

LOAN AGAINST WAREHOUSE RECEIPT WITH REFERANCE TO CHATTISHGARH RAJYA SAHKARI BANK MARYADIT (APEX BANK)

Dr. S. K. AGRAWAL

Durga Mahavidyalaya Raipur (C.G.)

SMT. SHOBHA AGRAWAL

Research Scholar Raipur (C.G.)

Abstract: Apex bank providing numerous bank scheme for the warehouse sanctioning in chattishgarh. In session 2016-17 government of chattishgarh provide number of scheme for reducing interest , subsidiary of near 20 to 30 % in asset of warehouse through the different scheme of pradhan mantri yojna. Rajya sahkari bank always help for the villages area for warehouse opening with nominal guarantee.

Key words: Warehouse, subsidiary, livelihood

Introduction: Activities of modern economy are significantly influenced by the functions and services of banks. Banking sector constitutes the core part of economic system. Indian economy is an agricultural economy and real India lies in villages. Village economy is the backbone of Indian economy. Even after 60 years of independence the rural economy in India is still handicapped in terms of infrastructure and other chronic problems of cultivators. In fact, economic progress and industrial development are determined by the rural sector. More than 70% of Indians are dependent on agriculture; 60% of industries are agro based; 50% of national income is contributed by rural sector, and the agricultural sector is the largest foreign exchange earner to India. Without the development of rural economy the objectives of economic planning cannot be achieved. Hence, banks and other financial institutions are considered to play a vital role for the development of the rural economy in India. The Commercial Banks had little interest in rural areas, as these banks concentrated on deposits rather than credits. Thus they provide for the flight of funds from the rural to the urban. So, there was a strong need for the establishment of Regional Rural Banks. Rural banking system occupies a significant

position in the structure of Indian banking system. Being an agrarian economy with more than 50% of the population depending on agriculture for their livelihood, rural banking has acquired increasing relevance in the recent times. "Rural Banking" will connote the banking need of the rural population. These needs are for activities relating to agriculture, rural and cottage industries which dot the rural settings. The needs of these different segments are varied and complex. These needs were from ancient times met usually by the village money lenders, the lending activities of these money lenders operated on an informal basis without much of the paraphernalia of a modern banking system.

Coilation Of MP & CG

Consequent upon the re-organization of Madhya Pradesh State Cooperative Bank Ltd. (MPSTCDB) under Sub-Section 4(2) of Madhya Pradesh Government Ordinance No. 2000/4, the bank was registered on 30 October 2000 as a separate entity and commenced banking business w.e.f. 01 April 2001 i.e. after bifurcation of assets and liabilities between MPSTCB and Chhattisgarh Rajya Sahkari Bank Maryadit, Raipur (CStCB). The Reserve Bank of India had issued license to the bank on 11 August 2010 under section 22 of the Banking Regulation Act, 1949 (As applicable

to cooperative Societies) vide license No. RPCd. (RPR)05/2010-11 which specified the area of operation of the Bank as whole of India, while in terms of Bye law No. 1 the area of operation of the bank is restricted to Chhattisgarh State only. However, the bank had not opened any branch or office outside Chhattisgarh State. The bank had also received revised license from the Reserve Bank of India vide reference No. RPCD(RPR) 05/2013-14 dated 23 July 2013. Then bank was also included in the second Schedule to Reserve Bank of India Act, 1934 w.e.f. 16 September 2013 vide notification No. RPCD. RCB.BC.No. 34/07.07.004/ 2013-14 dated 16 September 2013.

Regional Rural Banks

RAJYA SAHKARI BANK in India are an integral part of the rural credit structure of the country. RAJYA SAHKARI BANK s were established under the provisions of an ordinance promulgated on 26 Th Sept. 1975 and the RAJYA SAHKARI BANK Act, 1976 with an objective to ensure sufficient institutional credit for agriculture and other rural sectors. The RAJYA SAHKARI BANK s mobilize financial resources for rural / semi-urban areas and grant loans and advances mostly to small and marginal farmers, agricultural laborers and rural artisans. The area of operation of RAJYA SAHKARI BANK's is limited to the area as notified by Govt. of India covering one or more districts in the state. RAJYA SAHKARI BANK's are jointly owned by Govt. of India, the concerned State Government and sponsor banks (i.e., 27 scheduled commercial banks and one state co-operative bank) of this 50% shall be subscribed by the centre 1 government, 15% by the concerned state government and 35% by the sponsor bank.

Concerning Study

1. Manifold Characteristics of Agricultural

Produce Due to the vastness, varied climatic, geographical conditions and proliferation of the urbanization in the country there survive multiple characteristics of the agricultural production, notably like the

technological development problems at farming, scattered and small scale agricultural productions and season ability of the produce and its demand. This is supported by the baffling fluctuations in the prices of the commodities that are either too low when the farmers suffers heavy losses (as in case of potatoes in the year 2011 - 12) or too high when the consumers are unable to buy the produce (as in case of vegetables and other agricultural produce in the year 2013 and early year of 2014).

2.Nature of Agricultural Commodities

Owing to the adulteration and perishability of the agricultural produce, stock room depot is immediate requirement, but post harvest practice constraint like, storage facilities and warehouses are either not easy to procure, not properly constructed at specific location or they do not have ample space to store the agric-commodities.

3.Fluctuating Price of Production

Rising cost of production and transportation, hike in the fuel cost, power tariff and toll tax, increasing prices of fertilizers, seeds, agricultural inputs and equipments and the communication predicament is yet again creating undue pressure over the agricultural markets in the nation.

4.Polite Nature of Indian

Peasants Illiteracy, ignorance and unawareness of the peasants And lack of the organized farmer's organization cause them to be suffered more by the presence and the domination of many middlemen. This is further deteriorated when we see that the Government funding for the farmers is still at nascent stage and most of the small farmers still depend on the local moneylenders who charge high interest.

Processing And Storage

Processing means transforming raw materials into a new form so as to increase their shelf life and to make them more acceptable to consumer than in their original form, for e.g. Wheat may be turned into flour. The manufactured goods may not however be immediately disposed of and may require

space for storage. The needs of storage brings into the existence of warehouses and

Godowns.



Loan against receipt of warehouse/cold storage is available to provide liquidity to the farmers and prevent them from resorting to distress sale of their produce at the time of harvest

a. Eligibility

- Non-defaulting farmers who have availed crop loans from our Bank.
- Other farmers in Service Area/ Command Area having no dues/no objection with/from other banks.
- Advance can be granted to a farmer against produce stored in Central, State Warehouses, NCDC warehouses or Approved Warehouses/Cold Storages.
- Advance can also be granted to a farmer against produce stored separately in his rural go down/house itself.

b. Quantum Of Loan

Up to 75% of the market value or value as per minimum support price of agricultural commodity as declared by the Government whichever is lower, subject to a maximum of Rs.50.00 lacs-.

c. Repayment

The Entire Loan Amount Along With Accrued Interest To Be Recovered Within 12 Months Of Availing Loan.

d. Security/Documents DPN

Pledge/Lien of warehouse receipts covering stocks of agricultural commodities in warehouses of Central/State Warehousing Corporations and/or approved private warehouses/cold storages or Hypothecation/pledge of agricultural produce stored separately with the cultivator.

e. Interest Subvention

Interest subvention to small and marginal farmers on loans against Negotiable Warehouse Receipt (NWR) for maximum period up to 6 months

Forms And Documents

Documents like DPN, Pledge agreement, Declaration by the borrowers and Letter of continuity once obtained is valid for 3 years. Warehouse Receipt endorsed in favour of Bank, Lien marked in the books of warehouse, Take delivery letter is required for each warehouse receipt against which finance will be made. Stamping fee will be according to norm of the state.

Special Schemes And Offers

Extension of Interest Subvention Scheme to Post Harvest Loans:

In order to discourage distress sale by farmers and to encourage them to store their produce in warehousing against warehouse receipts, the benefit of interest subvention scheme has been extended to small and marginal farmers having Kisan Credit Card for a further period of up to six month post harvest on the same rate as available to crop loan against negotiable warehouse receipt for keeping their produce in warehouses.

Collateral Free Loans

The limit of collateral free farm loan has been increased from Rs.50,000 to Rs.1,00,000. Relief in Event of Occurrence of Natural Calamities:-Reserve Bank has put in place a mechanism to address situations arising out of natural calamities. The banks have been issued necessary guidelines for undertaking necessary credit relief measures in event of

occurrence of natural calamities. The guidelines, inter alia, contain directions to banks to ensure that the meetings of District Consultative Committees or State Level Bankers Committees are convened at the earliest to evolve a coordinated action plan for implementation of the relief programmed in collaboration with the State district authorities. Product Marketing Loan (Loan against Ware House Receipt) The purpose of this scheme is to protect the farmers from the compulsion to sell their produce immediately after harvest of produce despite an adverse market and to finance farmers and traders against warehouse receipt up to a maximum of finance for farmers is Rs.10 lakhs and for traders is Rs. 25 lakhs. Interest rate varies from 8.75 per cent to 9.75 per cent and for traders the rate is 9.75 per cent (Irrespective of the limit). Security for farmers is 248 waived and for traders, primary security is pledge of warehouse receipt along with collateral above Rs. 10 lakh as applicable to other advances to traders. Repayment on demand/6 months which can be extended up to 12 months subject to satisfactory shelf life/market condition and Rural Godowns. To set up Godowns, Warehouses, Cold Storages Infrastructure (equipment, hardware, gadgets, etc) for E-trading, market intelligence, extension and market oriented production and planning, Mobile infrastructure for post-harvest operations (excluding transport equipment) will be eligible for assistance under the scheme.

Interest rate varies from 9 % to 13 %. Hypothecation of assets created and mortgage of land is the security for this scheme. Quantum of loan limit is up to 75 per cent of cost of the Project. The period of the loan shall be 60 to 84 months depending on the repaying capacity of the applicant. Repayable in monthly / quarterly / half-yearly / annual installments depending on the cash flows available to the borrower.

Conclusion

Loan against warehouse receipt scheme is totally under central government of India through state wise by different banking scheme. If we taking about CHATTISHGARH RAJYA SAHKARI BANK MARYADIT (APEX BANK), it provides benefits and helps people for the loan benefits.

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