

College of Agriculture, Phaltan

Demonstration No-1



Demonstration on Preparation of bank proposal for host farmer

DEMONSTRATION NO:1

Demonstration on preparation of bank proposal for host farmer

Name of the student: Nale Sameer Bhanudas.

REG. NO. : CAP-2017/86

DATE: 07/08/2020

No of farmer participated: 05

Address:

Satara zillha madhyawarti bank,Dudhebavi

Tal: Phaltan

Dist: Satara

Pin-code: 415523

Teaching aid used:

- 1) Guidance of subject matter specialist.
- 2) Refer the manual of econ.

Material:

- 1) Banner
- 2) Application form of loan.

Objective:

- 1) To told various objective of bank to the farmer.
- 2) To provide latest banking facility to the members.
- 3) To provide finance for livestock purchasing Dairy poultry etc. As medium term loan.
- 4) To finance short-term loan to the cultivator through cooperative society.
- 5) To provide loan to agro based industry.

Function:

- 1) Mainly this Bank supply short and medium term and to the cultivator.
- 2) They supervise the activity of bank and help credit society smoothly.

- 3) To maintain close and discontinuous and guide the primary societies and provide leadership to them.
- 4) They undertook non- credit activities like supply of seed fertilizer.

Planning:

- 1) First i discussed with concerned sms about method of demonstration on Preparation of bank proposal for host farmer.
- 2) I collected the all the material or information for the demonstration.

Conduction:

- 1) First i was going to the bank and meet manager Mr. Ganesh Pawar.
- 2) After that I asked him information about loan that is crop loan investment loan marketing loan etc.
- 3) He gave all information about loan.
- 4) Finally I asked the procedure of preparation of bank proposal for short term long term and medium term loan.
- 5) He told all information about loan as follows:

sources of Agricultural loan or credit in India:

<u>Non-institutional</u>	<u>Institutional</u>
A) Landlords)	A) Commercial bank
B) Relatives	B) Land development Bank
C) Professional Money lender	C) Regional rural bank
D) Traders	d) co-operative society

6) hit old classification of loan in various types and he was tell me.

A) Short term loan:

This loan is taken for seed fertilizer manure plant protection etc.

- **repayment period:**

The length of repayment period of loan ranges from 6 months to 18 months has to pay in lump sum.

B) Medium term loan:

Which type of loan is taken for purchase in various agricultural implements milch cattle sheep and goat etc.

- **repayment period:**

The length of repayment period of loan ranges from 15 month to 5 year has to pay installment.

C) Long term loan:

For purchasing tractor, construction of farm building for development or for permanent improvement on a farmer field.

- **repayment period:**

Loan ranges from 5 to 20 year have to pay installment.

7) Tips in sanctioning and recovery of farm loan:

- A) Interview with the farmer.
- B) Submission of loan application by farmer.
- C) Scrutiny of records.
- D) Visit to the farmer field.
- E) Checking loan eligibility criteria.
- F) sanction of loan.
- G) Submission of requisite document by the farmer.
- H) Disbursement of loan.
- I) post credit follow up measures.
- J) Recovery of loan.

- **Loan repayment plan:**

A) Straight and repayment plan:

Also known as single repayment plan because the entire loan sum is to be cleared off after the time stipulated by the banking or financial institution but the interest has to be avoid paid every year.

B) Partial repayment plan:

Also known as a balloon repayment plan as the name suggested that the entire lone sum to be paid in installment with principal amount and interest.

C) Amortized repayment loan:

Means repayment of the entire lone sum in the series of installment. This method is an extension of Partial repayment plan.

D) Variable repayment plan:

- Repayment plan can be affected by the borrower as for his convenience.

- At times of good harvest a higher installment amount can be paid and during lean period or low yield period lesser installment amount can be paid.

E) Reserve repayment loan:

- Also known as future payment plan.
- In this method one can make advance payment of the loan that is realized from previous years saving.

8) After that I give all information about various types of loans and its repayment period.

9) Finally I told all procedure to the host farmer.

- **Questions asked by farmer:**

A) What is the repayment period of long term loan?

Ans : loan ranges from 5 year to 20 years to pay in installment.

B) Can we take short term loan for which purpose?

Ans : yes we take short term loan for purchasing of seed fertilizer manure plant protection, etc

C) What is the main purpose of Satara Zillah madhyavarti Bank?

Ans: It provides financial assistance to small business and gives birth to main industrial houses.

D) What is the mean by loan?

Ans: the term loan refers to the type of credit vehicle in which a sum of money is lent to another party in exchange for future repayment of the value or principal amount.

- **Farmers feedback:**

Farmer is satisfied and happy with demonstration. They got knowledge about type of loan and its steps of sanctioning and repayment period.

- **Student comment:**

- 1) Due to demonstration I got more or practically knowledge about agriculture investment.
- 2) I gained the great experience of teaching also my confidence level increased.