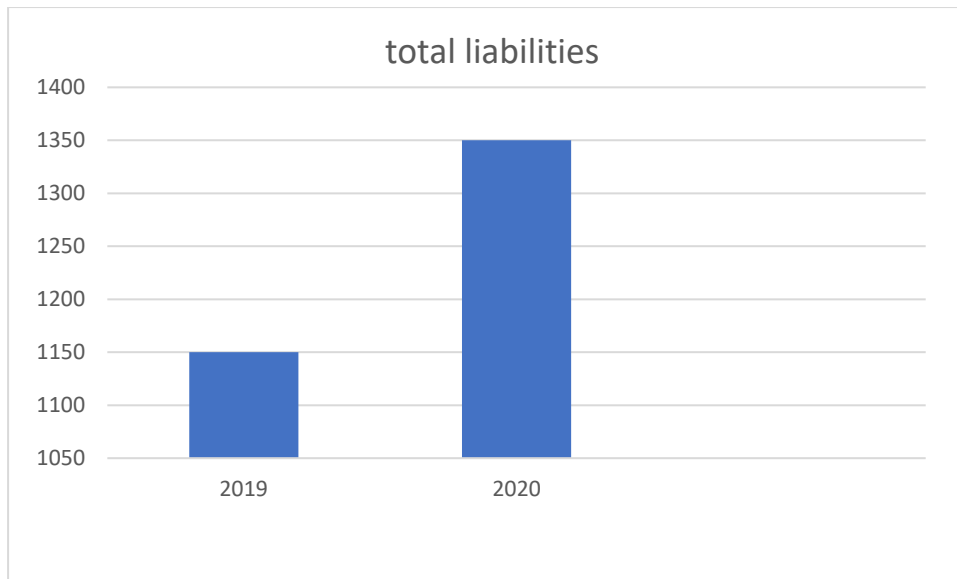
### ANALYSIS OF THE DATA

#### SHARE CAPITAL 2019 -2020



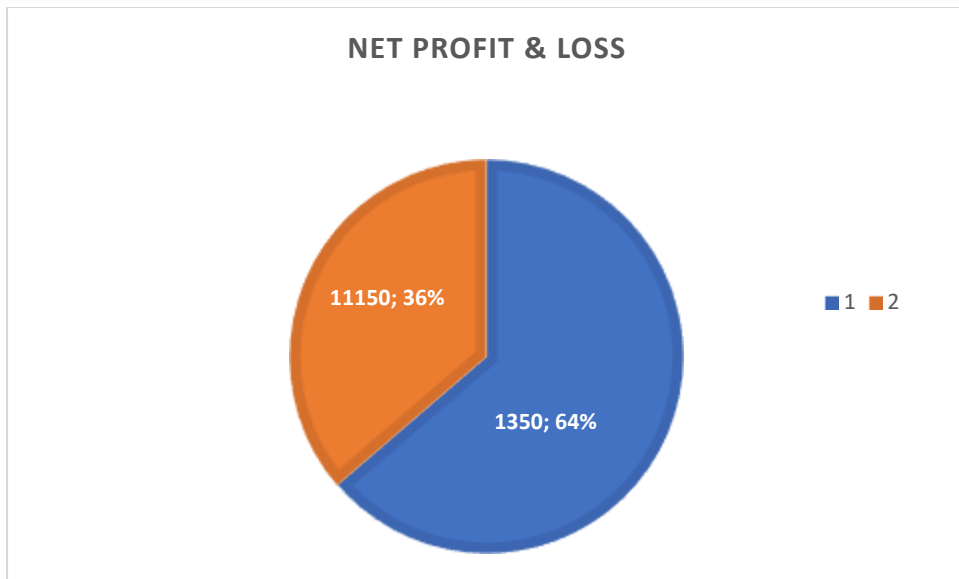
#### Interpretation :

- In balance sheet of bank of maharashtra
- Share capital of March 2019 is 2753.17
- Share capital of March 2020 is 5824.11
- The Balance Sheet shows share capital of bank of maharashtra has increased in maharashtra



**Interpretation :**

- In balance sheet of bank of maharashtra
- Total Liabilities of March 2019 is 164535.53
- Total Liabilities of March 2020 is 168867.18
- The Balance Sheet shows Total Liabilities of bank of maharashtra has increased in maharashtra



**Interpretation :**

- In this profit and loss account of bank of Maharashtra
- Pie chart shows that net profit and loss of the year

## Bank of Maharashtra Agriculture loans analysis & interpretation

➤ Mahabank Kisan Credit Card :

SR.NO	YEARS	LOANS [ IN CR. ]
1	2017-18	2.5
2	2019-20	3.1
3	2019-2020	3.2



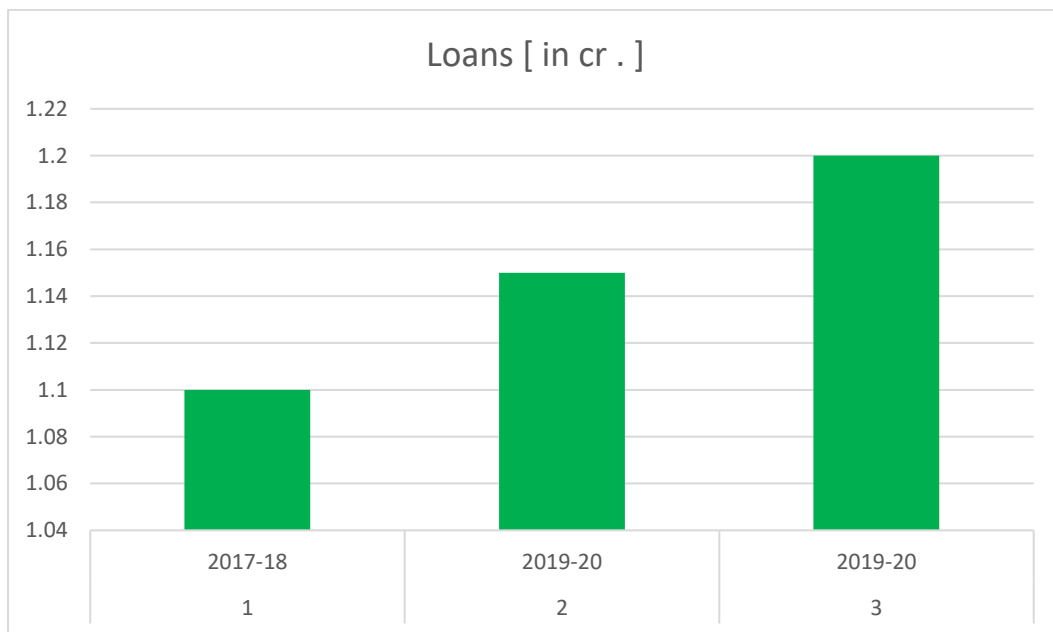
### Explanation:

The above chart shows that the amount of loan for MKCC is increased than last years. In 2016-17 it was 2.5 crore, in 2017-18 it was 3.10 crore and in 2019-20 it increase to 3.20 crore. Hence the amount of loan is increased.



## ➤ Minor Irrigation

Sr.no	Years	Loans [ in cr . ]
1	2017-18	1.10
2	2019-20	1.15
3	2019-20	1.20

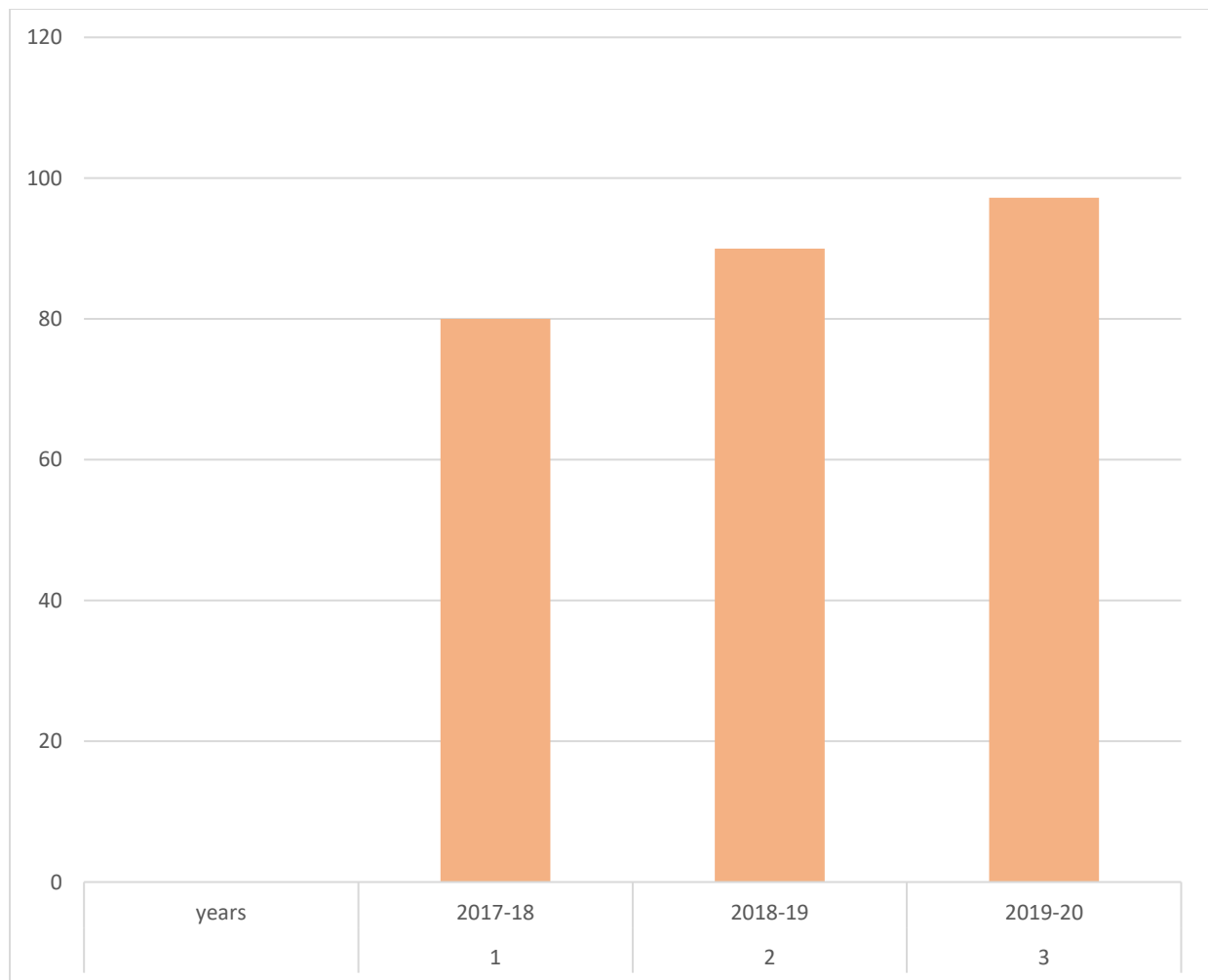


### Explanation :

The above chart shows that the amount of loan for Minor irrigation is increased than last years. In 2016-17 it was 1.10 crore, in 2017-18 it was 1.15 crore and in 2019-20 it increases to 1.20 crore. Hence the amount of loan is increased.

➤ **Farm Mechanism for Agriculturist:-**

Sr.no	Years	Loans [in lakhs]
1	2017-18	80
2	2019-20	90
3	2019-20	97.2

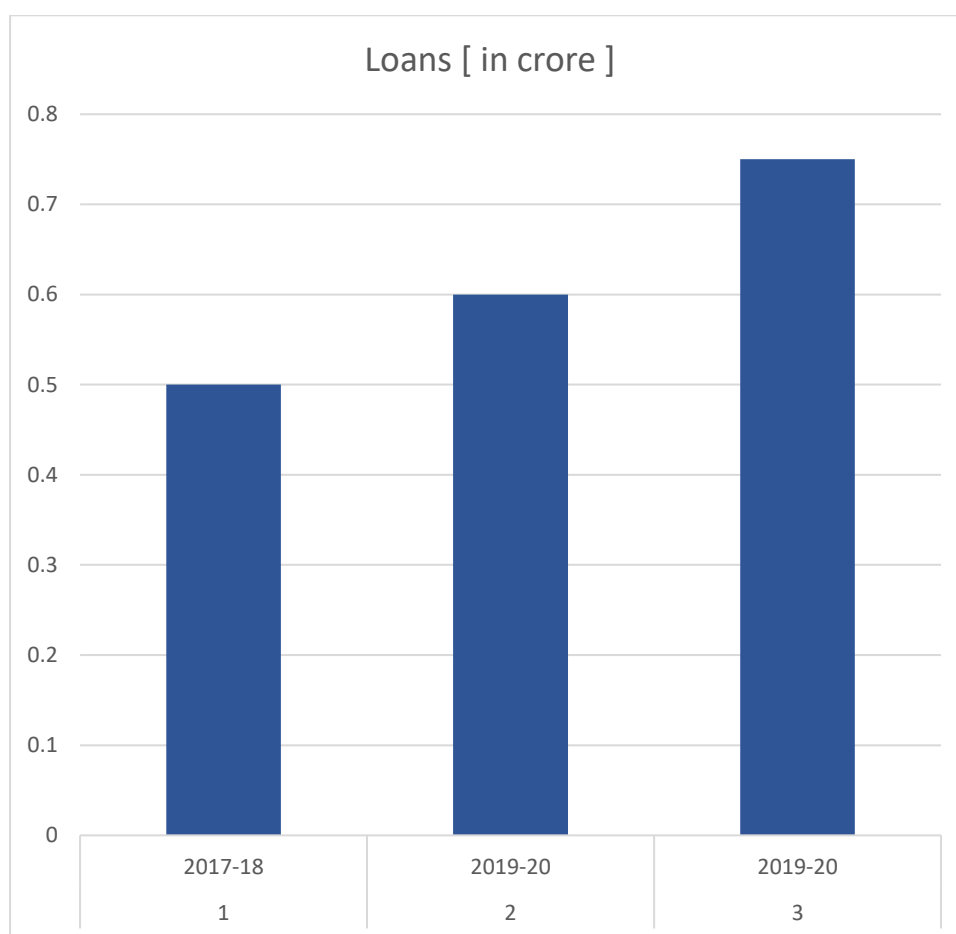


**Explanation:-**

The above chart shows the amount of loan for Farm Mechanism is increased than last year in 2016-17 it was 80 lacs in 2017-18 it was 90 lacs and in 2019-20 it increased to 97.2 lacs. Hence the amount of loan is increased.

➤ **Horticulture:**

Sr.no	Years	Loans [ in crore ]
1	2017-18	0.50
2	2019-20	0.60
3	2019-20	0.75

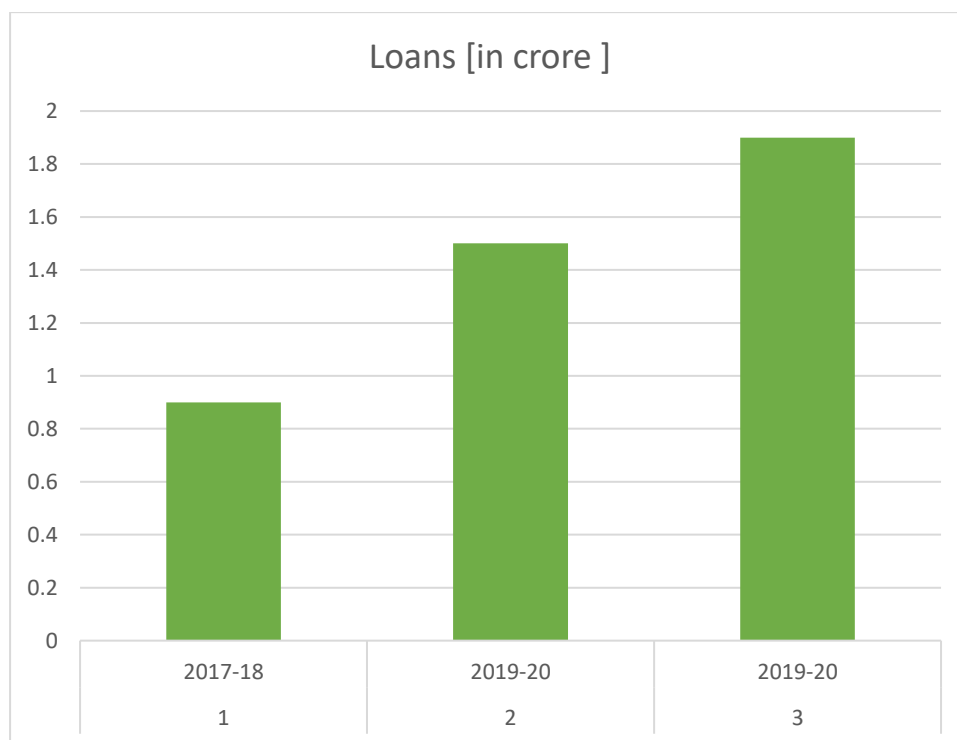


**Explanation :**

The above chart shows the amount of loan for Horticulture is increased than last year in 2016-17 it was 0.50 crore 2017-18 it was 0.60 crore and in 2019-20 it increased to 0.75 crore. Hence the amount of loan is increased.

➤ **Land Purchase :**

<b>Sr.no</b>	<b>Years</b>	<b>Loans [in crore ]</b>
<b>1</b>	<b>2017-18</b>	<b>0.9</b>
<b>2</b>	<b>2019-20</b>	<b>1.5</b>
<b>3</b>	<b>2019-20</b>	<b>1.9</b>

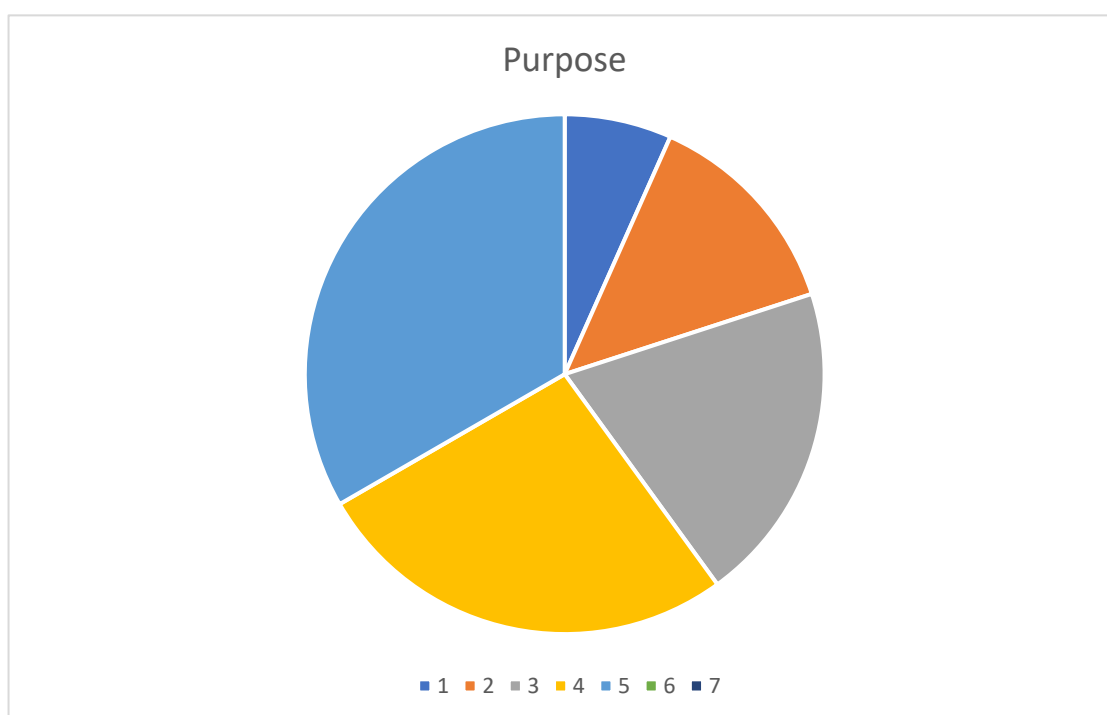


**Explanation:-**

The above chart shows the amount of loan for Purchase of Land is increased than last year in 2016-17 it was 0.9 crore 2017-18 it was 1.5 crore and in 2019-20 it increased to 1.9 crore. Hence the amount of loan is increased.

➤ **Purpose of borrowing loan:**

Sr.no	Purpose	No.of farmers	%
1	IRRIGATION	53	53%
2	DEVELOPMENT	9	9%
3	EQUIPMENT	13	13%
4	FARMING PURPOSE	5	5%
5	OTHER	20	20%
	<b>TOTAL</b>	<b>100</b>	<b>100%</b>



Explanation: -

The above chart shows that the farmers taking loan from bank for various purpose like farming purpose, development, irrigation, equipment and other purpose. In which maximum number of farmers taking loan for irrigation is 53%.

## CHAPTER 6

### FINDING OF THE STUDY:

- Gross profit and net profits are decreased during the period of study, which indicates that firm's inefficient management in manufacturing and trading operations.
- Gross profit and net profits are increased during the period of 2019-20 which indicates that firm's efficient management in manufacturing and trading operations.
- Liquidity ratio of the firm is not better liquidity position in over the five years. It shows that the firm had not sufficient liquid assets.
- The inventory of the firm in the first year has been sold very slow. And there is an increase in the movement of the inventories but it slightly decreased in the last year. This may be a sign not good to the firm.
- The fixed assets turnover ratio of the firm has in 2018-19 it increase in the next years continuously and it again decrease in 2019-20.
- The current assets turnover ratio is increasing during the period of 2017-18 and again it decrease in the period of 2019-20. And again increase in next two year slighthly.

## CHAPTER 7

### CONCLUSIONS:

1. The bank is expected to have good financial position in future as it is expected to have more customers for agriculture loan.
2. The government agencies promote local agricultural products, provide food safety and inspection services, soil conservation and environmental protection
3. Bank provides many agriculture financial assistance other than agriculture loan like consumer loan, vehicle loan, housing loan, Import – export finance, Which are useful for growth and development of agriculture and it helps to flourishing agriculture sector and its allied activities
4. Various facilities are provided to farmers. Relation between the branch officers & the farmers are very good. In loan schemes many farmers take loan for irrigation .
5. Bank of maharashtra reaches among the maximum number of Farmers across the country and More than average number of Farmers were found satisfied by the offered services of Bank of Maharashtra .

## **SUGGESTIONS :**

With regard to banking products and services, loans, consumers respond at different rates, depending on the consumer's characteristics.

- 1) Due to the intense competition in the financial market, Bank of Maharashtra should adopt better strategies to attract more customers.
- 2) Bank of Maharashtra should adopt effective promotional strategies to increase the awareness level among the consumers.
- 3) Bank of Maharashtra should ask for their consumer feedback to know whether the consumers are really satisfied or dissatisfied with the service and product of the bank. If they are dissatisfied, then the reasons for dissatisfaction should be found out and should be corrected in future.
- 4) The Bank of Maharashtra brand name has earned a lot of goodwill and enjoys high brand equity. As there is intense competition, Bank of Maharashtra should work hard to maintain its position and offer better service and products to consumers.
- 5) The bank should try to increase the Brand image through performance and service then, only the customers will be satisfied.
- 6) Majority of the people find banking important in their life, so Bank of Maharashtra should implement the strategies to convert the want in to need which will enrich their business and fulfill the need of consumers .



## **Limitations of the study :**

The study is complicated with the following limitations:

1. Only one bank is selected to study so there is no comparative analysis.
2. The scope is limited in Nagpur .
3. The time was not sufficient because of this pandemic situation
4. The project was based on secondary data , the information gathered was not sufficient
5. The information received from the websites is not sufficient

## **CHAPTER 8 :**

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[www.bankofmaharashtra.in/profile.asp](http://www.bankofmaharashtra.in/profile.asp)

## CHAPTER 9 : ANNEXURE

### Balance sheet of bank of maharstra

Particulars	March ,19[ RS IN CR ]	March,20[ RS IN CR ]
Liabilities	12 months	12 months
Share capital	2753.17	5824.11
Reserve & surplus	1613.17	3666.65
<b>Net worth</b>	4366.34	9490.76
Secured loans	10149.17	3670.03
Unsecured loans	140650.09	15066.40
<b>TOTAL LIABILITIES</b>	163162.43	167602.66
<b>Assests</b>		
Gross block	1775.53	1604.42
[-]acc. Depreciation	.00	.00
Net block	402.43	339.90
Capital work in progress	.00	71.77
Investments	95697.05	57740.85
Inventories	.00	.00
Sundry debtors	.00	.00
Cash & bank	7919.99	10353.68
Loans & advances	95305.31	102505.70
<b>TOTAL CURRENTS ASSESTS</b>	163162.44	167602.65
Current liabilities	3339.89	4754.97
Provisions	.00	.00
<b>TOTAL CURRENT LIABILITIES</b>	3339.89	4754.97
<b>NET CURRENTASSESTS</b>	107849.38	114392.75
Misc . expences	.00	.00
<b>Total assests [a+b+c+d+e]</b>	152988.85	155775.47

## Profit and Loss Account of bank of Maharashtra

Particular	-----in Rs.Cr.-----	
	Mar-19	Mar-20
	12 month	12 month
<b>Income</b>		
Interest Earned	11,495.45	10,849.60
Other Income	1,649.23	1,547.45
<b>Total Income</b>	<b>13,144.68</b>	<b>12,397.05</b>
<b>Expenditure</b>		
Interest expended	7,216.65	7,116.12
Employee Cost	1,743.82	1,794.17
Selling, Admin & Misc Expenses	6,692.15	15,356.21
Depreciation	210.95	241.37
Operating Expenses	6,188.44	10,410.26
Provisions & Contingencies	2,458.48	6,981.49
<b>Total Expenses</b>	<b>15,863.57</b>	<b>24,507.87</b>
<b>Net Profit for the Year</b>	<b>-2,718.90</b>	<b>-12,110.81</b>
Profit brought forward	-7,360.29	-2,543.66
<b>Total</b>	<b>-10,079.19</b>	<b>-14,654.47</b>
Equity Dividend	0	0
<b>Per share data (annualised)</b>		
Earning Per Share (Rs)	<b>-4.67</b>	<b>-43.99</b>
Equity Dividend (%)	0	0
Book Value (Rs)	16.3	15.86
<b>Appropriations</b>		
Transfer to Statutory Reserves	377.79	32.76
Transfer to Other Reserves	0	0
Proposed Dividend/Transfer to Govt	0	0
Balance c/f to Balance Sheet	-7,349.50	-7,360.29
<b>Total</b>	<b>-6,971.71</b>	<b>-7,327.53</b>