

ISBN: 978-81-953083-9-2

An Analysis on Warehouse Loan Scheme

**of Chhattisgarh Rajya Sahakari Bank Maryadit
(Apex Bank) in Chhattisgarh
(Year 2006-07 to 2015-16)**

Dr. Shobha Agrawal

Aditi Publication
Raipur, Chhattisgarh, India
www.shodhsamagam.com

**AN ANALYSIS ON WAREHOUSE LOAN
SCHEME OF CHHATTISGARH RAJYA
SAHAKARI BANK MARYADIT
(APEX BANK) IN CHHATTISGARH
(YEAR 2006-07 TO 2015-16)**

Dr. Shobha Agrawal
Raipur, Chhattisgarh, INDIA

Publisher :
Aditi Publication, Raipur, Chhattisgarh, INDIA

**An Analysis on Warehouse Loan Scheme of
Chhattisgarh Rajya Sahakari Bank Maryadit
(Apex Bank) in Chhattisgarh
(Year 2006-07 to 2015-16)**

Year : **2021**

Edition - **01**

Dr. Shobha Agrawal

Raipur, Chhattisgarh, INDIA

ISBN : **978-81-953083-9-2**

Copyright© All Rights Reserved

No parts of this publication may be reproduced, stored in a retrieval system or transmitted, in any form or by any means, mechanical, photocopying, recording or otherwise, without prior written permission of the author and publisher.

Price: Rs. **225/-**

Printed by

Yash Offest,

Lily Chowk, Purani Basti Raipur

Tahasil & District Raipur Chhattisgarh, India

Publisher :

Aditi Publication,

Near Ice factory, Opp Sakti Sound Service Gali, Kushalpur,

Raipur, Chhattisgarh, INDIA

+91 9425210308

CONTENTS

S.N.	Title	P.N.
01.	Introduction 1.1 Introduction of Bank 1.2 Object of the Study 1.3 Importance of the Study 1.4 Research Methodology of the work 1.5 Hypothesis of the proposed work	01-18
02.	General Introduction of Chhattisgarh State 2.1 History of Chhattisgarh 2.2 Geographical Structure 2.3 Population of the state 2.4 Position of Agriculture 2.5 Banking Facilities	19-40
03.	Introduction of Chhattisgarh Rajya Sahakari Bank Maryadit (APEX BANK) 3.1 History of APEX BANK 3.2 Emblem of APEX BANK 3.3 Organization set up of Bank 3.4 Branches in Chhattisgarh 3.5 Position of Bank	41-51
04.	Main, Loan Policies & Schemes of Apex Bank 4.1 Housing Loan Scheme 4.2 Mortgage Loan Scheme 4.3 Car Loan Scheme 4.4 Cash Credit Loan Scheme 4.5 Project Loan Scheme 4.5.1 For Factory 4.5.2 For Shop 4.5.3 For Warehouse	52-77

05.	Study of Warehouse Loan & Advance 5.1 Importance of Warehouse 5.2 Rules and Regulation for constructing warehouse 5.3 Subsidy Provided by NABARD to loanee 5.4 Mode of release of loan amount 5.5 Mode of release of subsidy 5.6 Time limitation	78-95
06.	Analysis of Warehouse Loan Scheme of Apex Bank	96-120
07.	Conclusion of the Study	121-127
08.	Problems and Suggestions of Warehouse Loan Scheme	128-134
09.	Bibliography	135-142

LIST OF ABBREVIATIONS

A/C	ACCOUNT
B/S	BALANCE SHEET
C.G.	CHHATTISGARH
D.P. NOTE	DEMAND PROMISSORY NOTE
DD	DEMAND DRAFT
DMI	DIRECTORATE OF MARKETING AND INSPECTON
EMI	EQUATED MONTHLY INSTALMENT
EXIM BANK	EXPORT-IMPORT BANK OF INDIA
GOVT.	GOVERNMENT
HDFC	THE HOUSING DEVELOPMENT FINANCE CORPORATION
HUDCO	THE HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED
I.D.	IDENTITY PROOF
ICICI	INDUSTRIAL CREDIT AND INVESTMENT CORPORATION OF INDIA LTD
IDBI	INDUSTRIAL DEVELOPMENT BANK OF INDIA
LAMPS	LARGE SIZED ADIVASI MULITPURPOSE SOCIETIES
MARKFED	MARKETING FEDERATION
NABARD	NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT

NCDC	NATIONAL CO-OPERATIVE DEVELOPMENT CORPORATION (INDIA)
NE	NORTH EAST
NGO'S	NON GOVERNMENT ORGANIZATIONS
NIC	NATIONAL INFORMATICS CENTER
NIDA	NABARD INFRASTRUCTURE DEVELOPMENT ASSISTANCE
NOC	NO OBJECTION CERTIFICATE
NRI	NON RESIDENCE OF INDIA
P&LA/C	PROFIT AND LOSS ACCOUNT
PACCS	PRIMARY AGRICULTURE CREDIT CO-OPERATIVE SOCIETIES LIMITED
PAN	PERMANENT ACCOUNT NUMBER
PDC	POST DATED CHEQUE
PODF	PRODUCER'S ORGANIZATION DEVELOPMENT FUND
RBI	RESERVE BANK OF INDIA
S.C.	SCHEDULE CASTE
S.T.	SCHEDULE TRIBE
SHG'S	SELF HELP GROUPS
UTI	UNIT TRUST OF INDIA
WIF	WAREHOUSE INFRASTRUCTURE FUND

1.1 Introduction of Bank

Meaning of Bank

Bank is an ancient institution like money. The meaning of the word bank in dictionary is “A bench office or institution for keeping, lending, and exchanging etc. of money, a money box for saving, stock of money fund, on capital in games of hazard, the proprietor or other who plays against all “ According to some authorities, the word “Bank” itself derived from the word “bancus” or “Banque” i.e. bench because the early banker the Jews in Lambadi, transacted their business on benches in the market place, some other opinion is that the word “Bank” meaning a joint stock fund. The bank can be defined in simple terms as an institution or a person who accepts and maintains the deposit from people and also issued their credit papers, gives loan acts as their agent.

Definition

Various definition have been given for the term bank.

A. According to Sir Kinley

“A bank is an establishment which makes to individuals such advances of money as may be required and to which individuals entrust money when not required by them for use”.¹

B. In the word’s of Crowther

An institution which “ Collects money from those who have it to spare or who are saving it out of their income and lends this money out to those who require it.”²

According to the Indian Banking Company Act 1949

“A banking company means any company which transacts the business of banking. Banking means acceptance for the purpose of lending of investment of deposit of money from the Public, payable on demand or otherwise and withdrawal by cheque, draft, and order or otherwise.”

On the basis of above definition it may be concluded that banks are an important agent of investment. It serves as a channel between savers and investors. In absence of banking system bulk of the saving would have failed to reach the investor. A well developed banking system is a necessary condition for economic development in modern economy.

Development of Banking Institution

The business of banking is as old as the civilization itself as early as 2000 B.C. the Babylonians has developed a system of bank. They used their temples for lending at higher rates of interest against gold and silver which had been left with them for safe custody. Around the same time, the Greek temples were used as depositories for peoples surplus fund and these were the centers of money lending transactions. The development of banking in ancient Rome resembled the Greek pattern. After the death of Emperor Justinian in 565 A.D the mighty Roman Empire failed resulting in severe damage to the banking business. It was only with the revival of the trade and commerce in the middle ages that the lessons of finance were learnt afresh from the beginning.

However during this period banking was mainly confined to money lending activities which was largely in the hands of Jews and the Lombardy who lent money to all. The Christians were forbidden by their religion to lend money on interest since it was considered to be a sinful activity. However with the passage of time, the hold of the church on the Christians weakened and with development of trade and commerce around the 13th century the Christians also started money lending business.

In India the ancient Hindu scriptures refer to the money-lending activities in the Vedic period. During the time of Ramayana and Mahabharata, the banking had become the full fledged activity. During the smrity period which followed the Vedic period, the business of banking was largely carried on by the members of the vaish

community. Members of the vaish community largely carried banking business during the smrity period and vedic period. They perform various banking function which nowadays modern bank performs. Like the function of accepting deposits, issuing advances, acting as banker of the state and issuing and managing currency in the country.

In the initial stage the banking largely meant money lending and it was restricted to selected number of families working as sole proprietary firms. During 1157 the bank of Venice was founded in Italy which was the first public banking institution. The Bank of Barcelona (in Spain) was established in 1401 followed by bank of Geneva in 1407. The Bank of Amsterdam was established in 1609. All these banks accepted the deposits which could be drawn on demand or transferred from the account of one person to another.

Geoffrey crowther, a noted economist, has identified three ancestors of the present day banker. The merchant, the money lender and the goldsmith. The merchant because of its high and wide spread reputation or credit could able to collect money from its customers and issue documents that were accepted as titles of money by all over the known world. The money lender usually conducted business with his own money. Later it also started accepting money from his clients when he found it is profitable to borrow at lower rates of interest and lend it at higher rates of interest. The goldsmith mainly functioned in England. They received gold and silver for safe custody and receipts issued by them acknowledging the same were initially used for withdrawals of the deposits made with them. These receipts with the passage of time became payable to the bearer on demand and enjoyed considerable circulation. In this way the gold smith note became the forerunner of modern banknote. Later on when the goldsmith started transferring of deposits made with them on the basis of letters issued by the depositors. This led to the origin of modern cheque currency. Thus in this way the goldsmith can rightly be termed as the fore-runners of the modern banking institutions.

The discussions above show that though the banking business in its native form is in operation since ancient time. The banking in its present form is of recent origin. As a matter of fact even after the establishment of Bank of England in 1694 in England the development of modern commercial banking institutions had to wait even in England for nearly another one and a half century till the passage of Banking Act of 1833. Of course the origin of banking and its development in some countries was earlier and faster than the other countries.

However, it was only in 19th century that the modern joint stock commercial banking system developed in most of the leading countries of the world. In India the joint stock companies Act 1850 was the first legislative enactment in country which permitted the corporate sector to come into the banking business as per provisions of this Act. The first bank to be established under this Act was the Oudh commercial bank in 1881 followed by PUNJAB NATIONAL BANK in 1895 and peoples bank in 1901. After Independence of the country in 1947, keeping in view the necessity of regulating rapidly growing business of banking institutions and their organizational problem a separate Act known as the Banking Regulation Act 1949. was enacted. The Act has been amended several times keeping in view the new roles which the bank are expected to play in the economic development of the country. As a matter of fact the banks now are no longer considered in our country as a mere dealers in money but as institutions at the service of the people expected to make effective use of their savings for promoting maximum social goal.

Function or services of Banks

The function of the banks are now wide & diverse. They have assumed great significance in the role of an agent for economic renaissance and social transformation because of their vital role in mobilization of resources as well as their development for meeting the said objectives.

In order to understand better the functions of commercial banks

it will be better to study them under the following two categories.

- I. Primary function
- II. Secondary function

I. Primary function : The primary function of bank are :

- i) Accepting deposits
- ii) Lending money

i) Accepting deposits : “ Banks are a safest deposit place in the view of public providing interest on deposit also”. The banks induces people to save and deposit their saving in the bank. All modern banks accept money on deposits. There are three types of deposits. They are :

i)A. Saving deposits: These deposits are of in small amounts and are accepted by bank to encourage persons of small means to make saving. Frequent withdrawals are not allowed.

i)B. Fixed deposits : These deposits are made with the banks for fixed deposits specified in advance. They are also known as term deposits.

i)C. Current deposits: These deposits are repayable on demand. The banks undertake the obligation of paying all cheque drawn against these deposits by the customers till they have adequate fund of the customer. The bank usually do not pay any interest in respect of such deposits. These deposits accounts are usually kept by large business houses.

ii) Lending money : A major portion of the deposits received by a bank is lent by it. This is also the major source of a bank income. However lending money is not without risk and therefore a banker must take proper precaution in this process.

i)A. Loan : It is a kind of advance made with/without a security. It is given for a fixed period at an agreed rate of interest. The amount of loan is usually credited to the customers account who

may withdraw from there as per their requirement. The loan may be secured or unsecured.

ii) B. Cash Credit : In this system customer borrow money up to certain limit against security of goods which was deposited by bank.

ii) C. Overdraft :- It is an arrangement whereby a customer has been allowed temporarily to overdraw money from his overdraft account. It is without any security.

ii)D. Discounting & purchasing of bill :- Time bills are discounted while demand bills are purchased by the banks. In both the cases the banks credit the account of their customer by the amount of bills less any discount or commission charged for such discounting or purchasing of the bills.

Thus banks render a unique service by tapping saving from a wide spectrum of people and lending to those who really need and use them for various productive purposes. They play an active role in the economic development of the country.

II. Secondary function : These functions or services can be classified into the following two categories :

II.1. Agency services : In many cases the bank act as the agent of their customers. As a agent they provide the following services :

- a. Collection of Drafts, Bills, cheque, dividend etc. on behalf of customers.
- b. Execution of standing orders of the customer viz; payment of subscription rent bills, promissory notes, insurance premium etc.
- c. Conduction of stock exchange transaction i.e. purchasing & selling of securities for the customer.
- d. Acting as a correspondent or representative of customer, other banks and financial corporations.

- e. Functioning as an executor, trustee or administrator of an estate of a customer.
- f. Preparation of income tax return, claiming of tax refunds and checking of assessment on behalf of the customer.

II.2. General utility services : Commercial banks provide variety of general utility services viz; issue of letters of credit travellers cheque, accepting valuable for safe custody, acting as a referee as to the respectability and financial standing of the customers, providing specialized advisory services to customers, issue of credit cards, providing information through regular bulletin about general trade & economic conditions both inside & outside the country.

The discussion in the preceding pages indicate that bank provide useful services in all stage of life. They function as a catalytic agent for bringing about economic industrial & agricultural growth & prosperity of the country. The banking can therefore be conceived as a “sector of economy on the one hand and as a lubricant for the economy on the other”.

Classification of Banks :- These days banks perform variety of services. They provide both short term and long term credit. Their customers are of every types from a small business to a multinational corporation having its business activities all around the world. It was the responsibility of bank to fulfill the requirement of various people according to their needs. The banking business has therefore become complex and requires specialized skills as a result different types of banks have come in to existence to specific requirements. Broadly, based on their functions bank can be classified into the following categories:-

1. Central Bank : A Central bank may be defined as a banking institution that properly manages or controls country banking currency and credit keeping in the view of public interest and national welfare. In India RBI has been working as a Central bank since 1935 with an initial authorized capital of 5 crore. RBI was nationalized in 1 Jan

1949. The head office of RBI is in Mumbai. In short Central bank function as a note issuing authority, as a banker of the Govt. as a banker bank, as a supervisory and controlling authority over banks, as a controller of credit, as a agent and counselor of the Government.

2. Commercial Bank : Commercial bank are those banks which provide mainly short-term and some time long-term loans chiefly to trade and industry in order to cater to their working capital needs. They function under the control and superveillance of Central Bank. Their main function include accepting deposits from the public providing short-term loan to trade and industry and act as a agent of the public. The commercial bank think primarily of profit making. Through incorporated under the Indian companies Act 1956 their operation are governed by the provision of the Banking Regulation Act 1949. The commercial Bank plays a pioneer role in the field of economic development. Besides providing financial resources for the growth of industrialization, bank also influence the direction in which resource are to be utilized. The commercial bank, play crucial role in an economy.

3. Co-operative Bank : Co-operative banks have also played a limited but important role in the Indian banking system. The functions of Co-operative banks are mainly to cater to the needs of rural areas and small borrowers and they are concerned more with the financing of agriculturists. Co-operative Banks are organized on a Co-operative basis and are governed by their members according to the Co-operative laws and are under the control of state Government and to a lesser extent of the Reserve Bank. There are three types of Co-operative bank in India namely primary Credit societies, Central Co-operative bank and state Co-operative bank.

4. Regional Rural Bank : Regional rural bank comes into existence in October 1975 with a view to developing the rural economy by providing credit and other facilities to the small and marginal farmer, artesian, agricultural laboures and small entrepreneurs for the purpose

of development of agriculture trade industry, commerce and other productive activities in the rural areas. The operation of Regional Rural Bank are controlled by Reserve Bank, the Banking Regulation Act and National Bank for Agricultural And Rural Development (NABARD).

5. Development Bank : Development Bank are established by the Government for the attainment of primarily long-term and medium term finance to Indian industries in large, medium and small scale sectors. These banks are also known by many other names such as investment bank, industrial bank, financial corporation, industrial mortgage bank. Development bank have been set-up for financing rural development, export housing development and providing insurance support. Some example of development bank are EXIM bank, HUDCO, HDFC, UTI, ICICI, IDBI, etc.

6. Foreign Exchange Bank : The banks which deal in the exchange of foreign currencies are known as Foreign Exchange Bank. These banks established branches in India to facilitate foreign trade within country. These banks have brought modern banking techniques and practices to India and are working more efficiently. Most of the major commercial banks of our country and foreign banks having offices in our country who are engaged in this business. Foreign exchange bank helped greatly in attracting foreign capital.

7. Other Banks : Other Banks includes those companies incorporated under companies Act or bodies corporate incorporated outside India which are authorized to accept chequable deposits. Such banks can be classified as :

7.1. Scheduled and 7.2 Non-Scheduled Banks

7.3. Licensed and 7.4 Non-Licensed Banks

7.1 Scheduled Banks : Scheduled Banks are those banks whose names are included in the 2nd Schedule to the Reserve Bank of India Act. These bank have to send to the RBI, a weekly statement of their financial affairs. The paid up capital and reserve of these bank's must

not be less than Rs. 5 lakh.

7.2 Non - Scheduled Banks : These Banks are those whose names does not appear in the list of scheduled banks maintained by the Reserve Bank. The RBI exercises to special control on these bank's though they have to send to RBI monthly statement of their financial affairs.

7.3 Licensed Bank : Existing banking companies were required to apply for license to the Reserve Bank on or before 16th September 1949. Thus licensed bank are those who have a license from RBI for carrying on banking business.

7.4 Non - Licensed Banks : These banks are those who not have license. These were only those banks which were carrying on banking business before the commencement of the Banking Regulation Act 1949 and which were permitted to carry on banking business pending a decision by the Reserve Bank on their application.

1.2 Object of study

Rural India and agriculture are nearly synonyms and there rural dimension in Indian economy is of towering significance. After the introduction of new agricultural strategy and green revolution production of many crops has expanded but Indian farmers does not have warehouse facilities to store their produce properly. Essentially warehousing facilities are necessary to prevent loss arising out of defective storage.

Absence of such warehouse facilities forces farmer to sell their output at a throw away prices after harvest and prevents them from getting advantage of their bumper crops. So, the important objects of study are as follows :

- A. To increase awareness.
- B. To avoid distress sale.
- C. To promote scientific storage.
- D. To increase profitability.

- E. To provide grading, standardization & quality control of the product.
- F. To provide actual price of product.
- G. To know the satisfaction level from banking facilities.
- H. To know the problem for seeking information.
- I. To strengthen the existing agricultural marketing.
- J. To increase the income of farmers.
- K. To increase the development of rural infrastructure.
- L. To increase in economic growth.
- M. To avoid wastage of product.
- O. To increase direct marketing.
- P. To increase the standard of living.

A. To increase awareness: Awareness is the main point which gives success in any field. If we get the proper knowledge we take advantage for that. So by this research work our motive is to aware farmer for opening warehouse its process rules & regulation profitability so that they construct warehouse and achieve profit.

B. To avoid distress sale: Warehouse is an important tool by which we can store our production safely. Often it happens that due to lack of proper warehouse facility farmer have to sell their product at low price in case of bumper production & they suffer loss. That's why if they have proper facility of godown than it can avoid distress sale.

C. To increase scientific storage: The building of warehouse should be scientifically built up otherwise we can't save our production. There must be proper facility of air, ventilation, drainage, door, window and control in moisture from floors, walls & roof also. It should be protected from birds & animals and easy approach pucca road and internal road. Scientific warehouse must have proper arrangement against fire, theft and also easy loading & unloading facility.

D. To increase profitability : The aim of every person is to maximize its profit. In same manner by this research work we try to maximize the profit of farmer by opening a warehouse. By warehouse facility farmers are able to store their product and sell it at right time when the prices are in favour of them. By this they may increase their profitability.

E. To provide grading, standardization & quality control of the product: If our warehouse system is proper then it is possible that we are able to give the grade of production according to the quality of production. Once grading process end we can also give the standard to the product which is helpful for selling of product. Through warehouse we can preserve/control the quality of the product and avoid spoilage.

F. To provide actual price of the product: We always see that during off season of crops there is rise in price and shortage of product because of lack of storage facility and in harvest season due excess production farmers have to sell the product in low price and suffer from loss. So if the warehouse system is proper, then the farmers as well as customers get the product at actual price and there is no shortage of product and it is easily available for the whole year at right price.

G. To know the satisfaction level of banking facilities : By this research work our objective is also to find out that whether people are satisfied with the present banking facilities. They are satisfied with the banking procedure and formalities or not because customer satisfaction is much important for success of any scheme.

H. To know the problem for seeking information : For adaptation of any policy it is necessary that people should know about the scheme and our object is to find out what problem should people face for getting information and our motto is to solve the problem which are the barriers for success of the scheme.

I. To strengthen the existing agricultural marketing : We gain profit if we do the proper marketing of our product. To strengthen the

existing agricultural marketing we have to strengthen the agricultural market by using warehouse facility.

J. To increase the income of farmers : Income of farmer increases when they get the right price of their product. It always happen that farmers are not able to retain their crops in case of bumper production, so they have to sell their product at lower price and suffer loss. If they have proper warehouse facility they can keep their produce in warehouse and sell it when the price is favourable. By this they can get the right price of their product and increase their income.

K. To increase the development of rural infrastructure : The base of development of any country depends on its basic infrastructure. If these infrastructure are good than the growth rate of the country increases. If farmers and other people open warehouse in rural areas than automatically the road, & rail lines banking telephone, market etc. are also increases. This may ultimately increases the development of rural infrastructure.

L. To increase in economic growth : Our country is known as the agricultural country and most of the Indians live in rural areas and their main source of earning is agriculture. And if the farmers have warehouses facility they are able to retain their crops & able to sell the crop at right price. It can increases their personal income and their participation in national income is more. Further our national income will rise and our economic growth rate also increases.

M. To avoid wastage of product: Warehouses are the place where we store our product safely without any wastage. If our warehouses system is proper we can avoid the wastage of produce due to air, water, moisture, theft, birds, animals etc.. So to avoid the wastage of product we must built warehouses and achieve the profit.

O. To increase direct marketing: In present economy most producers do not sell their goods directly to the final users. Between them and the final users stands a lot of marketing intermediaries such as wholesalers retailers, broker, agents etc. By using warehouses facility

farmers are able to sell our product directly to customers without the use of any middleman. This may lead to increase in profit & consumer relationship.

P. To increase the standard of living : Indian economy is an agricultural economy. Therefore efforts must be made for increasing the productivity of agriculture and development of warehouses facility to save the product & achieve profit. It increases the per capita income & improves the social standard of living of people. They are able to fulfill their family obligations & increase their satisfaction.

A well developed warehouse system is a necessary precondition for agricultural development in modern economy. If we really want to increase the economic standard of rural areas, we have to promote people, to open warehouse & protect their agricultural produce from rain, rats and other illegal person. Absence of such storage facilities forces farmer to sell their output at throw away prices immediately after harvest season and prevents them from getting advantage of their bumper crops. On the other hand consumers also lose badly because middle men are able to charge high prices for goods during off season.

The basic objective of this work is to study the prospect & development of warehouse who wish to make their investment in this industry.

The study & monitoring warehouse helps to aware people and formulate strategies with the changing scenario & take advantage of rural development.

1.3 Importance of the study

A storage function is necessary because production and consumption cycles rarely match. Many agricultural commodities are produced seasonally where as demand is continuous for full year. The storage function overcomes discrepancies in desired qualities and timing warehouse has its own intrinsic advantage of great socio- economic value. It is therefore necessary to strengthen the system by identifying

its problem and rectify their role according to changing scenario. At present time farmers doesn't have facility to store their production, that's why they have to sell their produce immediately after production at low price as there is a fear of loss or damage in the quality & quantity of production. If they have warehouse facility they can use it for the storage of their produce and sell it at right time when the price are favourable which avoid distress selling. By using warehouse facility there is less wastage of production and there is no shortage of produce during off season and we get the goods all year at actual price. And no doubt the farmers and other person who open warehouse also receive the profit & there is increase in income.

In this field APEX BANK plays a vital role. Credit/loan is the pillar of development Bank credit has its crucial importance in the context of development and growth with social justice. Bank through their allotment of the loan to the needy industries pay the way for a sound development. At every step the financial burden of the industries is easily removed by the specialized services of Bank. APEX BANK provides various loan facilities in which rural warehouse loan facility is given for opening warehouse. APEX BANK is a NODAL BANK who is authorized to provide subsidy from NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT (NABARD) Which aims for the promotion and development of agriculture, small scale cottage and village industries. NABARD is the most important source of agriculture finance for long term middle term & short term. The rate of subsidy is different for different people. Like for farmer, agriculturist, graduates & warehouse corporation it is 25%, for individual & companies it is 15%, in hilly area woman agriculturist, SC/ST & self help group it is maximum 33.33% subsidy. By providing loan & subsidy bank enable consumers to open warehouse and facilitate the consumers to repay to amount in specified installments.

With the vision to enhance the level of lives of farmer & local citizens of the state, bank provided numerous facilities so, that it may increase their income and agricultural productivity.

1.4 Research methodology of the work

Research is a scientific and result oriented quest to analyze all the relevant information in order to reach the solution of the problem. Collection of data is of almost important for research investigation. In the present thesis research methodology is based upon primary & secondary data.

Primary data are always collected by the investigator in the field & from the original sources. For collection of primary data we divide Chhattisgarh in five division i. e. Raipur, Durg, Bastar, Sarguja and Bilaspur. Questionnaire was prepared & required information were collected from 200 people through personal interview with people & concerned official of the unit, Data so collected have been tabulated & analyzed by using appropriated statistical & financial tools.

Facts & figures that have already been collected are called secondary data. The secondary data exists before the investigation start. In this thesis secondary data has been gathered from books, magazines, newspaper, internet & Educational & promotional guide line of APEX BANK & NABARD BANK. It is to be pointed out here that the secondary data so collected have used for ascertaining and analyzing the function and performance of warehouse loan scheme. Present research work is mainly based on the analysis of secondary data.

While proceeding in the work it has been taken into consideration that the methodology for research is flexible enough to incorporate changes make required adjustment. Therefore the methodology selected has been decided after considering physical factors and condition affecting it.

As per my view, no work is done in this field yet now. This is

first work that is going to be done in this field. I would be happy if my research work will be useful for the society. I hoped that with my study some important suggestions can be drawn and will be taken by the administration, Government and Bank to improve the warehouse and storage system.

1.5 Hypothesis of the proposed work

Hypothesis is a pre-imagination of our proposed research work. It is also a process to presume what might be the result of our research work. So hypothesis helps us to create an outline of the proposed research work. At the same time it is very much possible that all the points of the hypothesis may be or may not be proved in the outcome. In this research study the following hypothesis has been made :

- H₁ It is hypothesized that, due to construction of warehouse there is decrease in wastage, spoiled and shortage of agriculture produce.
- H₂ It is hypothesized that, the income of beneficiaries increases due to warehouse structure.
- H₃ Bank and NABARD coordinate each other to provide loan and subsidy to interested people.
- H₄ It is hypothesized, that loan amount is sufficient and bank provide loan for construction of cold storage also.
- H₅ It is hypothesized that, the process to acquire the loan is easy.
- H₆ It is hypothesized that, small farmers does not take much interest for the scheme.
- H₇ It is hypothesized that, warehouse helps in marketing of produce and role of intermediaries has stopped.

After Chhattisgarh emerging as an independent state warehouse sector needs great deal of concern. I wish to come forth with the information which will be useful in common interest of all.

Limitation

Agriculture is the foundation of Indian economy. The work of agriculture is typical & restless and in the same manner it is more difficult to protect the agricultural product from nature and man-made causes. So warehouses should be opened for protection of crops and make the effective storage system. For speedy economic development of country it is necessary to study the warehouse system.

After the selection of topic some problems may arise definitely and due to the area of research it is necessary to limitize the topic and the limitation are :

1. For collection of data Chhattisgarh is divided in five division.
2. All subject material of research work is based on primary & secondary data.
3. This research is based on primary data which is collected from 200 beneficiaries.
4. For analysis and calculation, data of 10 year's i.e. (2006-07 to 2015-16) was collected. These data are comparatively studied and analyzed for research work.
5. For collection of data it is tried best for the purity & clarity of data. And with full attention the primary and secondary data are collected.



2.1 History of Chhattisgarh State

Approaching to its seventeenth (17th) year into existence, Chhattisgarh is the tenth largest state of the country that was formed in the year 2000 on 1st November. The name Chhattisgarh interestingly derives from the fact that the state has 36 forts, which when translated in Hindi is 'Chhattis' (36) 'garh' (Fort).

Delving into the history of Chhattisgarh, all ancient accounts, literary works and inscriptions referred this part of the country as Dakshina Kosala (South Kosala) or Kosala. It was much later that the name Chhattisgarh was popularized after in the year 1795 the Maratha Empire first used it in one of their official documents. In the light of available evidence, there was a contest between Jabalpur and Chhattisgarh for the name 'Mahakosala'. If we might also recall, it was called Ratanpur territory and not Chhattisgarh during the Mughal rule.

However, numerous other theories also do the rounds of how Chhattisgarh derived its name. One among them suggested by British Chronicler, J.B. Beglar suggests that "the real name is Chhattisghar and not Chhattisgarh. Also one other theory explains that Chhattisgarh is the adulterated version of 'Chedisgarh' or the political seat of the Chedi. The most popular theory is however, the presence of 36 forts, but there is a lot of debate over this since 36 forts cannot be identified in the region.

Mythological history of Chhattisgarh goes back as far back as the Mahabharata and the Ramayana and can be recalled from the fourth century AD. According to a mythological legend Lord Rama during his Vanvas stayed in Dakshina Kosala for a brief period.

It was the grandson of Ratanraja who then founded Ratanpur (present day Chhattisgarh) and that was the capital of a large part of the country. Haihaya dyanasty was the name by which this Rajput family popularized themselves and they continued ruling Chhattisgarh for six centuries. In the 14th century the dynasty tragically got divided into two parts, the elder branch continued at Ratanpur, while the younger settled in semi-independent state at Raipur (present Capital of Chhattisgarh). By the end of 16th century *Mughals* started their reign.

Chhattisgarh was under Maratha rule after Marathas attacked Chhattisgarh in 1741 and destroyed the Haihaya. Finally in 1758, the Marathas annexed Chhattisgarh and directly came under Maratha rule and Bimbaji Bhonsle, was appointed the ruler. The Suba system was soon adopted by the Marathas after death of Bimbaji Bhonsle. Huge unrest and improper rule characterized the Maratha Empire. Maratha Army committed loot and plunder in large scale.

From 1845 to 1947 it came under British rule as the Chhattisgarh division of central provinces. With the advent of the British in 1845, Raipur came into limelight and gained prominence over the capital Ratanpur. Certain changes in the administrative and revenue systems were brought by the Britishers in Chhattisgarh and these changes had a negative impact on the people of Chhattisgarh. Vir Narayan Singh became the first martyr from Chhattisgarh in the War of Independence, and become a potent symbol of Chhattisgarh.

The early 20th century saw demands of Chhattisgarh as a separate state and such demands kept recurring but nothing materialized as no well planned movement was ushered in this regard. In the year 1924 Raipur Congress Unit again raised the demand and later discussed it in the Annual Session of the Indian Congress at Tripuri. In 1955 at Nagpur assembly a demand of separate Chhattisgarh state was raised. A demand for the status of Chhattisgarh as a separate state was put forward when the State Reorganisation Commission formed in 1954,

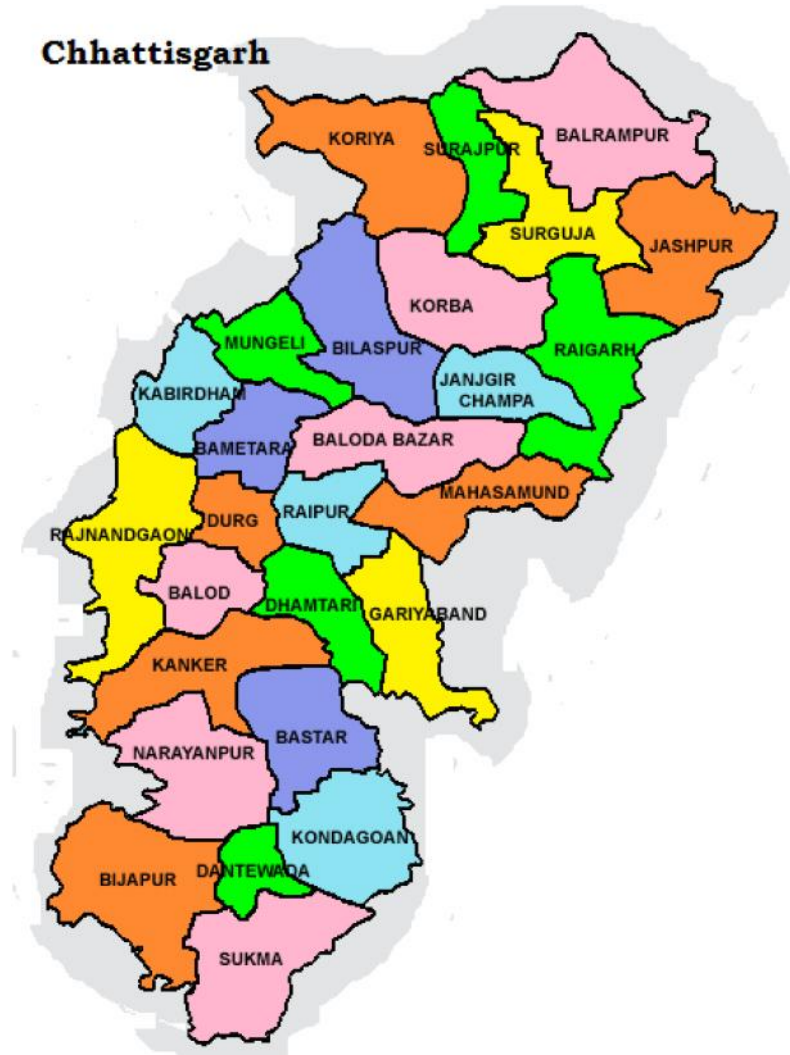
but the demand was rejected. In 1990s activity for a demand for the new state gained momentum with the formation of a state wide political forum, especially the Chhattisgarh Rajya Nirman Manch. Late Chandulal Chadrakar led this forum, several successful region-wide strikes and rallies were organized under the banner of this forum, all of which were supported by major political parties.

A resolution demanding a separate state, Chhattisgarh, was unanimously moved and approved by the Madhya Pradesh Assembly on March 18, 1994 as both major political parties Congress and Bhartiya Janta Party extending their support to the same. The issue remained one of the major declaration in the election manifestos of both Congress and BJP in 1998 and 1999 parliamentary elections. A separate state of Chhattisgarh with sixteen districts was unanimously approved in 1998, although with certain modifications.

Now, came another fresh general election in the nation. The National Democratic Alliance (NDA) came into power and immediately it sent a redrafted Separate Chhattisgarh. The bill for a separate Chhattisgarh was passed in the Lok Sabha and the Rajya Sabha, paving the way for the creation of a separate state of Chhattisgarh. The President of India approved the Madhya Pradesh Reorganization Act 2000 on the August 25, 2000. Finally on 1st November 2000 Madhya Pradesh divided into Chhattisgarh and Madhya Pradesh.

And Chhattisgarh was formed as a new state. It was bounded in East by Orissa, West by Madhya Pradesh and Maharashtra, North by Uttar Pradesh and western Jharkhand, South by Talangana, Andhra Pradesh. According to area wise it is the tenth largest state in a country.

Figure no. 2.1
Map of Chhattisgarh State



(Source : <https://pbs.twimg.com/media/CSsfQsTUEAEVZWt.png>)

2.2 Geography of Chhattisgarh

Raipur is the state capital of Chhattisgarh in central India. Unlike its rich history, Chhattisgarh has a very fresh Geography. Having clinched its spot on the Indian Map on the November of 2000, Chhattisgarh is a heavily forested region and is known for its waterfalls and natural abundance. The state is the 10th largest state of India and is spread across an approximate total area of 135,192 sq km.

The state lies between 80° 15" to 84° 24" longitude and between 17° 46" N to 24° 5" N latitude. Bordered by Madhya Pradesh, Orissa, Maharashtra, Andhra Pradesh, Telangana, Jharkhand and Uttar Pradesh, Chhattisgarh is a landlocked state in east central India. The state consist 27 districts viz :- Bijapur, Balod, Baloda Bazar - Bhatapara, Durg, Gariaband, Balrampur, Bemetara, Bilaspur, Dantewada, Mahasamund, Mungeli, Narayanpur, Dhamtari, Jagdalpur, Janjgir-Champa, Jashpur, Kawardha, Kanker, Kondagaon, Korba, Koriya, Raigarh, Raipur, Rajnandgaon, Sukma, Surajpur and Surguja.

Rich in biodiversity, about 44% of the state's area is under forest cover. Chhattisgarh has the densest forest in India with a rich wildlife. The northern and southern part of Chhattisgarh is a hilly region. The northern portion lies on the edge of the homogenous Indo-Gangetic plain. The Rihand River, a tributary of Ganges flows this area.

The Mahanadi River basin was divided from Indo Gangetic plain by the eastern end of Satpura Range and the western edge of Chota Nagpur plateau from an east – west belt of hills. The central part of the state is blessed with the fertile plain of the Mahanadi and its tributaries, which is a boon for large rice cultivation. On the Deccan plateau the southern part of the state lies. The part of Satpura, which is separated from the upper basin of Narmada in the Mahanadi basin, from the mechanical range from east to west. The Mahanadi River, geographically and economically, is the most important river of this state. It is an integral component of the geography of Chhattisgarh. The other main rivers of this state are Rihand, Indravati, Jonk, Arpa

and Hasdeo (tributary of Mahanadi).

Climate : The climate of Chhattisgarh is tropical. Due to tropic of cancer it is hot and humid. For agriculture the state is mainly depends upon monsoon. From April – June summer season of Chhattisgarh is basically hot and humid. Monsoon comes in middle and last of June to October. In winter season falls during November to January and in spring season, February to March most of the tourist come to visit Chhattisgarh as it is the best time to visit.

Topography : Chhattisgarh topography includes various types of land forms like mountain ranges, plain land areas and plateau region. The river basins in the central region of Chhattisgarh are split into undulating Rim land and are mainly found in plain form. The land of Chhattisgarh is plain is flat. The altitude of the plain land varies from 250 meter to 330 meter. The loamy and clayey soil are found in this plain area and is very productive for growing abundant crops. Satpuda-Maikal landscape stretches for a distance of about five hundred kilometer. Achanakmar wildlife sanctuary of Chhattisgarh lies on one side of this stretch of landscape and Melghat Tiger researve of Maharastra on the other side. Satpura Range expands through Maharashtra, Madhya Pradesh and Chhattisgarh state. The mountain range stretches for a distance of about 900 km. Vindhya Range and Satpura Range lie parallel to each other. Mahanadi, Tapti and Godavari rivers flows through the hilly region in Chhattisgarh.

Rivers : In Chhattisgarh there are numerous water bodies found in the form of several rivers and lakes which fertile the land of the state for agriculture. Chhattisgarh, is one of the most productive areas artificially in all the states of India.

The Mahanadi, the Indravati and the Godavari, which flow through most of the states along with their many tributaries, are major rivers of the state. The sky gave birth to beautiful springs through topography, the river of Chhattisgarh which is famous as the attraction of the tourists. Rihand, sukha, Hasdeo, Arpa, Shivnath, Mand, Jonk,

Pary, Kelo are also some major rivers that serves the state with its water resource.

Transport

Rail transport : The transport infrastructure of this state is slowly improving. Bilaspur is the headquarters of South East Central Railway which is the 16th zone of the Indian Railways. The total length of rail lines is 953 Sq. Kilometer The main railway junctions here include Raipur, Champa and Durg, which are well-connected to all the major cities in India.

Figure no. 2.2 : Rail transport in Chhattisgarh



(Source : <http://im.hunt.in/cg/Chhatis/About/Transport/raip.jpg>)

Air transport : Chhattisgarh's capital city Raipur is connected with national capital New Delhi, commercial capital Mumbai, Nagpur and few other major cities. Bilaspur, Bhilai, Raigarh, Jagdalpur, Ambikapur, Korba, Jashpurnagar and Rajnandgaon are having airstrips. Swami Vivakanand Airport in Raipur is one of the best airports in the country. Being the capital, Raipur is the sole commercially operating airport of the state.

Figure no. 2.3 : Air transport in Chhattisgarh



(Source : <http://csidc.in/home2/images/raipurairport.jpg>)

Road transport : The road infrastructure of Chhattisgarh has improved a lot in the recent days. A lot of development is taking place in naxal infested Bastar region as far as road connectivity is concerned. In every 100 square kilometers of area there has 24.6 kilometers of road and the 1.3-kilometer road is for every village in Chhattisgarh. In the state the total length of the road is 32,232 Kilometers. 3,073 Kilometer National highways passing through the state of Chhattisgarh, connecting other parts of the country. Besides this, 4374 Kilometer are state highways, district roads 11,111 Kilometer and rural roads 13,674 Kilometer are making the transportation and communication easy for people. Through the vast network of road routes Chhattisgarh is connected to all parts of the country.

Figure no. 2.4 : Bus transport in Chhattisgarh



(Source :- <http://onlinecg.in/wp-content/uploads/2017/03/News-03-14-730x488.jpg>)

Chhattisgarh is one of the few states of India which possesses an efficient power sector having surplus electric power. Due to surplus power, Chhattisgarh is able to supply electricity to several other states.

The state has potential of generating 61,000 MW of additional thermal power in terms of availability of coal for more than 100 years and more than 2,500 MW hydel capacity.

Steel sector too is one of the largest contributors to the growth of the state. SAIL's Bhilai Steel Plant with a capacity of 5.4 million tonnes per year, is regarded as a key player in the state. Chhattisgarh is also famous for its industries. It consist more than 100 steel rolling mills, 90 and above sponge iron plants and Ferroalloy units. Bharat Aluminum co. Ltd. a major industry is well known in the state. Bharat Aluminum Company Limited is another major industry in the state.

Rich in minerals, Chhattisgarh produces 20% of the country's total cement produce. For the production of tin it holds first position and for iron ore third position in the country. Limestone, dolomite and bauxite are abundant. Other commercially extracted minerals include corundum, garnet, quartz, marble, alexandrite and diamonds.

Tourism in Chhattisgarh is capable of generating huge revenues for the state. Chhattisgarh is excelling in other sectors like Education, skill development etc.

2.3 Population of Chhattisgarh

Came into existence on November 1, 2000, Chhattisgarh had population a little over 2 crore. Census 2001 had measured state's population approximately at 2.08 crore which reached approximately 2.55 crore consist 1.28 crore male and 1.27 crore female when Census took place in the year 2011. The state is ranked 16th in India in order of population.

Population Growth in the decade (from 2001 to 2011) was recorded as 22.61% which is 9th from top as far as decadal growth of the population in the country is concerned. At the same time, the rural population is 76.76% and urban 23.24% and the density of the population increased from 154 to 189 per square Kilometer.

Gender Ratio is registered as 991 which was better than national average and was ranked 5th in gender Ratio. The gender ratio was found remarkably maximum in tribal districts of the state. Rural gender Ratio was registered 1002, and urban is 956. Population

between the age group of 0 and 6 was found 35,84,028 consist - 18,24,987 male child and 17,59,041 female child. However, a decline trend in child sex ratio (from 975 to 964) was witnessed in a decade.

In contrary, literacy rate among male and female had increased from 64.66% to 70.30%. Male literacy rate was recorded 80.27% and female rate was 60.20%. It was ranked 27th in literacy in India because less educated tribal population of the state.

SC and ST population: Chhattisgarh account for about 7.48% of the ST and 1.63% SC in India. With the exclusion of the hilly states of the north-east, Chhattisgarh have one of supreme shares of Scheduled Tribes (ST) within a state in India while Scheduled Castes (SCs) and STs together represent more than 50 per cent of the state's population, playing an important part in the state's population and mainly dwell in the dense forests of Bastar and other districts of south Chhattisgarh. Census 2011 said the SC population of the state was 32,74,269 constituting 12.82% and ST population approximately 78,22,902 which was 30.62% of the total population.

More than half of the rural STs and urban SCs were poor. Commonly, the quantity of poor SC and ST households in the state was higher than the state average and their community's respective national averages (except for rural SC households). As more than 50 per cent of the state's population was ST and SC, the high incidence of income poverty among them was a matter of serious concern, indicating that the good economic performance in recent years had not percolated to this underprivileged group, reflecting their poor show in human development indicators.

As far as religion is concerned, 2011 Census of the state reads Hinduism was practiced by 93.2%, Islam was followed by 2.01%, Christianity by 1%, Sikhism by 0.27%, Buddhism by 0.27%, Jainism by 0.24% and Satnaism or not religious were followed by 3.01%.

Language : Hindi has been the official language of the state used by non-rural population of the state. Mostly in Chhattisgarh people spoken in chhattisgarhi. Among others, Odia is widely spoken by a considerable number of Odia populations in the eastern part of the state. Marathi, Telgu and Bengali are also spoken in parts of Chhattisgarh.

Besides, several other languages spoken by the tribal people of the Bastar region, geographically equivalent to the former Bastar state, like Halbi, Gondi and Bhatri.

Young women in Chhattisgarh : Rural women are independent, well organised and socially outspoken even though they are poor. Another local custom allows women to choose to end a marriage affiliation through a custom called chudi pahanana, if she needs. Most of the old shrines and temples such as Shabari, Mahamaya, Danteshwari indicates the existence of women power and the presence of these temples gives insight into historical and present social structure of the state. That does not mean, the ideology of female subservience does not exist in Chhattisgarh. In contrast, the male authority and dominance is seen quite clearly in the social life.

People in Chhattisgarh are rich in literature, performing arts and crafts. Traditional crafts such as painting, woodcarving, bell metal craft, bamboo ware and tribal jewellery are one of the major sources of income. Literature of the state gives an ideal of the regional perception and the evolution of an identity distinct from others in Central India.

Chhattisgarh kosa silk and lost wax art has good demand in country. The fabric is to used to made stoles, shawls, lehengas, saris, salwar suits. Further it was also used to create means wear, including shirts, achkans, jackets and sherwanis.

Tribes : Dense forest of Bastar has been main habitat of the tribes of Chhattisgarh with more than 70% population consists of tribal's who account for 26.76% of state entire tribal population. The various tribes

found in Chhattisgarh are Gond, Abhuj Maria, Bison horn Maria, Muria, Halba, Dhurvaa etc.

Art and Culture : Chhattisgarh is home to majority of the population comprising local tribal groups. Gonds form the largest group among these natural residents of the land followed by Oraon, Kanwar, Baiga, Kamar, Birhar Saura, Role and so many other tribes. The vast culture of Chhattisgarh is manifested by its tribal population. Notably, the state of Chhattisgarh is infused with spectacular colors. Colors are exhibited in every aspect of the lifestyle here. The people here wear colourful attires and are influenced by the tribal life. Interestingly, earlier some women in the rural areas here wear garlands made of one rupee coins, but now this trend is dying down. However, it is witnessed that the people of Chhattisgarh have a tendency to adapt to new trends and inculcate them very smoothly. Beautifully and skillfully decorated artifacts made from bamboos, jute, clay wood, mud, etc. are highly popular here. These exquisite handicrafts are a chief attraction among tourists who take them back as souvenirs.

The State is a mixture of tribal and non-tribal culture, especially Bastar region and peasant revolts were accountable for these restructuring of the 17th century.

Dance and Music : An integral component of Chhattisgarh culture is music. Some of the popular form of songs are Sohar, Bihav and Pathoni. Pathoni songs are usually sung in gouna, which marks the departure of the bride to the bridegroom's place, whereas Sohar songs are related to child birth. Bihav songs are presented in marital functions. They are all related to Vidai. To commemorate seasons various folk songs were composed in Chhattisgarh like Sawani (songs of rainy seasons), Phag (song for spring), Baramasi (12 months) etc.

Melodious songs were composed for various festivals. Territorial folk melodies are Goura songs, sung during the adorations of Lord Shiva and Parvati in Diwali, Mata Seva songs,

songs of Nagpanchami, Janvara songs, Bhojali songs, Dhankul songs, Karma song, etc.

Pandwani is the musical dance form in which the Mahabharata was narrated by the famous Padmashri, Padma Bhushan etc. award winner Teejan Bai beautifully.

Figure no. 2.5 : Pandwani Song



(Source : http://bharatbhawan.org/images/history/gallery_tizan_bai.jpg)

Figure no. 2.6 : Chhattisgarhi Dance



(Source : <http://www.utsavpedia.com/wp-content/uploads/2013/08/chhatiigarhi-dance.jpg>)

Festivals : Throughout the year the people of Chhattisgarh are busy celebrating various festivals in full vigor. Pola, Nawakhai, Dussehara, Deepawali, Holi, GovardhanPooja, RathYatra, etc, are celebrated with gaiety and festivity.

Bastar Dussehara is one of the important festivals in Chhattisgarh as it attracts tourists not only from India, but from other parts of the world. Similarly, Madai is another festival celebrated with great zeal in villages of Bastar in Chhattisgarh to Mandla in Bihar. Usually, Gond tribe celebrates Madai in Bastar region. By gathering under the shed of holy tree as a mark of sacrifice to the goddess, myriads of devotee's guillotine the goats. Huge fiesta is being followed after that. Among the Bhil tribes, the Bhagoria Festival is immensely popular. They worship the dance god called Bhagoriya. This festival is most popular among tribals youths who express their feelings of love for each other. Chhattisgarhi people celebrate Kajari Festival on Raksha Bandhan. Hariyali heralds the celebration of rich harvest time and is held in monsoon. Peasants used to offer prayer to cows and the tools used in farming. Charta is another festival of tribes in Chhattisgarh. This festival marks the commencement of collection of rice from the huts of villagers by the children while married women cook rice on the banks of the rivers and ponds.

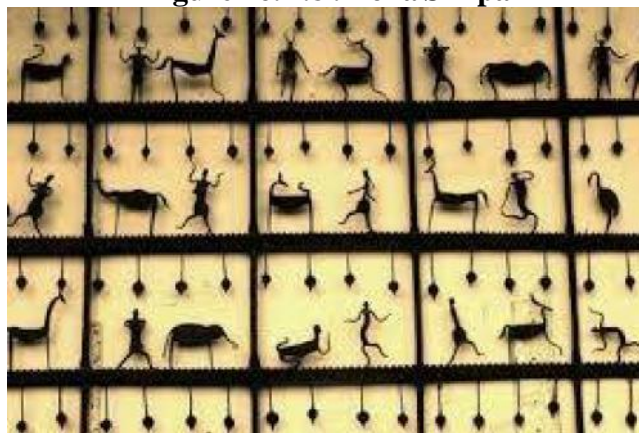
Figure no. 2.7 : Bastar Dushara



(Source :https://ravidhingra.files.wordpress.com/2015/09/bastar_712.jpg)

Handicrafts : Chhattisgarh has a vivid variety of fascinating handicrafts. The folk paintings here depict several expressions and emotions and also portray the socio-cultural ambience of the people of the state. Bamboo crafts, wood works, bell metals, Loha shilpa, Terracotta, Bamboo thicket and folk paintings are the major handicrafts produced here.

Figure no. 2.8 : Loha Shilpa



(Source: <https://qph.ec.quoracdn.net/main-qimg-73ffdfb97ed18a86edab0e31fee7fe47-c>)

Figure no. 2.9 : Terra cotta Shilpa



(Source : <https://img.tradeindia.com/fp/1/002/720/489.jpg>)

2.4 Position of Agriculture

Chhattisgarh is known as an agrarian state as more than 80% of the population directly and indirectly depends upon agriculture for income. The total geographical area of Chhattisgarh is 13789836 hectare out of which during 2015-2016 on 5640317 hectare agricultural work was done. The main crop of Chhattisgarh is Paddy and out of total agriculture production approximately 67.46% crop is Paddy that was grown on more than 50% of agriculture land. Due to the bumper production of Paddy/Rice, Chhattisgarh is also known as “The Rice bowl” of the country. In the state there are 37.46 lakh farmer’s family whose main source of income is agriculture. Irrigation facility was available on 31% land and out of which 62% fields were irrigated with Rivers and Canals. For irrigation farmer’s mainly depends upon rain water.

In the 12th Five year plan (2012 – 2017) Government had made a budget of Rs. 131728.00 crore out which 8283.74 crore was proposed for agriculture and allied activities. In Chhattisgarh there are three seasons for cultivation of crops. First one is *kharif* that is between the month of June and October. Second is “*Rabi*” that is during the month of November to April and the crops grown like wheat, pulses, sunflower, alsi, etc. The third season is “*Jayad*” that is in between *kharif* and *Rabi* season is during the summer. In this season farmers grow vegetables, fruits and flowers. Basically Paddy is the main crop of Chhattisgarh but some other types of food grains are also grown like wheat, Jawar, Bajara, corn, kodo-kuttki, pulses and oil seeds. The main pulse which is grown is gram and the main oil seed is soyabean.

For the development of agriculture it is necessary that the marketing of products must be done properly else the efforts of farmers goes waste and they don’t get the actual price of their produces. Within the state for sale and purchase of agriculture product “Krishi Upaj Mandi” are operated by Government. During the year 2015 -2016,

69 mandis, 118 sub mandis and 1982 procurement centers of 1333 primary co operative societies of State Marketing Federation (MARKFED) procured the agriculture produces. From these centers and mandis Government purchased 59.29 lakh tons of Paddy with the price of 8430.11 crore. 1324 platforms were built and borewell were digged for the safety of Paddy which was purchased by Government at minimum support price from mandi fund in 331 procurement center at the cost of 45.54 crore. Further to increase the storage capacity in 78 centers, 78 godowns were built with a capacity of 200 tones.

The state development depends on the agricultural activities. For this Government introduced various types of policies like Kisan Shopping Mall, Kisan Gurukul Yojana, Harit – Kranti Vistar Yojana, Aatma Yojana, Annupurna Yojana, Machine – Tractor station Yojana, Pradhanmantri Krishi Sichai Yojana, Pradhanmantri Gram sadak Youjana, Manrega, Rajiv Gandhi VidhutiKaran Yojana, etc.

It was the result of the effort of Government and farmer that Chhattisgarh twice got Krishi Karman Award for production of Paddy and once for production of pulses. Chhattisgarh is the first state which uses Information Technology for purchase of Paddy and for this the state received E–Governance Award also by Indian Government in 2007–2008.

Since the formation of Chhattisgarh state, agriculture has been the top priority for all the Government which ruled the state during the last seventeen years. Of course every year the irrigation capacity kept on increasing gradually which helped the farmers to have a better production. Particularly during the period of last 13 year or so irrigation has been the main focus of the state Government for this a large number of small and medium dams were constructed including few big in the areas where previously the irrigation facility was very little. According to the statistics before the formation of state out of the total crop areas only 13% of the land had the irrigation facility. Now this figure has crossed 30% mark which is a substantial growth.

Besides this, there have been a number of new schemes to benefit the small and marginal farmers, these schemes have fetched phenomenal results. That is why Chhattisgarh is winning frequent national awards in the agriculture sector. So much so that the model of agriculture and Paddy procurement process has been adopted by the central Government as a model initiative for the other state of the country. This underline the fact that the agriculture sector is improving and as a result the farmer of the state also becoming prosperous every year.

Figure no. 2.10 : Agriculture in Chhattisgarh



(Source :- <http://aitcofficial.org/wp-content/uploads/2014/11/rice-wb.jpg>)

2.5 Banking facilities

Chhattisgarh is an agricultural based state and its economy depends upon the rural areas. So for the development of rural areas it is necessary to fulfill the need of finance for various activities. The need of finance is required for various business and agricultural activities. At present there are two sources of finance. The first one is the institutional source like – Commercial Banks, Regional Rural Bank and Branches of Co-operative Banks. The second one is the non–institutional sources like Mahajan, Sahukar and Sudkhor, in this there are no specific rules and regulation for credit and interest rate is also so high.

In Chhattisgarh banking activities are increasing continuously. At present i.e. on March 2016 the total number of banks is 52 with their 2635 branches and 2747 ATM centers from where people easily withdraw money. The total deposit among these banks are Rs. 1,07,440.58 crore and total advances given to people are Rs. 73,078.68 crore which was 47.48% of total advance. As Chhattisgarh being an agriculture state for development of agriculture sector total Rs. 11,104.91 crore was issued which was 15.20% of total advances. Not only this to help and support small scale industries Rs. 17,092.55 crore was issued, for weaker sanctions Rs. 9,791.51 crore and 5,384.14 crore was given as advance to females to help them monetary.

In India the movement of Co-operative was started in the year 1904 during the period of Lord Karzon. And in Chhattisgarh Co-operative was started by Thakur Pyarelal Singh who established “Bunkar Sahakari Sangh”. To give the institutional impact Co-operative societies law 1960 was created and under its section 10 the structure of Co-operative societies and its objects are formulated. In the structure of Co-operative societies Rajya Sahakari Bank (APEX BANK) holds top position and under it 7 District Central Co-operative banks come with its 257 working branches. During the year 2015-2016 its share capital is Rs. 30,001.29 lakh within which state Government contribution is Rs. 1,290.80 lakh. In its third level i.e. at Janpad level 15 Nagrik Sahakari Banks comes and than in next level 1333 Primary agricultural co-operative credit societies in rural level comes. The share capital of these societies is Rs. 34,13,728 lakh and it issues a loan of Rs. 2,68,579.27 lakh in rural areas. For procurement of Paddy at minimum support price state Government had made Rajya Sahakari Vipran Sangh as a Nodal agency and from its 1982 centers Paddy is procured within the state. For the distribution of manure there are 543 Co-operative societies from which during the year 2015-2016, 7,44,190 Metric Ton manure was distributed to rural areas amounted to Rs. 92,546.71 lakh.

National Bank for agricultural and Rural development which is known as NABARD provide Rs. 2,816.80 crore for development of agriculture and rural area during the year 2015-2016. From Rural Infrastructure development fund (RIDF) for 752 projects, loan of Rs. 631.72 crore was distributed. These project consist 19 irrigation projects, 48 Godown, 681 Road lines, 3 Co-operative drinking water centers and construction of 1 livelihood college. NABARD gives assistance to various schemes within the state like – Credit linked subsidy scheme, Rs. 16.87 crore, Markfed Rs. 500 crore and for purchase during Kharif season Rs. 1000 crore loan was also sanctioned. For supply of Electricity in rural areas according to Infrastructure Development Assistance (NIDA) scheme Rs. 129.11 crore was sanctioned to Chhattisgarh state power Transmission Corporation. From Producer’s Organization Development Fund (PODF) during the year 2015-2016 NABARD sanctioned Rs. 330.58 lakh for organization of 39 farmer producer organization. Within the state at present there are 64 approved farmers producers organization. NABARD also help NGO’s who works for females living in rural areas. For this 12,168 NGO’s are connected to Bank and loan was given to 11085 organizations in the year 2015-2016. At present for promotion of NGO’s 52 programs runned, and for promotional programs and capacity development Rs. 75.67 lakh was sanctioned and distributed. With the vision to develop rural areas the efforts of NABARD becomes fruitfull in coming years.

Apart from supporting the small and marginal farmers through support price and various agricultural schemes the central and state Government have initiated a number of other banking schemes also to benefit the people lives within the state. These schemes are meant to help them financially like – PRADHAN MANTRIMUDRAYOJANA within which in Chhattisgarh during the year 2015 -2016 Rs. 2,156.14 crore was distributed to various small scale and cottage industries. For the fulfillment of requirement of social security Indian Government had started three important Yojana like Pradhan Mantri Jiwan Jyoti

Yojana, Pradhan Mantri Suraksha Bima Yojana, and Atal pension Yojana. Else it had also started Sukanya Samridhi Yojana on 22 January 2015. It was a part of movement a “Save Girl and Educates Girl” and on this account 9.2% interest is given on deposits. Government had also started Jan Dhan Yojana in which till March 2016, 97,41,764 accounts were opened.

India being a welfare state continuously running different kinds of beneficial schemes for all level of people. We hope that these banking schemes would achieve their desired goals and thereby let the people rich and prosperous in the time to come.



Introduction of Chhattishgarh Rajya Sahakari Bank Maryadit (APEX BANK)

3.1 History of Apex Bank

The registration of Madhya Pradesh state Co-operative Bank had been done on 02.04.1912 (under Co-operative Act. 1912 phara 3) at Jabalpur naming “provision Co-operative Bank Ltd. central provinces brar.” After some time its Head office has been shifted to Nagpur with the initial capital of 5 lakh. Bank has started its operation aiming to provide loan in the field of agriculture. To give the democratic status of Banks, individual share holders were nominated as the representatives members on the board of the Bank. Co-operative societies and Jila Sahakari Kendriya banks were issued maximum shares which help to form the Board of Apex bank with the representative from members of Co-operative institutions.

Later on in year 1956 Madhya Pradesh Co - operative Bank Ltd. Nagpur has been divided and “Mahakaushal Co-operative Bank” Jabalpur come into existence with the affiliation of 14 Districts Banks. The name of “Mahakaushal Co-operative Bank” has been renamed to “ Madhya Pradesh Rajya Sahakari Bank Maryadit” (Madhya Pradesh state co-operative Bank Ltd.) after the reorganization of the Indian state in the year 1956 and formation of new Madhya Pradesh state on 1 November 1956. Bank expands its working with 56 Jila Sahakari Kendriya Bank. Simply on the basis of one district one bank rule. The number of Jila Sahakari Kendriya Banks come to 52 in 1956, 48 in 1961, 44 in 1966, 43 in 1968 & finally 45 after division of “Raisin Jila Sahakari Kendriya Bank” and “ Bhopal Jila Sahakari Kendriya Bank”

Again at the time of the division of Madhya Pradesh state and formation of new Chhattisgarh state in the year of November 2000,

38 District central Co-operative Bank has been remained with the Madhya Pradesh state Co-operative Bank and 7 Jila Sahakari Kendriya Bank were transferred to the new state.

Madhya Pradesh Rajya Sahakari Bank Mydt (APEX BANK) is a foremost organization which issue long term medium term and short term Agriculture finance with the help of NABARD through Jila Sahakari Kendriya Banks and Primary Agriculture Credit Co-operative Societies Limited (PACCS) to farmers and different people of the society in order to satisfy their financial needs.

As it is known National Bank for Agricultural and Rural Development (NABARD) was established by the recommendation of Shivraman committee (by act 61-1981 of parliament) on 12 July 1982 with the initial capital of 100 crore in which there is a contribution of RBI and Indian Government. On 5 November 1982 our Late Prime Minister Smt. Indira Gandhi dedicated the service of NABARD to the Nation. Consequent after the revision, the paid up capital as on 31 March 2013 was 4000 crore, on 31 March 2014 4700 crore and as on 31 March 2015 it is 5000 crore. NABARD is an APEX institution which facilitate credit flow for agriculture promotion and development of small scale industries, handicrafts and other economic activities in rural areas.

History of Apex bank in Chhattishgarh

As it is known that after the division of Madhya Pradesh & formation of new state Chhattisgarh - “Madhya Pradesh state co-operative Bank Ltd”. (Madhya Pradesh STCDB) has been reorganized under sub section 4 (2) of Madhya Pradesh Govt. ordinance no. 2000/4. The bank was registered on 30 October 2000 with the permission of RBI as a separate entity & commenced its banking business w.e.f. 1 April 2001 i.e after the bifurcation of assets & liabilities between M.P.S.T.C.B. & Chhattisgarh Rajya Sahakari Bank Maryadit Raipur (C.S.T.CB).

At the time of formation of state the bank has only three branches which were in operation they are Raipur, Bilaspur & Bhilai. Now there are 5 branches are in operation within the state.

This is the highest level of Sahakari bank which is also known as a APEX BANK. APEX BANK provide loan to Jila Sahakari Kendriya Bank Maryadit from its own sources and through NABARD for agricultural credit. And for the non - agricultural program the APEX BANK provide loan to the Jila Sahakari Kendriya Bank from its own resources. The first & for most responsibility of the APEX BANK is to ensure the progress and financial prospects of the institutions working in Co- operative sector in state. There is three - tier structure of sahakarita in the state. The structure is :-

Table no. 3.1 : Three - tier structure of Apex Bank

	C.G. Rajya Sahakari Bank Maryadit							
	↓							
	Jila Sahakari Kendriya Bank Maryadit							
	↓							
	Raipur	Durg	Rajnandgaon	Jagdapur	Bilaspur	Ambikapur	Main Bank	Total
							Branch Raigarh	07
Primary agricultural co-operative credit societies	↓	↓	↓	↓	↓	↓	↓	
	340	182	135	178	298	108	96	1333
Membership	↓	↓	↓	↓	↓	↓	↓	
	557561	321460	315683	417729	452055	271888	148061	2484437
Loanee members	↓	↓	↓	↓	↓	↓	↓	
	469308	182179	299893	221103	307977	134348	62054	1676862

Members of Apex bank

In the state there are 7 Jila Sahakari Kendriya Banks, Mahila Nagrik Sahakari Bank, 7 Nagrik sahakari Banks, 2 state level co-

operative societies & 3 other state co - operative credit societies are the members of the bank.

Members of Jila Sahakari Kendriya Bank

In rural area there are 1333 primary agricultural co-operative credit societies & LAMPS (local agricultural and minor product societies) which are related to Jila Sahakari Kendriya Bank. In the state 2484437 agriculturist are the members of societies & about 1676862 loanee members and balance 807575 are neither members nor loanee that means they are not enrolled in these societies.

The first assessment year of APEX BANK in Chhattisgarh is 2001-02. In the beginning that is on 31 march 2001 the authorized capital of bank is 50 crore, secured capital 1814.7 lakh Deposits.- 373.04 crore & working capital is 493.20 crore.

The Reserve Bank of India which is a central bank has issued license to the bank on 11 August 2010 under section 22 of the Banking regulation Act 1949 (as applicable to Co-operative societies) vide license no. RPCD (RPR) 05/2010-11 which specified the area of operation of the bank is restricted to Chhattisgarh state only. However APEX BANK has not opened any branch or office outside Chhattisgarh state. The bank had also received a revised license from the R.B.I. vide reference no. RPCD (RPR) 05/2013-2014 dated 23 July 2013. The bank is also included in the second schedule to RBI Act 1934 w.e.f.16 Sep. 2013 vide notification no. RPCD R.C.B. B.C no. 34107.04.004/2013-14 dated 16 Sep2013.

With the vision to enhance the level of farmer's life & local citizen of the state APEX BANK provided various facilities so that they may increase their income & agricultural productivity.

3.2 Emblem of Apex Bank



The emblem of APEX BANK epitomizes the corporate personality & basic policy of the Bank. In conception & design it is a harmonious blend of the traditional and the functional aspect.

The emblem of APEX BANK was made by Mr. R. K. GUPTA in the year of 2000 who lives in Durg. As there is no secondary data available in bank that why for the details of the design of a emblem telephonic conversation was done and information is collected.

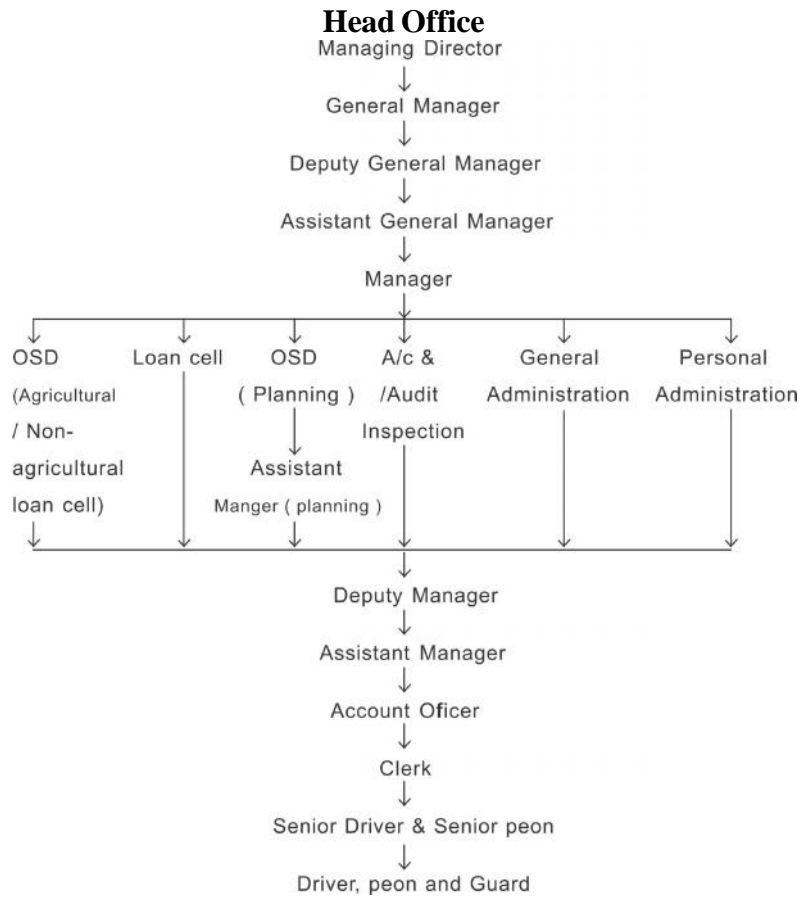
The colors shown in the emblem directs the concept of co-operative mission. We see in the mono that a farmer holds a sheaf which signifies the growth of agriculture. Chhattisgarh is also known as “Dhan ka katora” (The rice bowl) just due to excess production of rice & our motive is to increase our agriculture production. In this mono you also see the sign of factory that means Bank also wants to increase and develop our industries and food processing units through finance. Bank gives loan to sugar mills in Kwardha, Bhanpuri and Urla mills etc. The single upward arrow conveys APEX increasing endeavors to achieve ever ascending goals. It also shows the progress of Agriculture & Industry through Banking facilities.

The sun has yet another aspect. It is a beacon & guide to those in need of direction. It symbolizes the Bank perpetual readiness

to assist anyone, common man & business. A like in steering a course through the contemporary maze of monetary affairs.

Last of all the sun has astrological significance. It is determinant time to come. APEX BANK sees this as a commitment to ensures that the corporate and agriculture emblem shines as a harbinger of bright future for all.

3.3 Organisation set - up of Apex Bank



For achievement of business goals organizational structure acts as a channel of communication. It defines the relationship among various

positions and activities of business. Without structure no activity of an enterprise can run smoothly.

In the organization structure of Head office of APEX Bank which located in Pandri Raipur Managing Director comes in the top most position. Mr. P. R. NAIK was the first Managing Director of the APEX Bank head office at present Mr. H. K. NAGDEV is Managing Director. The whole organization is put under the overall control of managing director. General Manager assisted him in his work and then authority goes to Deputy General Manager who delegates its power to Assistant General Manager. From Assistant General Manager authority goes to manager's of different departments, They are manager OSD (Agricultural / Non-agricultural/ Loan cell), Manager of Loan cell, OSD (Planning) it was assisted by Assistant manager (Planning), Manager - Account and Audit , Manager- General administration , Manager of personal Administration. All these departments are put under the control of Assistant General Manager. All manager's of different department are not dependent on each other. They directly get the order from Assistant General Manager. All manager's of different sections are assisted by Dupty Manager. The Dupty Manager gets order from the all departments and in turn passes them it to the Assistant Manager. From Assistant Manager order ultimately reach to the Account officer who actually executes the work. In the work of Account Officer Clerk assist him for his work. After clerk fourth grade employees come like senior Driver and senior Peon. In the last position of organization structure Driver, peon, and guard comes who's services enable Bank officer's to work smoothly without any interruption.

So, in an organization structure each manager has a specific set of authority delegated to him and built in to the role prescription of his position. Any communication between them is routed through their immediate boss for fulfillment of various activities.

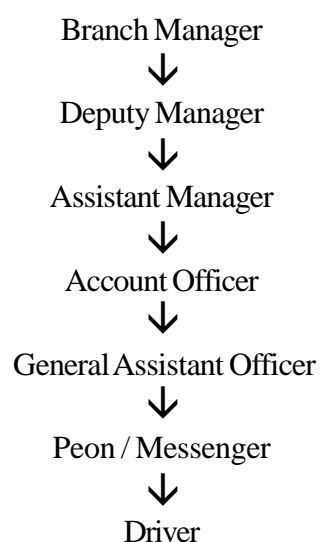
3.4 Branches in Chhattishgarh

The process of formation and structure of Chhattishgarh Rajya Sahakari Bank Maryadit (APEX BANK) was started on 01.11.2000. Bank has started its operation with the receipt of assets and liabilities form Madhya Pradesh Rajya Sahakari Bank Maryadit (APEX BANK). With the permission of Reserve Bank Of India bank started its business on 01.04.2001 at Indira gandhi vyavsaik parisar Pandri Raipur (Chhattisgarh).

There are five branches of APEX BANK in Chhattisgarh. They are Raipur Main Branch, Bilaspur Branch, Raipur Pandri Branch, Raigarh Branch & Bhilai Branch.

- 1. Raipur Main Branch :** Raipur branch was opened on 28.02.1974 at R.D.A. building Sharda chowk. Its first Branch manager was Mr. Temuurkar. At present Mr. C.P. Vyas is working there as a Branch Manager.
- 2. Bilaspur Branch :** Bilaspur branch was opened on 14.08.1970 at Nehru chowk Bilaspur. Its first branch manager was Mr. G.M. Ghatwai. At present Mr. J. R. Bhagat is working there as a branch manager.
- 3. Raipur Pandri Branch :** This Branch was opened on 08.07.2006 at Indira Gandhi Vavaysaik Parisar Pandri Its first branch manager was Mr. W.R. Handey ji . Now at present Mr. Ajay Bhagat is working there as a Branch manager.
- 4. Raigarh Branch :** Raigarh branch is opened on 10.07.2006 at Gandhi chowk Raigarh. Its first branch manager was Mr. R.K. Gupta. Now Mr. B.P. Singh is working there as a Branch manager.
- 5. Bhilai Branch :** This branch was opened on 09.05.1989 at civic centre Bhilai sector-6. Its first branch manager was Mr. A.S. Bhatiya. Now Mr. Pramod K. Kuchaya is working there as a Branch manager.

Organisation set - up of Apex Bank Branches



3.5 Position of Bank

APEX BANK was organized on 30 October 2000 after re-construction of the Chhattisgarh state. It was registered by Chhattisgarh Government with a registration No. 217, with the vision to increase the standard of living of the farmers and state people, bank provide credit facility, so that they increase their income and agricultural productivity. As a head of the co-operative Bank in Chhattisgarh APEX BANK provides credit to all Districts co-operative bank according to their needs and from its 209 branches bank provide credit to Agricultural credit co-operative, societies / LAMPs for production of Kharif and Rabi crops.

During the year 2015-16 Rs. 2883.41 crore was issued by bank and NABARD as a loan for Kharif and Rabi season crops. Within the state fertilizer was supplied by State Marketing Federation (Markfed) and Indian Farmer Fertilizer Co-operative Limited (IFFCO). It was distributed by Jila Sahakari Kendriya Bank and

Primary Agriculture Credit Societies (PACS) of APEX BANK and the bank distributed 671695 Metric Ton fertilizer in 2015-16. Besides this according to Government order it also purchase Paddy at support price declared by Government through its 1333 societies and approximate 59.29 lakh Metric Ton of Paddy was purchased at price of 8495.32 crore. further through Jila Sahakari Kendriya bankit issued 202280 Kisan Credit card to farmer members of the state.

Bank had started its business with an authorized capital of 50 crore which was increased to 200 crore in the year 2015-16 which a share capital of 132.62 crore. It's working capital was 494.76 crore and profit of 9.89 lakh in the year 2001 which was increased to 3957.12 crore and profit of 21.57 crore which shows that there is continuous increase in banking business of the bank. Apart from this through its various branches it had issued 42.09 crore for various loan schemes.

On the other hand the future plans of the bank is to construct head office, branch office and training building in Naya Raipur. In near future it also start on line, loan application, open deposit account and facilitate mobile banking system. For expansion of banking business an application was sent to RBI with reference to NABARD for getting the permission to open 13 new branches within the state. It may be hoped that in near future bank get the permission. APEX BANK got continuous co-operation and support from various institutions, organization and an individual through which bank was able to achieve the height of success.

The financial position of Bank is shown as under:

Table no. 3.2
Progress at a glance of Bank's performance
(Balance Sheet data as on 31st March)

(Rs. in Crore)

YEAR	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
LIABILITIES										
PAID UP CAPITAL	14.98	15.55	16.45	31.97	50.05	77.05	90.61	112.88	132.41	132.62
RESERVES & SURPLUS	60.74	56.34	76.86	83.53	90.22	101.56	126.05	152.53	219.91	248.76
CURRENT DEPOSITE	64.90	109.02	115.43	134.96	132.69	139.15	151.53	128.71	197.60	225.65
FIXED DEPOSITE	940.30	1,213.23	1,477.43	1,597.74	1,252.68	1,344.43	1,503.52	2,077.36	2,351.68	2,285.64
BORROWINGS	19.33	167.41	169.75	373.33	469.64	702.16	666.66	806.24	1,195.64	999.61
LIABILITIES & PROVISION	49.40	63.41	49.72	52.66	61.07	153.94	197.43	183.42	208.97	159.87
TOTAL	1,149.65	1,624.96	1,905.64	2,274.19	2,056.35	2,518.29	2,735.80	3,461.14	4,306.21	4,052.15
ASSETS										
CASH & BALANCE WITH RBI	30.16	39.01	42.90	45.86	40.28	35.04	35.47	88.51	107.59	99.72
BANK BALANCE	645.69	834.87	987.64	1,119.62	777.55	848.12	1,008.50	1,332.17	1,432.74	71.13
INVESTMENT	255.02	318.69	407.76	431.56	432.65	428.15	442.78	552.96	581.93	1,601.37
ADVANCES	145.43	352.14	373.55	618.24	753.29	1,155.53	1,191.89	1,408.97	2,078.50	2,188.41
FIXED ASSETS	1.68	1.61	1.46	1.54	1.38	1.47	1.31	5.91	5.96	8.99
OTHER ASSETS	71.67	78.64	92.33	57.37	51.20	49.98	55.85	72.62	99.49	82.53
TOTAL	1,149.65	1,624.96	1,905.64	2,274.19	2,056.35	2,518.29	2,735.80	3,461.14	4,306.21	4,052.15
NET PROFIT/LOSS	0.65	5.02	2.40	4.98	6.70	10.03	24.09	27.17	19.88	21.57
WORKING CAPITAL	1,121.34	1,602.47	1,866.44	2,233.76	2,016.10	2,475.27	2,692.63	3,413.30	4,214.12	3,957.12



4.1 House Loan Scheme

It was a dream of every person to live in its own house. It is a life time decision which requires a lot of planning research and finance for fulfillment of own house. House loan was offered to an individual who wish to purchase / construct a house or flat for residential purpose. Not only this house loan was also provided to renovate / repair the existing house / flat. The property was mortgaged by the bank as a security till the repayment of the loan. Anyone who wants to take house loan should know the basic procedure of loan process.

First we should know the eligible person's who can take home loan. Under this salaried employee, Professionals, self employed, business persons, corporate, NRI's who live in urban or rural areas and have the ability to pay debts are eligible for house loan. But individual like minor, bankrupt or mad are not eligible for housing loan.

For housing loan minimum age of a person is 21 and maximum age is 50 years. But there was relaxation for govt. employees i.e. 60 year. And it must be ensured that loan must be repaid before the retirement of employee (i.e.) 60 years. For example if govt. employee age was 53 year and its retirement age was 60 year than he/ she will be given house loan for maximum 7 years and it must be ensured that loan amount must be repaid before the retirement of the employee.

Quantum of Advance

- a. For purchase of flat or house / construction of house maximum loan which given is Rs. 30 Lakh.
- b. For repair / renovation/ extension loan was also given and in this case maximum loan amount was Rs 1 lakh.

According to housing loan scheme branch manager sanctioned loan up to Rs. 1.50 lakh. For the case of more than Rs. 1.50 lakh loan

amount it was approved by the managing director / General Manager of the head quarter on the recommendation letter of branch manager. The rate of interest for housing loan which was charged by the bank was 9.35% per annum for Government / semi government employee, 9.50% per annum, for other individual for bank employee below 10 year it is 8.50% per annum and for above 10 year it is 9.00% per annum. And for the process / documentation of house loan process, fee was also charged which was 0.75% on loan amount or minimum 500/- from the applicant.

For security of loan, bank mortgaged the property which was purchased or constructed in a prescribed format with original documents and the cost of stamp duty of mortgageable security shall be born by the applicant. Bank also submitted the 10 post dated cheque of the applicant and 5 post dated cheque of the guarantor for the security and repayment of loan. It was compulsory for applicant to become a Nominal share holder of bank.

Documents required for loan

A person who want to take house loan must submit the following document :

1. Loan application form.
2. Address proof (Electric Bill / Telephone Bill)
3. Identity proof (Adhar card / Pan card / Driving license / Voter Id card)
4. 3 months pay slip and 2 year form No. 16 (for salaried applicant)
5. 3 Years income tax file with the balance sheet and profit & loss A/c (For business man)
6. Bank statement of last 6 months (any bank)
7. Property paper on which house was to be constructed / purchased.
8. Diversion paper and approved map by Nagar Nigam.
9. Engineer estimate in case of construction of house.

10. In case of house purchase sale agreement between seller & purchaser.
11. One guarantor with IT paper, ID proof and address proof .
12. Demand promissory note (DP note), executed on Rs. 5 revenue stamp.
13. Guarantee agreement (on special adhesive stamp of Rs. 250/- Non-Judicial stamp paper)
14. Letter of continuity.
15. In the case of construction of house in a village, approved layout and approved map by Gram Panchayat.

It should be noted that housing loan will be given only for residential purpose not for commercial purpose. And for this purpose it was necessary to get the diversion certificate from land revenue department and the land use certificate for residential purpose from municipal office. In the case of salaried employee on monthly salary (basic + dearness allowance only) 48 times the maximum housing loan can be granted and for bank staff it was up to 60 times of monthly salary (basic + dearness allowance). For non - salaried person loan will be sectioned on 4 times of average income tax return. It should be pointed that maximum 80% loan will be given on engineer estimation. And in the case of purchase of new built house, the loan amount was 80% of purchase price. Loan was granted on the basis of income and housing cost/ price whichever is less. For example if the income of applicant is Rs. 9 lakh and house cost was Rs. 8 lakh than applicant will give a loan of 8 lakh. It was often seen that people take loan in joint name like father son, mother son, 2 brother, 2 sister issued jointly than according to their combined income loan was granted.

Disbursement of loan amount

After satisfying with all documents of an applicant, bank disburse loan amount in following ways:

- I. In case of lump sum payment for purchase of house, the payment of loan amount including margin money of purchaser was directly given /paid to the seller (individual, institution, or builder) through DD. The margin money must be submitted by the purchaser in his / her saving account.
- II. The issue of loan amount was done in 3 Installment in the case of construction of a house.
 - (a) Construction of plinth level - 30% of loan amount.
 - (b) Construction of the roof level - 30% of loan amount.
 - (c) Final construction work to be complete - 40% of loan amount.

In the condition of old house purchase, house loan was given on maximum 10 year old house. And if house was more than 10 years old than loan will not be sanctioned and moratorium period was also not given on old house.

House loan can be approved for maximum 20 years and the maximum grace period of 18 months was included in it. For repayment of loan, bank set the progressive EMI which should be paid by the loanee and if loanee doesn't pay the EMI in time than 2% extra interest will be charged from date of default to date of payment by the bank. It should be noted that moratorium period was only given for construction of house not for purchase of house / flat. It was compulsory to submit the original papers of house insurance policy to the bank and insurance premium must be paid by the loanee.

Table no. 4.1 : Position of House loan scheme

(Amount in Cr.)

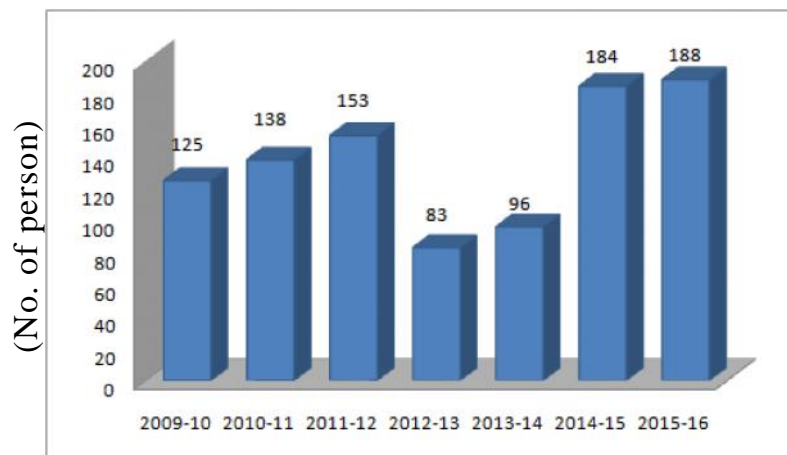
Year	No. of Person	Disbursed Amount	Increase / Decrease (in Cr.)	Annual Growth Rate (in %)
2009-10	125	04.16		
2010-11	138	12.83	8.67	208.41
2011-12	153	14.19	1.36	10.60

2012-13	083	06.74	-7.45	-52.50
2013-14	096	10.41	3.67	54.45
2014-15	184	22.79	12.38	118.92
2015-16	188	22.89	0.10	0.44

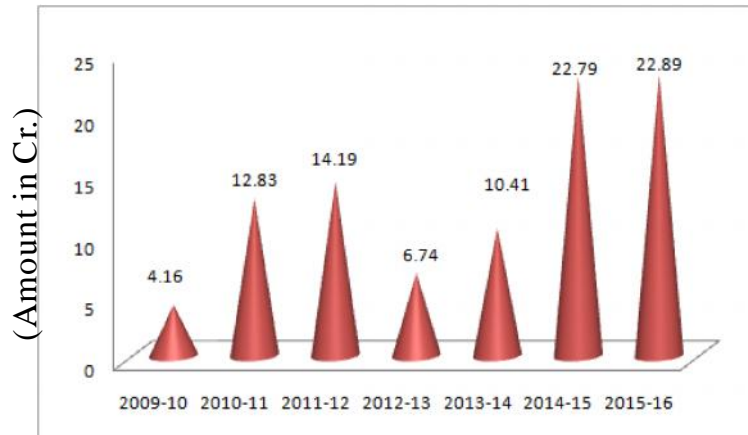
(Source: Annual report and Data provided by APEX BANK)

The objective of table No. 4.1 is to know the position of house loan issued by APEX BANK. It is clear from the above table that in the year 2009-10 the number of person who takes loan is 125 which was increased to 188 in 2015-16 which shows that there is increase in number of person but it is not satisfactory. During 2009-10 Rs. 4.16 Crore was disbursed which was continuously increased in next two successive year. But in 2012-13 there was decrease in disbursement and only Rs. 8.74 Crore was disbursed as people not taken interest may be they take loan from other banks. Again from next year with a growth rate of 54.45% loan amount was increased to Rs. 10.41 Crore, which was continuously increased in for next two successive years and during 2015-16 the disbursement amount was Rs. 22.89 Crore.

Graph no. 4.1 : Shows no. of person who takes house loan scheme



Graph no. 4.2 : Shows amount financed by bank for house loan scheme



Overall it can be concluded that the number of person and amount disbursed was increased during the study period, but it was not satisfactory. Bank should take initiative to increase house loan scheme by various means of advertisement.

4.2 Mortgage Loan Scheme

As the term signifies, this loan was given against the property which was mortgage by bank at a low rate of interest. This scheme was for the people who engage in Trade, commerce, Business and also Professionals, Self employers, Proprietor firm, Partnership firm, Companies, NRI and Individual with high net worth including salaried people Agriculturists and staff members. This scheme provides an opportunity to consumers to borrow loan against self/applicant residential / commercial property which was kept by bank as a mortgage without much paper work. Customers like to take this loan for fulfillment of economic needs such as education, marriage, medicinal expenses of close family members and also to meet the credit requirement of trade, commercial activities other general business & profession. Under this scheme the maximum loan which one can

take was Rs 10 lakh. On the loan amount currently 12.00% annual interest was charged by the bank. And for bank staff the rate of interest was 9.00%. Interest on bank loan was calculated on equated monthly installment (EMI) and repaid on monthly basis. In case of non payment of loan installment the penalty of 2% was charged from the date of default to the date of payment.

Under the mortgage loan scheme loans up to 1.50 lakh were approved by branch and loan above 1.50 lakh were approved by Head Office of Bank. After approval of the loan amount by bank, it was deposited in the current / saving account of the loanee. For documentation & paper work 0.75% process fee was charged on loan amount or minimum Rs. 500/- . For bank employees no process fee was charged by the bank. Maximum age limit for mortgage loan of applicant was 50 years. If a person age was above 50 year he/ she will not given a loan. All person who are eligible to contract (except minor, bankrupt or mad) can take this loan. In the case of joint applicants maximum two people are given loan. Loan will not sanctioned on Nazul land, leasehold land or industrial lease land, the property must be on the own property. Any person who live in urban or rural area and have the ability to repay loan can borrow this loan, but the applicant must have saving A/c in the bank. Priority for approval of loan was given to government or semi-government employees by the bank.

Documents required for Mortgage loan

Applicant must fill some documents for Mortgage loan. They are :

1. Loan application form provided by bank .
2. 3 months pay slip and 2 year from No. 16 (for salaried applicant)
3. 3 Years income tax file with the balance sheet and profit & loss A/c (For business man)
4. Address proof (Electric Bill / Telephone Bill)

5. Identity proof (Adhar card / Pan card / Driving license / Voter Id card)
6. Letter of continuity
7. Bank statement of last 6 months (any bank)
8. Demand promissory note (DP note), executed on Rs. 5 revenue stamp.
9. Property paper on which house to be mortgaged.
10. Diversion paper of property.
11. Approved map by Nagar Nigam.
12. Property Tax receipt.
13. One guarantor 3 year income tax paper, ID proof and address proof & 5 signed PDC.
14. Guarantee agreement (on special adhesive stamp of Rs. 50/- Non-Judicial stamp paper).

The applicant who applied for a loan must keep its own assets whose value was more than the loan amount as a collateral security in the bank. For this purpose legal periodic mortgage paper was prepared and all the expenses related to it like stamp duty and other should be born by the applicant. Spot inspection of mortgage property was done by the branch manager of the bank and the valuation of property was done only by the authorized valuer of the bank. It was compulsory for beneficiary to give the legal affidavit that he/ she doesn't take any loan from any other bank for this purpose. Search report from the authorized lawyer of bank must be, submitted which mention about the applicant ownership and legality of mortgage property. After satisfying all these conditions bank grant maximum 60% loan upon the value of mortgage property. The loan was approved only when there was no negative comments in the search report with regard to the security of loan and guarantee, adequate vigilance must be taken by branch manager. For the view of security of loan 10 signed post dated cheque of borrower must be received and the affidavit letter

which noted that in case of non- payment of loan, bank submit these check for payment and in case of cheque bounce, legal proceeding may be done by the bank.

The maximum age for repayment of mortgage loan for loanee was 58 years and it should be repaid in maximum 120 monthly installments. For repayment of loan, both conditions are observed and whichever is less was approved by the bank and accepted by loanee. It was compulsory to make the insurance of mortgage property against fire / accident and the premium amount was paid by the loanee itself.

Table no. 4.2 : Position of Mortgage Loan Scheme

(Amount in Cr.)

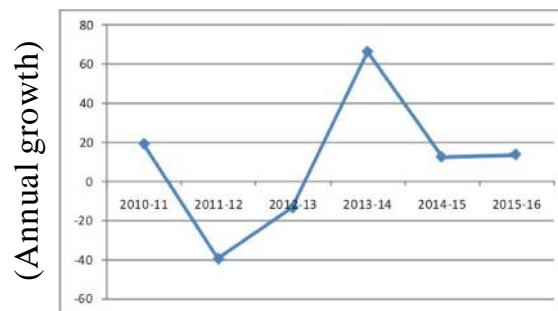
Year	No. of Person	Disbursed Amount	Increase / Decrease (in Cr.)	Annual Growth Rate (in %)
2009-10	38	3.06	---	---
2010-11	43	3.64	0.58	18.95
2011-12	41	2.19	-1.45	-39.84
2012-13	33	1.89	-0.30	-13.70
2013-14	45	3.14	1.25	66.14
2014-15	54	3.53	0.39	12.42
2015-16	60	4.01	0.48	13.60

(Source: Annual report and Data provided by APEX BANK)

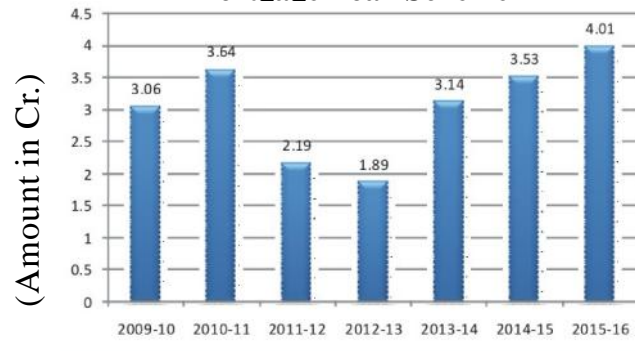
Table No. 4.2 furnishes the data relating to number of person, loan disbursement, increase / decrease of loan amount and annual growth rate in respect of mortgage loan scheme of APEX BANK during the study period. It is evident from the table that the loan sanctions were Rs. 3.06 Crore in 2009-10, which was increased by Rs. 3.64 Crore, in 2010-11 with a growth rate of 18.95%. But in next two successive years i.e. 2011-12 and 2012-13 there was decrease in loan amount as people take less interest to take mortgage loan. Further from 2013-14 to 2015-16 due to promotional activities of bank the banking business increase and during 2015-16 Rs. 4.01

Crore was issued as mortgage loan. During the study period number of person also increased from 38 to 60 which show positive growth of the scheme.

Graph no. 4.3 : Shows Annual Growth Rate of Mortgage Loan Scheme



Graph no. 4.4 : Shows amount financed by Bank for Mortgage Loan Scheme



Overall it may be concluded that there is increase in mortgage loan disbursement and number of person year by year except two years. For more business bank should create awareness among people about mortgage loan scheme.

4.3 Car Loan Scheme

Vehicle loan is a loan that you take in order to purchase a vehicle. It is a easiest way to buy a vehicle, who wants to purchase it but doesn't have sufficient money. By this loan a person can buy a

vehicle by paying only small down payment and the rest in monthly installment. Therefore instead of a onetime heavy expense which is hard to attain the installment payment become an integral part of a monthly expense. Under this scheme loan was provided to applicants for the purchase of new / old passenger vehicle such as Car, Jeep, etc. In case of purchase of old vehicle, the vehicle should not be old than 4 years and valuation of vehicle was done by the authorized valuer on which loan will be granted up to 70 % on the valued amount.

A person can take maximum 5 lakh as a vehicle loan and the loan amount was not more 75% of purchase value of vehicle. It was compulsory for loanee to submit 25 % of margin money in saving account of the branch. The maximum duration for repayment of loan was 5 years and paid in maximum 60 EMIs. 11.00% per annum interest rate will be charged on vehicle loan to individual and for Bank employee it is 8.50% per annum. Loanee must keep the amount which was equal to monthly installment in its account so as to recover the amount of the loan installments. In case of nonpayment of installment 2% extra interest will be charged by bank from the date of default to date of payment.

Generally this loan was taken by Salaried Employees, Professionals, Self - Employed , Business person, Farmers etc. All person who are eligible to contract (except minor, bankrupt or mad) can take this loan and applicant must have a saving A/C in bank. In case of salaried applicant there must be 5 years left for their retirement. In this type of condition bank ensured that the repayment of loan with interest must be repaid before 6 month of the retirement. Loanee must give the guarantee of one person in prescribed format which was acceptable by bank. on the basis of employer undertaking loan will be approved to salaried people. And in case of non- Salaried applicant fixed assets of loanee / guarantor which was equal to loan amount was periodically mortgage by the bank.

Document required for Loan

For approval of loan following documents should be filled - up and submitted by the applicant :

1. Loan application form.
2. Demand promissory note (DP note), executed on Rs. 5 revenue stamp.
3. Letter of continuity.
4. Guarantee agreement (on special adhesive stamp of Rs. 50/- Non-Judicial stamp paper).
5. Address proof (Electric Bill / Telephone Bill) .
6. Identity proof (Adhar card / Pan card / Driving license / Voter Id card) .
7. Contract letter.
8. Hypothecation Deed (executed on Rs. 50 stamp paper).
9. For salaried applicant 3 month salary sheet & employer undertaking.
10. For Non - salaried applicant income tax statement of 3 Year.

According to the vehicle loan scheme loan amount up to Rs. 1.5 lakh will be approved by the branch manager. The loan amount of more than 1.5 lakh was transferred to Head office after documentation by branch, thereafter head office sanctioned the loan up to Rs. 5 lakh. The payment of loan amount was done directly to the dealer by draft/cheque and for this purpose loanee must deposited the margin money in the account. Registration of the vehicle which was purchased through loan was done jointly by the name of owner and bank in RTO. Loanee must submit the purchase paper of vehicle, original invoice, Draft / receipt of cheque in the bank. As like registration insurance of vehicle was also done jointly with the name of loanee and bank for the full period of loan. The amount of insurance premium shall be paid by the loanee itself and the original paper of insurance policy should be kept under the custody of bank. Bank has a right to amend or change the

rules and regulation regarding vehicle loan which should be acceptable by loanee.

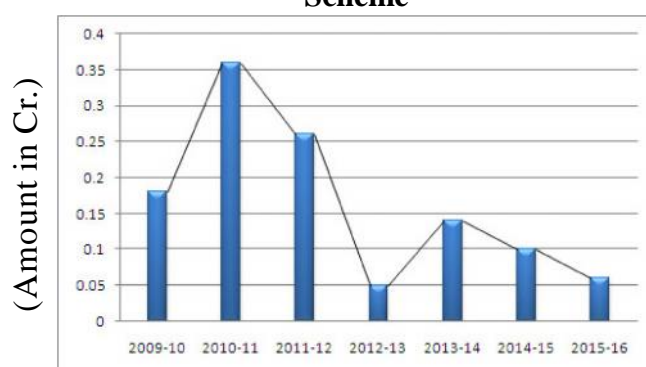
Table no. 4.3 : Position of Car Loan Scheme of Apex Bank
(Amount in Cr.)

Year	Disbursed Amount	Increase/ Decrease (in Cr.)	Annual Growth Rate (in %)
2009-10	0.18	_____	_____
2010-11	0.36	0.18	100.00
2011-12	0.26	-0.10	-27.78
2012-13	0.05	-0.21	-80.77
2013-14	0.14	0.09	180.00
2014-15	0.10	-0.04	-28.57
2015-16	0.06	-0.04	-40.00

(Source - Annual report of APEX BANK)

The Table No. 4.3 shows the disbursement of car loan amount of APEX BANK over the study period of seven years. It is clear from the above table that in the year 2009-10 the total disbursement of car loan amount was Rs. 0.18.Crore. It was increased in next year to Rs. 0.36 Crore, but from next following year there is continuously downfall in loan amount as people not take interest to take car loan from the bank.

Graph no. 4.5 : Shows amount financed by Bank for Car Loan Scheme



Overall it can be concluded that people are less interested to take car loan from bank, may be due to high rate of interest i.e. 11% per annum, less loan amount and lack of promotional activities done by the bank. It is a very discouraging sign, bank should take necessary step to promote this scheme.

4.4 Cash Credit Loan Scheme

As we always says that for the success of any business there is a need of money. It is known as a life blood of business. But some time due to the shortage of finance business profitability also effected which ultimately leads businessman to suffer a loss. So to increase business activities and bank provide finance through cash credit facility to help businessman. This is also known as C.C. limit. Bank provide cash credit limit to the applicant for the fulfillment of needs of working capital of business/firm. For this purpose bank kept the property of applicant as a mortgage which value was equal to Cash Credit limit. For business requirement maximum 20% Cash Credit limit was given to loanee on their business/industry annual turnover. Maximum loan amount for Cash Credit limit is 25 lakh. At present the rate of interest for Cash Credit limit is 11.00% annually.

According to this scheme sole proprietor, proprietary firm, registered partnership firm and societies can take Cash Credit limit if they are or their owner/partners are eligible to contract. It was compulsory for applicant to have a current account in the bank. By the rules of Govt. the registration of sole trade and partnership firm was compulsory. At the time of issuance of Cash Credit limit the registration of firm/ business should be valid. Cash Credit limit was provided to applicant for maximum one year (normally up to 31st March). Only self owned property was taken as mortgage, lease hold property was not taken as mortgage. On the value of mortgage property 60% Cash Credit limit was given. For example - if the value of property is 10 lakh than Cash Credit limit of 6 lakh is given.

Documents required

Applicant must submit following documents for Cash Credit limit. The documents are :

1. Application Form.
2. Demand Promissory note (DP note) executed on Rs. 5 revenue stamp.
3. Letter of continuity.
4. Guarantee Agreement. (On special adhesive stamp of Rs. 50 or nonjudicial stamp)
5. 10 signed Post Dated Cheque of loanee and 5 signed Post Dated Cheque of guarantor.
6. Registration letter and license of a firm/business.
7. Permanent account number of firm or applicant.
8. Last 3 years income tax paper with balance sheet, profit and loss account which was certified by authorized income tax consultant or Chartered Accountant of bank.
9. Original paper of property, registration, B-1, khasara, diversion paper etc.
10. In case of new business, expected 5 years projected turnover prepared by Chartered Accountant.

Stamp duty charges and other charges related to mortgage property should be paid by the loanee. Valuation and spot verification of the mortgage property was done by the authorized officer of bank. And search report was also prepared by the authorized lawyer of bank in a prescribed format. For an applicant it was also compulsory to give the name of one guarantor which should be acceptable by bank. On the basis of firm/business stock, applicant can also take Cash Credit limit up to 60% of stock. For formalities applicant must submit the monthly stock statement in bank. For security physical verification, valuation and examination of stock must be done regularly

or twice a year by the branch manager or authorized officer. Loanee must open bank account in the bank and for all business transactions. Documentation and process of Cash Credit limit process fee was charged on 0.75% of loan amount or minimum Rs. 500/- by the Bank.

Cash Credit loan was given to applicant for maximum one year. After than it was renewed according to the operation and turnover of the loanee business/ firm. One month before the end of Cash Credit limit bank sent the information letter to loanee about the renewal of Cash Credit limit. After the completion of Cash Credit limit period the bank transactions of loanee was closed up to the renewal of Cash Credit limit. At the time of renovation a Branch Manager physically verify the property, balance sheet and business of applicant/firm. Thereafter with recommendation, letter was sent to Head office for renovation of Cash Credit limit. And when the loanee got the permission letter from Head office Cash Credit limit again started for one year. Loanee must exhibit a sign board of (financed by APEX BANK) in its commercial site.

Table no. 4.4 : Position of Cash Credit Loan Scheme

(Amount in Cr.)

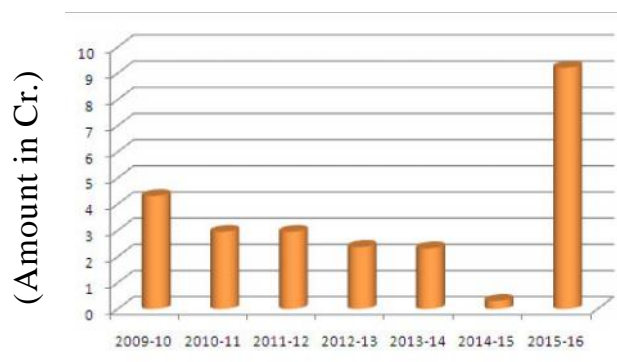
Year	Disbursed Amount	Increase/ Decrease (in Cr.)	Annual Growth Rate (in %)
2009-10	4.31	_____	_____
2010-11	2.95	-1.36	-031.55
2011-12	2.95	0.00	000.00
2012-13	2.37	-0.58	-019.66
2013-14	2.32	-0.05	-002.11
2014-15	0.31	-2.01	-086.64
2015-16	9.21	8.90	2870.97

(Source - Annual report of APEX BANK)

It can be observed from the table 4.4 that the position of bank in cash credit loan scheme was not good. No doubt the amount of loan was increased from Rs. 4.31 Crore in 2009-10 to Rs. 9.21

Crore in 2015-16. But there was decrease in loan amount for four years, further in the year 2011-12 there is no change in loan amount due to high rate of interest, lots of formalities and paper work. To overcome from this situation bank should take initiative. Further during the year 2015-16 loan amount was Rs. 9.21 Crore with a growth rate of 2870.97%. It may be hoped that in coming years the performance of bank in cash credit loan scheme will be increased.

Graph no. 4.6 : Graph shows amount financed by bank for Cash Credit Loan Scheme



4.5 Project Loan Scheme

With the motive to provide financial help to businessmen, this project loan scheme was started by bank. Under this scheme loan was given for the establishment of new industries, their expansion and modernization. For example hospital, nursing home, setup of polyclinic, hotel/ restaurant, factories, shop, warehouse etc.

There are 3 types of Project loan scheme :

1. For Factory
2. For Shop
3. For Warehouse

4.5.1 For Factory : According to this loan scheme, loan was approved to sole proprietorship, registered partnership firm, proprietary firm by the bank. Under this scheme maximum Rs. 25 lakh was granted as a loan and the maximum period of loan is 7 years. If the new project was started with the loan amount the maximum 18 month moratorium

period was permitted and it depends upon the nature of the project. It was compulsory for loanee to make regular payment of interest charged by the bank during moratorium period. Bank always calculate the installment of loan after deducting the moratorium period. Payment of installment was done either on the basis of monthly/quarterly/ half yearly and it was determined by the branch manager according to the nature of business/ industry. At present the rate of interest on project loan was 13.00% per annum. For security of project loan the property of loanee was mortgaged and against it bank grant the loan. Bank officers take full information about the applicant educational qualification, management skill, experience and financial position, so that the proper repayment of loan/ installment was ensured. A person who wants to take project loan must fill and submit the following documents :

1. Application Form
2. Project report prepared by Chartered Accountant.
3. Registration certificate of the institution.
4. Government of India/ State Govt. license regarding the establishment of related project.
5. For rural area NOC from Sarpanch of Gram Panchayat.
6. NOC from Industry department of state Govt.
7. NOC from state electricity Board for Power supply.
8. NOC of Pollution control board.
9. Financial statement.

In addition to mortgage property applicant must submitted the guarantee of one person in prescribed format of bank. Bank officers inspect all the information's and assets related to the project like, plant and machinery, equipment, raw material, market of finished goods, management of the units etc, before approval of the project. They also take the advice of consultant / technical expert about the project technique and financial position.

The calculation of interest was done by the Branch manager on the basis of project report submitted by the loanee. Loanee must submit the interest regularly in current account. In case of nonpayment of installment additional 2% interest will be charged as a penalty from the date of default to the date of payment of installment.

Table no. 4.5 : Position of Project Loan Scheme

(Amount in Cr.)

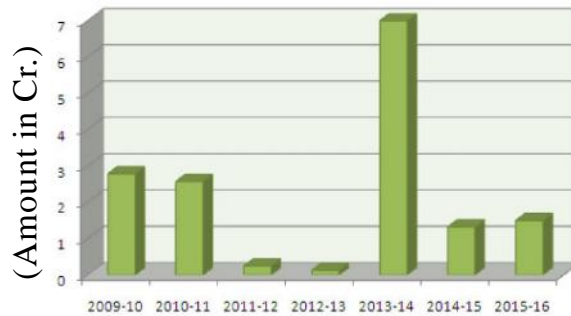
Year	Disbursed Amount	Increase/ Decrease (in Cr.)	Annual Growth Rate (in %)
2009-10	2.79	_____	_____
2010-11	2.58	-0.21	-7.53
2011-12	0.25	-2.33	-90.31
2012-13	0.13	-0.12	-48.00
2013-14	7.00	6.87	5284.62
2014-15	1.32	-5.68	-81.14
2015-16	1.50	0.18	13.64

(Source: Annual report of APEX BANK)

Table No. 4.5 reveals the position of project loan scheme of APEX BANK. It is evident from the table that during 2009-10 Rs. 2.79 Crore was issued but from next following three years it was continuously decreased to Rs. 0.13 Crore in 2012-13 as people does not take keen interest to take loan from the bank may be they prefer other banks for project loan. There was a boom in project loan during the year 2013-14 and Rs. 7.00 Crore with an unexpected growth rate of 5204.62% loan was issued. But again from next year it was fall down and Rs. 1.50 Crore was disbursed in 2015-16.

Overall from the above analysis it may be concluded that people are not much interested to take project loan from bank and the position of bank in this scheme is not satisfactory.

Graph no. 4.7 : Shows amount financed by bank for Project Loan Scheme



4.5.2 For Shop : This loan scheme was started on 01.01.2003 by the bank. All people who are eligible to contract (except minor, bankrupt or insane) can take this loan. This loan was given to the applicant who wants to purchase shop for themselves or their family business and also to build their own store. It was compulsory for applicant to have a saving account in the bank. Any person who lives in urban or rural area and ability to repay the loan are eligible for shop loan. According to shop loan scheme the maximum loan amount was 10 lakh and the margin money was 25%. At present for maximum 10 years loan was issued @ 12.00% per annum for shop loan. For repayment of loan EMI was calculated and in case of non-payment of EMI 2% extra interest was charged from date of default to date of payment.

With regard to the security of loan it was compulsory for loanee to submit the papers of shop which was purchased by loan to the bank as a mortgage security in a prescribed format. Expenses related to stamp duty and other for mortgage property should be paid by the loanee itself. In addition applicant must give the guarantee of one person in a prescribed format. For shop loan applicant must submit 10 Post Dated Cheque with the applicant form and for extra security 5 Post Dated Cheque of guarantor may be taken by the bank. Further it also submit a affidavit which mention that in case of nonpayment of EMI

bank submit these Post Dated Cheque for payment in bank and in case of dishonor of cheque bank can take legal action against applicant with regard to the security of loan and guarantee. Adequate vigilance was taken by the officers for payment of EMI.

Documents Needed

For acquiring a loan following documents must be submitted by the applicant :

1. Loan Application Form.
2. Demand Promissory note (DP note) executed on Rs. 5 stamp.
3. Letter of continuity.
4. Guarantee Agreement executed on Rs. 50/- special adhesive stamp or non Judicial stamp.
5. Address proof (electric bill/ telephone bill).
6. ID proof (Adhar card/ Pan card/ voter ID/ Driving license).
7. Sales contract executed on Rs. 50/- stamp paper (in case of shop purchase).
8. For urban area municipal approved map.
9. For rural area town and country planning approved layout and map.
10. For non- salaried applicant 3 year income tax statement.
11. Bank statement of last 6 month.

According to the loan scheme, loan amount up to 1.5 lakh was approved by the branch manager. The loan of more than 1.5 lakh was transferred to the Head office after documentation by Branch, thereafter Head office sanctioned loan up to 15 lakh. On shop loan process fee was 0.75% on loan amount or minimum Rs. 500/- and by rule service tax was also charged.

Issue of Loan : Loan was issued to the applicant in two ways :

1. In case of lump sum shop purchase, the whole loan amount which include purchaser margin money was paid directly to the seller

(person, organization, builder etc.) through DD or shall be made through cheque. The margin money of loanee was deposited in its saving account and the entire loan amount was paid to the seller.

2. In the case of construction of shop sanctioned loan amount was disbursed in three installments :-

A. On Plinth level construction - 30% of loan amount

B. On Roof level construction - 30% of loan amount

C. On Final level construction - 40% of loan amount

Total - 100% of loan amount

Before issuance of loan amount site inspection of construction work was done by the branch manager or by the competent officer of bank. It was also necessary to get the progress report of construction work by the authorized engineer of the bank. While issuing shop loan, Branch manager carefully ascertain the repayment capacity of loanee, only after than loan amount was disbursed. Insurance of the shop which was constructed/ purchased by bank loan was done by loanee with the joint name of bank. The original insurance policy must be submitted in bank, and the insurance premiums will be paid by the loanee itself. From time to time bank change the rules of loan and interest in accordance with the directive of RBI which should be acceptable by the applicant.

Table no. 4.6 : Position of Shop Loan Scheme

(Amount in Cr.)

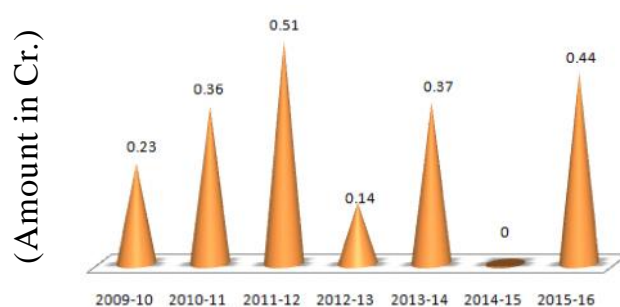
Year	Disbursed Amount	Increase/ Decrease (in Cr.)	Annual Growth Rate (in %)
2009-10	0.23	—	—
2010-11	0.36	0.13	56.52
2011-12	0.51	0.15	41.67
2012-13	0.14	-0.37	-72.55
2013-14	0.37	0.23	164.29

2014-15	0.00	-0.37	-100.00
2015-16	0.44	0.44	-

(Source: Annual report of APEX BANK)

The data in table No. 4.6 depicts the position of shop loan scheme. During the year 2009-10 Rs. 0.23 Crore was disbursed as shop loan which increased for successive next two year i.e. in 2010-11, Rs. 0.36 Crore and in 2011-12 it was Rs. 0.51 Crore which shows a good position of the bank. But in next year there was a sharp decline in the loan amount only Rs. 0.14 Crore was disbursed, but again in next year with a growth rate of 164.29% it was increased to Rs. 0.37 Crore. In the year 2014-15 there was a tremendous loss in this scheme as there was no disbursement of loan amount in this scheme. To move from this position bank takes necessary steps for improvement like advertisement, banking policies etc. and as a result in next year 2015-16 it increase its business and issue Rs. 0.44 Crore. Overall it may be concluded that for promotion of shop loan scheme bank should take necessary steps.

Graph no. 4.8 : Shows amount financed by Bank for Shop Loan Scheme



4.5.3 For Warehouse : As it is well known that small and marginal farmers does not have economic strength to keep their produce with them till the market prices are favorable to them. There has been felt a need in the country to provide the facility of ware

house so that the wastage and produce deterioration are avoided and farmers also got the actual price for their produce. For this purpose APEX BANK started a warehouse loan scheme. This scheme was applicable for rural areas and loan will be sanctioned for construction of ware house. And for this NABARD provided subsidy according to the “Gramin Bhandaran Yojana” which was directly submitted to loanee bank account. It is a pride of APEX BANK that it was a nodal bank of NABARD which provides subsidy to other co-operative banks as subsidy was routed though APEX BANK and gives permission to open warehouse in rural areas.

The project for construction of rural godown can be taken up by individuals, Farmers, Group of Grower / Farmers, Proprietary firm/ Partnership, Self Help Group (SHG) . Non Government Organization (NGO’s), Companies, Corporations. Co-Operatives, Federation, Local bodies other than Municipal Corporation , Agriculture produce, Marketing committees, Marketing Boards and Agro Processing Corporation in the entire country. Under this scheme the entrepreneur was free to construct godown in its own property that comes under rural place. The size and capacity of Godown was decided by entrepreneur. In rural area minimum 50 ton capacity and in hilly area (above 1000 from sea level) Minimum 25 ton capacity godown was eligible for subsidy & loan. A person who wants to built warehouse must fill the underlying documents :-

1. Loan application form.
2. Project report prepared by CA.
3. Registration Certificate.
4. Govt. of India / State Govt. license.
5. Gram panchayat NOC.
6. State Govt. NOC.
7. NOC of state electricity board.

After fulfilling these documents bank inspect all documents properly and issue the loan in 3 installments:

- (a) On completion of plinth level - 20% of loan amount.
 - (b) On completion of linter level - 40 % of loan amount.
 - (c) On completion of Roof level - 40 % of loan amount.
- Total** - 100% of loan amount

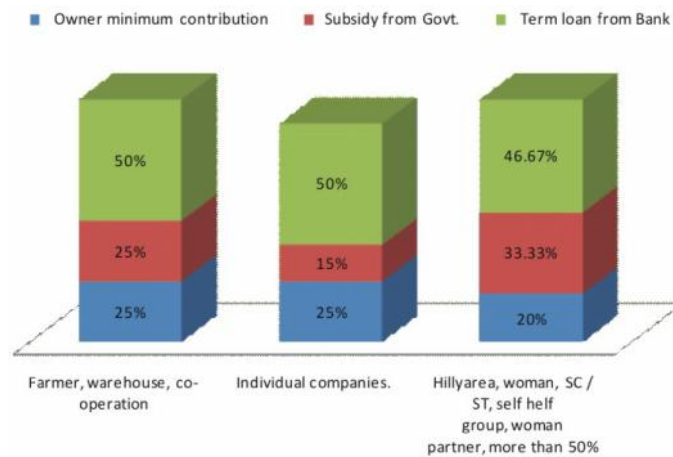
A time limit of 15 month was prescribed for completion of the warehouse from the date of disbursement of the first installment of loan by the bank. If there was delay in completion than 6 months grace period may be allowed by the bank. And if the warehouse was not completed with in grace period than subsidy will not be available and advance subsidy will have to be refunded forthwith. Repayment of loan amount depends upon the cash flow and maximum 07 year including grace period of 18 month was permitted. The first annual installment was fall due after 18 month from the date of first disbursement. The rate of interest for this loan was 10.00 % APEX BANK is a NODAL BANK that is authorized to provide subsidy through NABARD to other Co-operative banks. Subsidy was provided only when a person opens a warehouse in rural area and if a person open a godown in urban area than no subsidy was given to the applicant. Under this scheme godown must be used to keep agriculture products only.

Table no. 4.7 : Subsidy routed through NABARD for Warehouse Project

Subsidy	Farmer, warehouse co-operation	Individual companies	Hillyarea, woman, SC / ST self help group, woman partner more than 50% share .
Owner minimum contribution	25 %	25%	20%
Subsidy from Govt.	25%	15%	33.33 %
Term loan from Bank (minimum)	50%	50%	46.67 %

(Source: Revised operational guide line Gramin Bhandaran Yojana)

Graph no. 4.9 : Graph shows Subsidy routed through NABARD for warehouse project



Advance 50% subsidy was released by NABARD after sanction of loan and the rest 50% subsidy will be released at the time of completion of godown which was inspected by the officers of NABARD. Insurance of warehouse was done jointly with name of loanee & bank and the premium money was paid by the loanee. It was compulsory for loanee to submit the original Insurance paper in bank.



5.1 Importance of Warehouse

Mahatma Gandhi once said:

“India prosperity lies in the development and progress of rural India.”

Agriculture and Rural India are merely synonyms and the impact of rural dimension in Indian economy is of towering significance. Agriculture is providing survival for 4 out of every 5 Indian and even 5th one would also somehow depend upon agriculture for its livelihood. Without taking the agriculture as a centre, no policies come fruitful in this agriculture society. We can say that through rural development we can develop our country also. But the income generated through agricultural sector is less than the actual production. The reason for this condition is that all agricultural produce are not properly warehoused and marketed. The need for warehousing system in India was understood by the Royal commission on Agriculture in 1928. The central Banking Enquiry committee 1931 too gives attention on this matter. The RBI emphasized the need for warehouse in the year 1944 and proposed that every state government should enact legislation to regulate the functioning of warehouse. In spite of this even today the country has not adequate storage facility. Moreover the existing storage facility has lacks the scientific aspect of the system.

The government of India had constituted Central Warehouse Corporation following the recommendation given by the Rural Banking Investigation Committee in 1950 and the All India Rural Credit Survey Director Committee in 1954. Since 1957 the significance of proper storage was acknowledged in the economic planning of India and thereafter the government started spending capital in this infrastructure. In the wake of this development the Central Warehouse Corporation and State Warehouse Corporation were established for the storage of agricultural produces.

Warehouse is one of those back bones which are compulsory for overall economic development of the nation. It refers to the storage of goods in a systematic manner so that it was easily available when the demand arises in market. Storage involves proper management for preserving product from the time of production or purchase to the consumption of produce from deterioration, damage and theft. For price stabilization of good it plays an effective role as it balance the supply of produce according to demand. It is achieved by the creation of time utility by storage of produce. Although farmers are aware of the seasonal trend but they cannot take advantage of this. They sell their crop when its price are lowest to the traders or middleman who hold the produce throughout the harvest season and when the price rise they sell it at high price and earns profit. So by providing farmers a facility of warehouse they hold on their produce and sell it beyond the harvest season and earn a profit. We generally see that during harvest season when supply is in bulk the price are low and after harvest season prices rises. By warehouse facility producer enable to produce good in anticipation of demand in future. In order to remain competitive, producers store produce in warehouse and use them at regular intervals to avoid their shortage.

There is too much scarcity of agricultural marketing. Mandis and store house in Chhattisgarh especially in the remote rural areas. It should be noted that the farmers of Chhattisgarh produce around 60 lakh metric ton of grains every year whereas the Mandis and store house of the state have the capacity of around only 40 lakh metric ton. In such situation the grains cannot be taken care of properly and as a result the grains were kept under open sky. This causes the loss of lakhs of tones of grains every year and due to rain or rates also there is a loss. During 2015-16 under central warehouse corporation which was established in 1957 there are 448 warehouses across the country divided in 18 regional offices with a storage capacity of 115.11 million ton for storage of more than 400 commodities which include Agricultural produce, Industrial raw material, perishable items and a variety of finished goods. In Chhattisgarh the position of central warehousing

corporation is as under :

Table no. 5.1 : Position of central warehousing corporation in Raipur region and its capacity

S.N.	DISTRICT	WAREHOUSE	CONSTRUCT	HIRED	OPEN	MGMT	TOTAL
01	BILASPUR	BILASPUR - I	28000	0	0	0	28000
02	BILASPUR	BILASPUR - II	38350	0	0	0	38350
03	DURG	RASMADA DURG	0	0	0	30594	30594
04	RAIGARH	KHARSIA	0	18329	0	0	18329
05	RAIGARH	RAIGARH - I	11300	0	0	2000	13300
06	RAIGARH	RAIGARH - II	32000	0	0	0	32000
07	RAIPUR	BHATAPARA - I	23400	0	0	0	23400
08	RAIPUR	BHATAPARA - II	20000	0	0	0	20000
09	RAIPUR	RAIPUR - I	13000	0	0	0	13000
10	RAIPUR	RAIPUR - II	8800	0	0	0	8800
11	RAIPUR	RAIPUR - III	33200	0	0	0	33200
12	RAIPUR	RAIPUR - IV	20000	0	9000	0	29000
TOTAL:12			228050	18329	9000	32594	287973

(Source: www. central warehouse corporation Annual Reprot 2015-2016)

GRAIN SAVED IS A GRAIN PRODUCED, with this vision Chhattisgarh state warehousing corporation formed in the year 2002 under Agriculture produce (development and warehousing) Act. 1956 with 50% shareholding and 50% shareholding of central warehousing. Later on Act 1956 was repealed by a new warehousing corporation Act 1962. Chhattisgarh state warehousing corporation engaged in scientific storage of all types of food grains, spices, oil seeds, tea, coffee and various associated produce.

Under state warehouse corporation the number of warehouse in Chhattisgarh are :

STATE WAREHOUSE COORPORATION
(AS ON 31 DEC. 2015)

S.NO.	PARTICULAR	BRANCH
1.	Working branches of all districts in Chhattisgarh	128 Branches
2.	Number of self constructed godown of Cooperation	749 Godown
3.	Capacity of self constructed Godown	11,32,455 Metric Ton
4.	Number of Rental Godown of Corporation	281 Godown
5.	Capacity of Rental Godown	4,25,652 Metric Ton
6.	Total number of Godown	1030 Godown
7.	Total Godown capacity as on 31.01.2016	15,58,160 Metric Ton

(Source : www.C.G. state warehousing corporation)

The number of cold storage also increased and with the participation of private sector many warehouse are built to store the goods but it was not sufficient. So it is very urgently required that the number of godown should be increased and extended to urban and rural remote areas.

Now a day the plight of farmers is taking an alarming proportion. When the draught take place the farmers automatically become victim of unemployment and hunger. On the other even when they get a good yield they do not get an adequate price for the same. In addition to this state governments have another problem of warehouse and less warehouse capacity. We often seen in our own Chhattisgarh million of tons of paddy goes waste due to lack of storage and as a result the same stock is kept in the field or in open without any proper shelter. That is why the storage technique and its problem should be studied properly and a sincere research is required to overcome this problem. The research aims at providing some practical solution and suggestion in this regard.

5.2 Rules and regulations for constructing Warehouse

A warehouse system has its own intrinsic advantage of socio-economic value. It is therefore necessary to straighten the system. As it is well known that small producers/farmers do not have the economic capacity to keep the produce with them till the market prices are beneficial to them. In our country there has been felt the need to provide the facility for scientific storage to farming community, so that wastage and produce deterioration are avoided and also to enable it to meet its financial requirement without being compelled to sell the produce at the time of the bumper production at a very low price. A warehouse infrastructure enable farmers to improve their storage capacity, avoid distress sale and increase profitability. By warehouse facility farmers are capable of direct marketing so as to increase market efficiency through reduction in intermediaries and handling channels which ultimately increase farmer's income. Warehouses are the key aspect of modern supply chain and plays an important role in the success or failure of business today.

Chhattisgarh is said to be the "RICE BOWL" of India, as paddy is the main crop of Chhattisgarh but due to scarcity of warehouse

large scale production of grain is enduring heavy loss. With new techniques of agriculture there is increase in the production of grains and farmers also get two or three crops in a season. At present in the state not only this some commercial crops are also cultivated. After the establishment of Chhattisgarh state due to limited storage facility the agricultural state face another serious problem of storage. The state government taking this into consideration decided to reconstruct old warehouse and also built new warehouse with more storage capacity. Further state government started to encourage private sector for storage and maintenance of agricultural produce. To promote warehouse in private sector they provide the facility of subsidy and give grant for other necessary resources.

In this aspect according to “Gramin Bhandaran Yojana” which was effective from 2001 various Financial Institutions provide loan for construction and renovation of rural godown viz

- a) Commercial banks,
- b) Regional rural banks (RRBs),
- c) State Cooperative Bank (SCBs),
- d) State Cooperative Agriculture and Rural Development Bank (SCARDBs),
- e) Agricultural Development Finance Companies (ADFCs),
- f) Scheduled urban cooperative banks,
- g) North Eastern Development Finance Corporation (NEDFI)

And other Institutions which are eligible for refinance by NABARD.

Warehouse loan is for rural areas and loan facility is provided to people for which NABARD provide subsidy. The subsidy was deposited in the beneficiary bank account through NABARD. And in Chhattisgarh NABARD, NODAL BANK is Chhattisgarh Rajya Sahakari Bank Maryadit (Apex Bank) for co-operative bank which provide subsidy through NABARD and facility to open rural godown.

The Apex Bank in Chhattisgarh play a pioneer role in agriculture finance and allied activities within the state. The bank has a very broad spectrum of activities which provide long term, medium term and short term agricultural loans to serve the farmers in state. It also carries on general banking business and function as a leader of cooperative bank in the state. For construction of warehouse, maximum 25 lakh loan amount will be granted by the bank with 10% rate of interest. But if loan amount was released by any other co-operative bank then subsidy was routed through Apex Bank to related Bank in beneficiary account. The nodal agency who implements the scheme in Chhattisgarh is assistant Agriculture Marketing Advisor, Directorate of Marketing and Inspection, 33 Anand Nagar, Raipur (Chhattisgarh).

For construction of rural godown, the loan can be taken up by individual, farmers, groups of farmers, Non-Government organization, partnership firm/ proprietary firm, self-Help Group (SHG's), companies, co-operative, co-operation, local bodies other Municipal corporation, Agro processing corporation, Agricultural produce marketing committee, Federation, etc. According to this scheme entrepreneur will be free to built godown at any place under rural area which comes outside the municipal corporation area. The land must be in beneficiary ownership. It was not applicable on leasehold property or rental property. Rural Godown constructed in the food Park which are promoted by the Ministry of food processing industries are also eligible under warehouse loan scheme. It was compulsory for loanee that he/she will not alienate the land during the period of loan for any other purpose, it must be used for warehouse purpose only.

A person who wants to take warehouse loan must submit the underlying documents :

1. Loan application form.
2. Address proof: - electric bill / telephone bill.

3. Identity proof: - Aadhar card / driving license / pan card / voter ID card.
4. 3 year income tax files with balance sheet and profit and loss account.
5. Bank statement of last six month.
6. Property paper on which warehouse will be constructed.
7. Engineer estimate for warehouse.
8. One guarantor with Income Tax paper, ID proof and address proof
9. Project report prepared by chartered accountant.
10. Registration certificate.
11. Government of India or State Government license.
12. Gram Panchayat No objection certificate.
13. State government No objection certificate.
14. No objection certificate of state Electricity Board

The size and the capacity of Godown shall be decided by the owner. For construction of Godown NABARD (National bank for Agriculture and Rural Development) gives a subsidy. The subsidy under the scheme was given on minimum capacity of 100 tons and maximum 10000 tons. As per the rules of the scheme godown of a smaller size up to 50 ton capacity depends on the special requirement of state/ region or topography was also eligible for NABRAD subsidy. The project of rural Godown of cooperative assisted by NCDC (National Cooperative Development Corporation) has no maximum ceiling on subsidy. In hilly area where the warehouse is located at a height of more than 1000 meters above mean sea level rural Godown of 25 ton capacity will also be eligible for subsidy.

It was compulsory for a person who wants to borrow warehouse loan to get the license from state Government under the state warehousing act or any other related laws for establishment.

While construction of godown the loanee must construct it scientifically. It should be structurally sound on account of Engineering consideration and functionally suitable to keep the agricultural produce safely. The construction of warehouse should be done under the norms of Central Public Work Department/State Public Work Department specification or any other standard specifications set down in this behalf. The Godown structures shall have protected against rodents, birds and animals. For this proper doors, Windows and ventilators with neeted jali was built with safety equipments. The entrepreneur must design the opening of godown like doors and windows in such a manner that warehouse can be sealed for effective fumigation. It should be waterproof, for this entrepreneur must control the moisture from floor, wall and roof etc.

The warehouse shall have easy approach road for transportation of produce and Pucca internal road for easy loading and unloading of stocks. It should have proper drainage facility and arrangements for effective control over fire. For the protection against unforeseen conditions it will be the responsibility of the owner of the godown to have the insurance of godown and the insurance charges and premium will be paid by loanee itself. According to this is scheme godown must be used to store agricultural produce only.

5.3 Subsidy provided by NABARD to Loanee

National Bank for Agriculture and rural development (NABARD) is the pioneer institution in the country which looks after the development of small industry, village industry, cottage industry and other rural industries. It was established on the 12th July 1982 with the recommendation of B. Shivaraman committee (by Act 61, 1981 of parliament) with the paid-up capital of Rs. 100 crore. having 50:50 contribution of RBI and Indian Government. In January 2001 by the president of India NABARD (Amendment) bill 2000 was accepted and according to this act the authorized capital has been increased to 2000 crore. Consequent on 31st March 2015 the paid-

up capital was increased at Rs. 5000 crore and the composition of share capital between Government of India and RBI was also revised. Now the Government of India holding is Rs. 4980 crore (99.60%) and RBI holding is Rs 20 crore (0.40%).

Role of NABARD is highly pivotal in overall development of India in general, Rural and agriculture field. It also support all allied economic activities in rural areas. It promotes rural development and works for prosperity of rural areas. It also act as coordinator in the operation of rural credit institutions such as long term, short term and medium term for the promotion of banking activities in the rural areas. It is a premier refinancing agency which provide various scheme for the development of rural areas. In the year 2013-2014 a budget was prepared for creation of warehouse of agricultural commodities RBI allocated Rs. 5000 crore and issued a guideline for creation of warehouse infrastructure fund (WIF) in NABARD. According to Gramin Bhandaran Yojana, NABARD gives a subsidy and it will be available to only such warehouse which are financed by state co-operative bank (SCB's), Regional Rural Bank, commercial bank, state co-operative Agricultural and Rural Development Bank (SCARDB's), Urban co-operation Banks, North Eastern Development Finance co-operation (NEDFI), Agricultural Development Finance companies.

The subsidy under the scheme shall be available on capital cost of construction of warehouse which includes the cost of all related facilities like boundary wall, internal road, internal drainage system, platform, weighting, packaging firefighting equipment, plastering of outer and inner walls and elevated top to keep the produce and the height of godown must be of 16 feet height. The rate of subsidy shall be different for different categories of people like :

- a) Maximum rate of subsidy 33.33% for North- eastern state, Sikkim and hilly area and those belonging to women farmers / their self help group / co-operative and SC/ST entrepreneurs and their self-help group / co - operatives with the amount of Rs. 3.333 crore.

Maximum amount of subsidy 33.33% **other** than North eastern state, Sikkim and hilly area and those belonging to women farmer their self help group / co-operative and SC/ST entrepreneurs and their self-help group / Co-operatives with the Rs. 3 crore.

- b) Maximum rate of 25% subsidy on capital cost of the project was given to all categories of farmers except woman farmers, agriculture graduates, co-operative and state / central warehousing corporation subject to a maximum subsidy amount was Rs. 2.25 crore.
- c) Maximum amount of subsidy in case of 15% subsidy is Rs. 1.35 crore which was given to all other categories of individual companies and corporations.

Table no. 5.2 : Subsidy Routed through NABARD

	Project located in state/ area other than NE state/ hilly area and project not belong to women farmer/ SC/ST entrepreneurs and their self help group / cooperatives	Project located in NE state / hilly area and Project belonging to woman farmer/ SC / ST entrepreneurs and their self help group /cooperatives	
Source of finance	Farmer, agriculturere, cooperatives and state / central Warehousing Corporations.	individual companies and corporations etc.	
subsidy form the Govt.	25%	15%	33.33%

(Source: Revised operational guideline Gramin Bhandaran Yojana)

Note : Capital cost of the project for the purpose of subsidy under the scheme shall be calculated according to the godown capacity. The capital cost is calculated as under :

- a) Project cost of godown up to 1000 metric tons capacity was appraised by related financing Bank or actual cost or Rs. 3500. Per metric ton of storage capacity whichever is lower is taken.
- b) For godown exceeding 1000 metric tons capacity project cost as appraised by Bank or actual cost or Rs. 3000 per metric ton of storage capacity whichever is less is considered.

- c) For godown exceeding 30000 metric tons capacity (for the North east state, Sikkim and hilly area 25000 metric tons) the subsidy would be given to the capacity of 30000 metric tons (25000 metric tons for North east state Sikkim and hilly area) only excluding the case of cooperative.
- d) For North east region / hilly areas, normative cost for more than 1000 metric tons capacity the project cost will be 4000/- per metric ton or as appraised by bank / financial institution whichever is lower irrespective of godown capacity.
- e) If godown was reconstructed or renovated by co-operative banks with assistance of NCDC the project cost was calculated on actual cost of Rs. 750 per metric ton of storage capacity or recommended by finance bank/NCDC whichever is less.

Warehouse loan is for available for rural areas and subsidy was provided only when warehouse are constructed in rural areas. The amount of subsidy was deposited in the loanee account given by NABARD through APEX bank to related financing co-operative bank from which beneficiary take the loan. The total subsidy amount will be deposited in the loanee bank account after the payment of all installment of bank loan for construction of warehouse.

5.4 Mode of release of Loan Amount

In order to create good marketing infrastructure there is a necessity to have an adequate warehousing facility for scientific storage of a produce. With this aspect to promote warehouses, loans are given to entrepreneurs from bank for construction / reconstruction / expansion of godown in rural areas so that small and marginal farmers increase their holding capacity by which they sell their produce at a good price and earns a profit.

For loan, the applicant may apply from various financial institution like commercial bank, Regional rural bank (RRBs), state co-operative Bank (SCBs), state co-operate Agricultural and Rural

Development Bank (SCARDBs), Agricultural Development finance companies (ADFCs), scheduled urban co-operative Bank, North Eastern Development finance corporation (NEDFI) and any other institution which are eligible for refinance by NABARD. An interested entrepreneur will have to submit the application form and project proposal of warehouse for term loan as prescribed by the related bank along with project report, property paper, Guarantee paper, Demand Promissory Note (D.P. Note), etc. as required for loan for appraisal of loan. The loan amount was different for various categories of people :

Table no. 5.3 : Term loan from eligible financing institutions

	Project located in state/ area other than NE state/ hilly area and project not belong to women farmer/ SC/ST entrepreneurs and their self help group / cooperatives		Project located in NE state / hilly area and Project belonging to woman farmer/ SC / ST entrepreneurs and their self help group /cooperatives
Source of finance	Farmer, agriculturare, cooperatives and state / central Warehousing Corporations.	individual companies and corporations etc.	
Term loan from eligible financing institutions	50%	50%	46.67%

(Source : Revised operational guide line Gramin Bhandaran Yojana)

The maximum warehouse loan amount which was given by APEX Bank is Rs. 25 lakh and other financing bank loan amount was different. On loan amount 10% per annum rate of interest was charged from the borrower for warehouse loan. And for the other financial institution the rate of interest on loan was as per the RBI guidelines. It was to be noted that the interest will be chargeable from the date of first disbursement of loan amount. And in case of nonpayment of installment 2% extra rate of interest will be charged from the date of default to date of payment.

According to the different categories of an applicant after satisfying with the documents bank release the loan amount in 3 installment to the applicant viz :-

1. On completion of plinth level - 20% of loan amount
 2. On completion of linter level - 40% of loan amount
 3. On completion of Roof level - 40% of loan amount
- Total** - 100% of loan amount

Before issue of loan amount Branch manager or competent officer must inspect the warehouse site and work in progress report given by engineer. Bank after appraisal sanction the project of warehouse and disburse the first installment of 20% of loan amount after completion of plinth level godown. When linter level of warehouse was constructed bank issue 40% of loan amount. And when the warehouse construction is nearing completion the loanee will inform the bank about it. Then bank initiate action for an inspection by joint Inspection committee which give inspection report and according to that the final loan amount of 40% was disbursed to the loanee.

It was compulsory for loanee to have the insurance of warehouse for its safety and the premium must be paid by loanee itself. At the site of warehouse it was compulsory for loanee to exhibit the signboard of “Assisted under the scheme of Agricultural marketing Infrastructure of Ministry of Agriculture Govt. of India.

APEX bank play pioneer role in providing warehouse loan.

5.5 Mode of release of Subsidy

There is a need to utilize the available resources at maximum level to fulfill the requirement of food grains for increasing population. It is only possible through technical development and innovation by which agriculture production increase. There is a lack of warehouse facility in country and due to that revenue generated through agricultural sector is far less than the production. To promote the infrastructure of warehouse NABARD gives a subsidy for construction / renovation of

warehouse according to Gramin Bhandaran Yojana. The rate of subsidy was different for various categories of people, viz :-

Table no. 5.4 : Subsidy routed through NABARD for warehouse project

	Project located in state/ area other than NE state/ hilly area and project not belong to women farmer/ SC/ST entrepreneurs and their self help group / cooperatives	individual companies and corporations etc.	Project located in NE state / hilly area ** and Project belonging to woman farmer***/ SC / ST entrepreneurs and their self help group / cooperatives ****
Source of finance	Farmer, @ agriculturare, cooperatives and state / central Warehousing Corporations.		
Owner's minimum contribution*	25%	25%	20%
Subsidy from the Government	25%	15%	33.33%
Term loan from eligible financing institutions (Minimum)	50%	50%	46.67%

APEX bank play pioneer

(Source : Revised operational guide line Gramin Bhandaran Yojana)

- @ Farmer is a person whose main source of income is from Agriculture.
- * Cost of land not exceeding 10% of the project cost can form part of the owner's contribution.
- ** Where the project site is located at a height of more than 1000 meters above mean sea level.
- *** In case of partnership / co-ownership, the ownership of women partners / members shall be to the extent of 50% or more the project to consider an application under the category of women farmer.

**** State government concerned officer certified the SC / ST Co-operative.

In Chhattisgarh the subsidy was provided by NABARD is routed through APEX Bank which was the Nodal Bank of NABARD to the related financial co-operative bank in loanee account. That means subsidy first come to APEX Bank and transferred it to financing bank from which loanee takes the loan. The amount of subsidy was 25%, 15% or 33.33% of the project cost. The interested entrepreneur will have to submit the application for loan and subsidy to the finance bank. The bank from which the loanee takes a loan forward the application of subsidy to NABARD for further process. NABARD on receipt of application and project profile cum-claim form, from the participating bank will after approval release 50% advance subsidy, which was deposited in Subsidy Reserve Fund account in a separate borrower wise account in financing bank. No interest would be charged on subsidy kept in the Subsidy Reserve Fund account by the Bank. For the purpose of charging interest, the subsidy amount should be excluded by the bank. The amount of subsidy is backended as it was adjusted at last when full loan amount was repaid by the loanee.

On completion of warehouse project i.e. when godown has reached roof level loanee must submit the project profile cum claim form for rest of 50% final subsidy. After receipt of profile cum form from applicant, a Joint Inspection committee which consist officers of NABARD, participating bank and Directorate of Marketing and Inspection (DMI) of the state, physically inspect the warehouse project. The joint inspection committee shall also consult the Head of Gram Panchayat / the members of concerned local body before making recommendation for release of final subsidy for warehouse project. After completion of inspection the financing bank will submit the claim for final subsidy in the prescribed format to NABARD in triplicate with a copy to Regional office / sub office DMI. The claim for final subsidy must enclosed the Inspection report of Joint Inspection

committee and completion certificate. After completion of the above formalities NABARD shall release the final subsidy to financing co-operative bank which was routed through APEX BANK in Chhattisgarh.

In case of renovation and repair 100% subsidy amount shall be released after work of renovation was done. The warehouse cost includes the subsidy amount granted by NABARD but excluding the owner contribution would be disbursed to loanee as loan by the financing bank. And for repayment of loan, schedule will be drawn on only the loan amount in such a way that total subsidy amount will be adjusted after full payment of loan amount with interest. The balance subsidy amount was not a part of demand and no call made for it. The subsidy amount will be adjusted after repayment of bank loan but not before 5 year from the date of disbursement first installment of term loan of 20% of loan amount be on plinth level. The APEX BANK in Chhattisgarh play an important role for release of subsidy amount.

5.6 Time Limitation

Warehouse loan was given to entrepreneurs from bank for construction/ expansion and renovation of godown would carry an adequate longterm repayment period. If an entrepreneur wants the facility of subsidy then the time limit of 15 month was prescribed for completion of the project from the date of disbursal of first installment of loan by the financial institution. But if there is delay in completion of project than further grace period of 6 month may be granted by the financial institution on recommendation of the loanee. Even after grace period if the project is not completed in aforesaid period than the benefit of subsidy shall not be available and the advance 50% subsidy which was given will have to be refunded forthwith.

Warehouse loan has a long term repayment period generally more than 5 year and above. Every bank has different policy for repayment of loan. If a person takes a loan from APEX Bank than according to bank policy loan was given for maximum 7 year. According to the nature of warehouse project for commencement of warehouse

maximum 18 month moratorium period is given for payment of installment. For repayment of loan amount EMI is calculated from which moratorium period of 18 month was excluded.

The repayment schedule on total loan amount (including subsidy) will be drawn. The total subsidy amount which was given in 2 Installment (50% + 50%) will be adjusted after liquidation of bank loan (not subsidy). The subsidy amount was not adjusted before 5 year from the date of disbursement of first installment of the warehouse loan. It should be noted that Government have reserve the right to change, add and cancel any term and policy without assigning any reason. Government decision on various terms will be final.



Analysis of Warehouse Loan Scheme of Apex Bank

One of the main objectives of APEX BANK is to fulfill the increasing demand of warehouse by issuing loan for construction and renovation of warehouse, for this purpose loan has been provided to various prospective individual, societies, group of people, companies, woman farmers to construct new warehouse and avail the subsidy facility given by NABARD. APEX Bank makes it sure that the borrowers should comfortably repay the loan amount. Warehouse loan is issued for long period. So APEX Bank builds long term relationship with its customers. The scheme had made significant progress in terms of creating storage capacity in rural areas and to some extent had fulfills the requirement of storage of agricultural produce.

The role of APEX BANK is remarkable and significant in the Chhattisgarh. APEX Bank started its business in the year 2000. The primary objective behind this chapter is to evaluate the performance of the bank. Hence an attempt is made to analyze the warehouse loan scheme of APEX Bank briefly with their total disbursement amount, its repayment schedule and position of subsidy offered by NABARD and beneficiaries view about the loan scheme.

Table no. 6.1 : Warehouse loan issued by Apex Bank

S.N.	YEAR AMOUNT (In Rs.)	DISBURSMENT /DECREASE	INCREASE RATE %	GROWTH
01	2006-2007	3039900.00	_____	_____
02	2007-2008	1069868.00	-1970032.00	-64.81
03	2008-2009	2002520.00	932652.00	87.17
04	2009-2010	315489.50	-1687030.50	-84.25
05	2010-2011	98612.12	-216877.38	-68.74
06	2011-2012	665334.00	566721.88	574.70
07	2012-2013	334748.00	-330586.00	-49.69
08	2013-2014	289705.00	-45043.00	-13.46

09	2014-2015	14268840.00	13979135.00	4825.30
10	2015-2016	382482.00	-13886358.00	-97.32
	TOTAL	22467498.62		

(Source: APEX BANK)

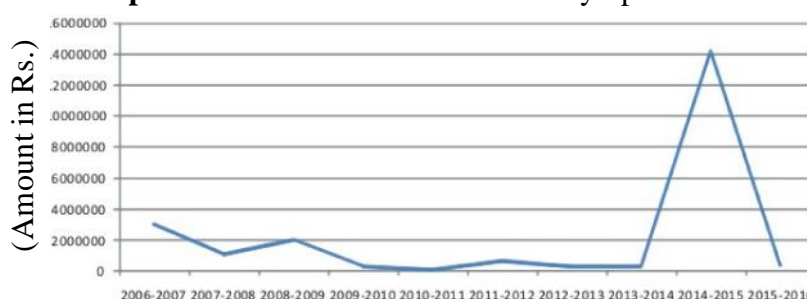
Table no. 6.1 furnishes the data relating to the warehouse loan issued by APEX Bank. It is evident from the table that during the year 2006-2007 banks disburse Rs. 30,39,900/- as a warehouse loan which was decline in next year to Rs. 10,69,868/-. In next following year it was increased to Rs. 20,02,520/- with a growth rate of 87.17%. But again in the year 2009-2010 the amount of warehouse loan decreased to Rs. 3,15,489.50/- which was followed by next year to Rs. 98,861.12/- in 2010-2011 as people started taking loan from other banks. In the year 2011-2012 people took keen interest to take warehouse loan and it was increased to Rs. 6,65,334/- with a annual growth rate of 574.70%. In the next two following year it was again decreased but in the year 2014-2015 with an annual growth rate of 4825.30% bank disbursed highest loan amount as compared to all year i.e. Rs. 1,42,68,840/- due to extensive promotional activities done by the bank. During the year 2015-2016 the state was facing the situation of draught due to that agriculture production was effected and decreased. Due to decrease in production people took less interest to take warehouse loan due to that only Rs. 3,82,482/- was disbursed by the bank. Throughout the study period Rs. 2,24,67,498.62 was disbursed by the bank as warehouse loan.

The overall observation shows that there is a lack of awareness among people for construction of warehouse loan as they sell their crops to Government Mandis and rice mills. Bank should take initiative to increase the warehouse loan and for this with the help of Government bank should aware people for loan and must introduce more innovative ideas for the promotion of warehouse loan. Another aspect for not taking interest in warehouse loan may be that bank dosen't give loan for construction of cold storage as it require heavy investment and

bank grant loan up to 25 lakh. The loan amount was fluctuated during the study period. In some year it was less and in some years it was more which shows that people were not much interested to acquire loan due to rigid banking process and high rate of interest. Overall analysis shows the negative view about warehouse loan scheme. If bank think about this matter than in future it may be possible that many people take interest in warehouse loan and it is hoped that in coming years it may touch the amount in millions.

The following graph shows the warehouse loan issued by APEX BANK.

Graph no. 6.1 : Warehouse loan issued by Apex Bank



Repayment of loan

Warehouse loan is a long term loan; generally it is issued for more than 5 years. According to the rules of APEX bank the maximum period of loan is 7 years that means the whole loan amount must be repaid within 7 years. For repayment of loan its procedure will be drawn on the total loan amount that includes subsidy amount also which was adjusted after payment of loan amount. On subsidy amount no interest is charged by the bank and it is adjusted not before 5 year from the date of disbursement of first installment of loan amount. For repayment of loan @ 10% per annum interest will be charged and in case of non-payment 2% extra interest will be charged from the date of default to the date of payment.

For commencement of warehouse project maximum 18 month moratorium period was given for repayment of loan. It depends upon

the nature of warehouse also. It was compulsory for loanee to pay interest for moratorium period also. To repay the loan amount EMI was calculated by the bank from which moratorium period was excluded. Interest will be chargeable from the date of first disbursement of loan. It was compulsory for loanee to pay the EMI timely. For this loan recovery department always maintains connection with loanee for loan recovery. If a loanee failed to pay any loan amount than this department take initiative action for repayment of loan in proper time according to the rules and regulation. But if loan recovery department failed to recover loanee's unpaid loan amount then for recovery of loan they will pass it to law department who negotiate the situation with loanee with the help of court or by law.

EMI is set in such a way that borrower should comfortably repay the loan amount. The position of repayment of warehouse loan of APEX Bank was as under :-

Table no. 6.2 : Repayment position of warehouse loan
(Amount in Rupee)

S.N.	YEAR	LOAN DISB.	LOAN DISB.%	REPAYMENT AMOUNT	REPAYMENT AMOUNT%
01.	2006-2007	3039900.00	13.53	4475000.00	10.77
02.	2007-2008	1069868.00	04.76	3201241.000	07.70
03.	2008-2009	2002520.00	08.91	8277689.00	19.92
04.	2009-2010	315489.50	01.40	4712966.00	11.34
05.	2010-2011	98612.12	00.40	2341340.00	05.63
06.	2011-2012	665334.00	02.96	4859565.00	11.69
07.	2012-2013	334748.00	01.49	5251533.00	12.64
08.	2013-2014	289705.00	01.29	2993613.00	07.20
09.	2014-2015	14268840.00	63.51	1495264.00	03.60
10.	2015-2016	382482.00	01.70	3950438.00	09.51
TOTAL		22467498.62	100.00	41558649.00	100.00

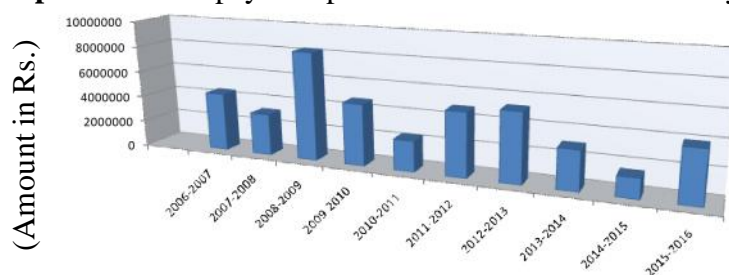
(Source: APEX BANK)

Table 6.2 present the statistics of warehouse loan repayment amount during the year 2006-2016. During the year 2006-2007 with the opening balance of Rs.3,64,01,099.00/- in a loan account bank disburse Rs. 30,39,900/- as a warehouse loan out of which bank receives Rs.44,75,000/- as repayment of loan. Once warehouse loan was disbursed a moratorium period of 18 month was allowed to start a loan installment and the repayment of loan amount was distributed in EMI of 7 years that means loan amount should be repaid in 7 year. In next year 2007-2008 bank received Rs. 32,01,241/- which increases in following year to Rs. 82,77,689/-. In the next two years as the disbursement was also less there is decrease in loan repayment also. In the year 2011-2012 there was an increase in repayment as well as disbursement of loan amount with a amount of Rs. 48,59,565/- which was followed by upcoming next year with a amount of Rs.5,25,133.00/-. In the year 2013-2014 and 2014-2015 there was decline in repayment of loan amount but again in the year 2015-2016 it was increased to Rs. 39,50,438/-.

The overall observation relating to the study period reveals that during the study period with opening balance of Rs. 3,64,01,099.00/-, bank disburse Rs. 2,24,67,498.62/-, i.e. total Rs. 5,88,68,597.62/- out of which Rs. 4,15,58,649/- was repaid which shows that bank receive approximate 70.60% of loan amount which includes interest also. For the rest of loan amount which was not yet collected was due to non-completion of repayment term as loan amount was repaid 7 years and the subsidy amount 33.33%, 25%, 15% which was adjusted after the repayment of loan. Further there may be some defaulting borrowers, that should be monitored and necessary steps must be taken for timely and proper repayment of loan. From the above analysis it may be concluded that in terms of repayment of warehouse loan, the position of APEX BANK is good. The average annual Growth rate of APEX BANK in terms of repayment is 22.35%.

The following graph shows the repayment position of warehouse in various years.

Graph no. 6.2 : Repayment position of warehouse in various years



Subsidy issued by NABARD in Chhattisgarh

Warehouse subsidy was explained as the amount given by NABARD for construction / renovation of godown in rural areas. The rate of subsidy was 15%, 25% and 33.33% on the cost of project for different categories of people. In Chhattisgarh the subsidy provided by NABARD that was routed through APEX BANK to the related financing co-operative bank from which loaneer takes a loan. In case of construction of warehouse subsidy was disbursed in two installments i.e. 50% when project was started and rest 50% on completion of project. The amount of subsidy was back ended i.e. it was adjusted in loaneer account after the repayment of full loan amount with interest but not before 5 years from the date of disbursement of first installment of loan. No interest was charged on the subsidy amount given by NABARD.

For renovation/reconstruction of godown 100% subsidy amount was disbursed after completion of reconstruction of warehouse. On this subsidy amount also bank does not charge any interest. By giving the facility of subsidy Government aims to promote people for construction of new warehouse and renovation of old warehouse so that wastage of product was reduced and farmers got good price of their produce which ultimately increases their income and national income too. The scheme has made significant progress in terms of

creation of storage capacity in rural areas. Now people are aware to built new warehouse and to some extent the need for storage of agricultural product was short out.

The position of subsidy given by NABARD in Chhattisgarh was under :

Table no. 6.3 : Subsidy issued by NABARD in Chhattisgarh
(Rs. IN LAKHS)

S.NO.	YEAR	SUBSIDY AMOUNT	SUBSIDY AMOUNT %
01.	2006-2007	540.849	14.68
02.	2007-2008	256.499	06.96
03.	2008-2009	94.068	02.55
04.	2009-2010	215.913	05.86
05.	2010-2011	147.673	04.01
06.	2011-2012	334.676	09.08
07.	2012-2013	542.822	14.73
08.	2013-2014	1166.698	31.66
09.	2014-2015	129.561	03.52
10.	2015-2016	256.194	06.95
Total		3684.953	100.00

(Source: NABARD REGIONAL OFFICE)

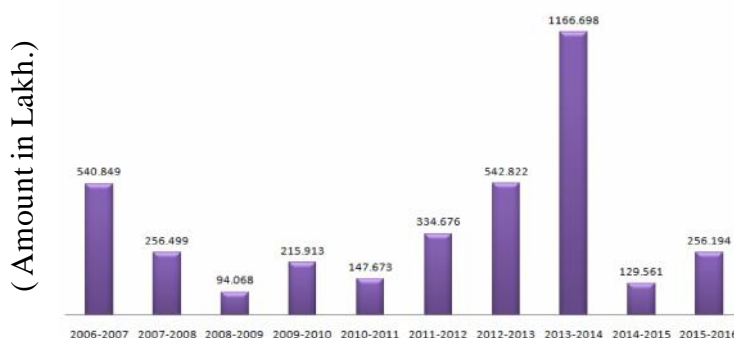
An observation of the above table clearly reveals that during the study period of 10 year Rs. 3684.953 lakh was issued as subsidy by NABARD with a average annual growth rate of 68.35% which shows that people take interest to built warehouse and receives the benefit of the subsidy given by NABARD which ultimately decrease the cost of project. In the year 2008-2009 the subsidy issued by NABARD was lowest among the study period and it the year 2013-2014 it was highest with Rs. 1166.698 lakh.

The overall observation relating to subsidy shows that subsidy reduces the cost of project of an individual as 33.33%, 25% and

15% subsidy was given to the different categories of people. Subsidy was issued in 2 installments in case of construction. 50% at the commencement of project and rest 50% on the completion of warehouse construction. And in case of renovation 100% on the completion of project. The loan repayment period is 7 years and subsidy amount is back ended that means it was adjusted after the repayment of loan amount but not before 5 year from the date of disbursement of first installment. Due to this reason there is fluctuation in the amount of subsidy. But there is lack of awareness among people to take warehouse loan and the benefit of subsidy. With the help of Government NABARD should introduce more promotional activities in future so that people take the advantage of subsidy and construct warehouse which ultimately decrease the shortage and wastage of grains and increase the income of people.

The following graph shows the subsidy released by NABARD in Chhattisgarh during the study period.

Graph no. 6.3 : Subsidy released by NABARD in Chhattisgarh



Warehouse in India is necessary for food security and agricultural growth. It is an important part of the supply chain by which food grains are not only stored for safety but also increase its value, minimize wastage and costs.

Field study of the warehouse loan on ground level was undertaken for seeking appropriate feedback of godown owners who

take warehouse loan for its construction. And for this from 200 godown owners questionnaire was filled up and in some cases interview was taken by the assistance of structured questionnaire to arrive at the conclusion of benefits of establishment of warehouse in rural areas.

To know the opinion about warehouse loan and subsidy the state was divided in 5 division viz. Raipur, Durg, Sarguja, Bilaspur and Bastar.

The table, given below shows the selection of place for the purpose of warehouse loan and subsidy taken by beneficiary for analysis.

S.N.	DIVISION	DISTRICT
01.	SARGUJA	Koriya, Balrampur, Ramanjgang, Surajpur, Surguja
02.	BILASPUR	Bilaspur, Mungeli, Korba, Janjgir-Champa, Raigarh
03.	DURG	Kabirdham (Kawardha), Bemetara, Durg, Balod, Rajnandgaon
04.	Raipur	Mahasamund, Baloda Bazar, Gariyaband, Raipur, Dhamtari
05.	BASTER	Kanker (Uttar Baster), Narayanpur, Kondagaon, Jagdalpur (Madhya Baster), Dantewada (Dakshin Bastar), Bijapur, Sukma.

Deliverables

The following information was collected through the survey of the beneficiaries from various Division.

1. Profile of beneficiaries in term of age, gender, social caste category, education, primary occupation and income level.
2. The benefits of establishment of rural godown in terms of remunerative prize, increase in income, reduction of wastage.

3. Satisfaction level of beneficiaries in terms of loan, subsidy and banking service etc.
4. The time lag between sanction to disbursement of loan and subsidy.
5. Perception about repayment schedule and interest thereon.

Total 200 beneficiaries have given response to our survey from these various places. A list of total number of respondent from various places is as under.

S.NO.	DIVISION	NO. OF PERSON
1	SARGUJA DIVISION	23
2	BILASPUR DIVISION	61
3	DURG DIVISION	28
4	RAIPUR DIVISION	81
5	BASTAR DIVISION	07
	Total	200

The researcher did the survey on 200 beneficiaries. The designed questionnaire was supplied to them and in some cases through interview, questionnaire was filled up and according to the responses drawn from the beneficiaries, analysis was done under the following headings :

Table no. 6.4 : Shows age composition of beneficiaries

AGE GROUP	RESPONDENTS	%
20-30	42	21.00%
30-40	81	40.50%
40-50	72	36.00%
50-60	05	02.50%
TOTAL	200	100.00%

(Source: Primary data)

Age is one of the most important factors in any field. So the questions relating to the age of beneficiary are collected and the overall observation relating to the study provides information that out of 200

beneficiaries majority of beneficiaries are from the age group of 30-40 year who takes warehouse loan as this is a high risk taking period and under this age group new comer farmer comes which is 40.50%. It is followed by the age group of 40-50 year which is approx 36% and very negligible percentage of 02.50% is availing between the age group of 50-60 year as they don't want to take risk in this age.

Table no. 6.5 : Shows the gender of beneficiaries

Gender	Respondents	%
Male	172	86.00%
Female	28	14.00%
Total	200	100.00%

(Source: Primary data)

The table 6.5 shows that most of the beneficiaries are male i.e. 172 and only 28 are female. That means females are less interested to take warehouse loan. The male beneficiaries constituted approx 86.00% where as female beneficiaries approx 14.00%. Overall it may be concluded that male farmers are more in society as compared to female farmers and as the result of that male farmers are more interested to borrow warehouse loan.

Table no. 6.6 : Shows social caste category of beneficiary

Category	Respondents	%
General	113	56.50%
OBC	58	29.00%
SC/ST	29	14.50%
Total	200	100.00%

(Source : Primary data)

The above table indicates that approx 56.50% beneficiaries belong to General category. This is followed by OBC, 29% approx and SC/ST constituted approx 14.50%. It may be concluded that General class category takes more interest to construct warehouse as are financially strong to submit margin money and repay the loan

amount. As well as they are more educated which help them to know well about banking plan and policies.

Table no. 6.7 : Shows educational background of beneficiary

Education	Respondents	%
Illiterate	00	00.00%
X	23	11.50%
XII	28	14.00%
Graduate	131	65.50%
Professional	18	09.00%
Total	200	100.00%

(Source : Primary data)

The table 6.7 gives the information about the education wise classification of the beneficiaries. Education is one of the most important factors that affect the society to a larger extent. Naturally those who are illiterate can't take loan as they have no knowledge and can't perform bank formalities, so there is 0.00% beneficiary in this case. And those who were professionally qualified take less interest as they went to their profession only 9.00% take loan. Graduate persons take maximum interest to take loan with approximately 65.50%. And under the categories of XII class 14.00% and approx which was followed by 11.50% in case of Xth class. Overall it can be concluded that graduate people take more interest to take warehouse loan as it help them to understand the banking plans and policies very well.

Table no. 6.8 : Shows occupation of beneficiary

Occupation	Respondents	%
Agriculture	121	60.50%
Business	57	28.50%
Service	00	00.00%
Other	22	11.00%
Total	200	100.00%

(Source: Primary data)

The table shows that the beneficiaries whose main source of income is service are totally not interested to take warehouse loan as its area is totally different. Agriculturist take maximum loan i.e. 60.50% as it protect their crop from wastage and increase their income. Those who belong to business class category 28.50% take interest to build warehouse for business purpose and under other category only 11.00% takes warehouse loan. Overall it may be noted that the majority of godowns owned by the respondent having farming as their main occupation which fulfill the object of the scheme.

Table no. 6.9 : Shows the Income level of beneficiaries

Income level	Respondents	%
High	45	22.50%
Middle	130	65.00%
Low	25	12.50%
Total	200	100.00%

(Source : Primary data)

To analyze the warehouse loan beneficiaries are divided in three levels of income i.e. - High level, Middle level and Low level. From the above table we found that maximum 65.00% people who take warehouse loan are from middle income level followed by high income group 22.50%. In low income group only 12.50% people takes interest as they have not sufficient amount to repay the loan installments and their source of income was also less.

Overall it may be concluded that beneficiaries who belongs to middle income level are more interested to borrow warehouse loan.

Table no. 6.10 : Shows the opinion about need of warehouse for security of agriculture produce

Opinion	Respondents	%
Yes	190	95.00%
No	10	05.00%
Total	200	100.00%

(Source : Primary data)

Table 6.10 shows the opinion about warehouse for security of the product. One of the basic objectives of establishment of rural godown is to reduce the wastage of food grains by providing storage facility which was close to production areas. The overall observation shows that approximate 95.00% informants said that warehouse is useful for security and only 05.00% are not agree with it.

In short it may be said that warehouse is useful for security of product and the programme has achieved success in achieving reduction in wastage through this scheme.

Table no. 6.11 : Shows the sources of knowledge about warehouse loan

Source	Respondents	%
Bank	38	19.00%
Advertisement	84	42.00%
Friend & Relative	26	13.00%
Other Beneficiary	52	26.00%
Total	200	100.00%

(Source : Primary data)

The table 6.11 views the knowledge about the source of information about warehouse loan. As for success of any scheme the role communication is very important. Therefore the question relating to the ways how they know about the warehouse loan was gathered. Majority of beneficiaries have known about warehouse loan through advertisement i.e. 42.00% which was followed by the other beneficiaries 26.00% that was an easy way to get the information. From Bank 19.00% beneficiary got information and only 13.00% got knowledge from friends and relative.

Overall it may be concluded that advertisement is the main source of information. So, bank should advertise its scheme through innovative ideas of advertisement.

Table no. 6.12 : Shows timely information given by bank about loan process

Information	Respondents	%
Always given	180	90.00%
Some time	14	07.00%
Not given	06	03.00%
Total	200	100.00%

(Source: Primary data)

The observation of table 6.12 shows that in 90.00% cases bank gives proper information about loan process to beneficiary which is a good sign of bank working. Only 07.00% beneficiaries said that sometime bank did not give timely information, and 03.00% beneficiaries are in the view that bank don't give proper information.

Overall it can be said that bank is doing good job and it should also work on rest of the 10.00% beneficiaries.

Table no.. 6.13 : Shows time lag between application and sanction

Gap in days	Respondents	%
Less than 10 days	19	09.00%
10-20	123	61.50%
20-30	48	24.00%
More than 30 days	11	5.50%
Total	200	100.00%

(Source : Primary data)

The table 6.13 views the information about the time difference between application and sanction. 09.00% beneficiaries got warehouse loan in less than 10 days as their all documents are completed. Maximum 61.50% got loan in 10-20 days as this duration of time is sufficient for the bank process. 24.00% got loan in 20-30 days as there is lack of papers like diversion paper, estimate, NOC or Guarantor not available. In sanction of loan for more than 30 days required due to formalities not completed by 11 beneficiaries and its percent is

05.50%. Overall in average within 10-20 days loan amount was sanctioned by the bank which shows positive position of bank.

Table no. 6.14 : Shows the time lag between sanction to disbursement

Gap in days	Respondents	%
Less than 10 days	126	63.00%
10-20	52	26.00%
20-30	22	11.00%
More than 30 days	00	00.00%
Total	200	100.00%

(Source : Primary data)

The table 6.14 exhibits the data pertaining to time difference of warehouse loan between sanction to disbursement of loan amount to beneficiary. As it is shown normally in less than 10 days 63.00% beneficiaries got money which was followed by 26.00% in 10-20 days. In 20-30 days 11.00% got loan as due to lack of some documents, some unforeseen condition, project work not done and margin work of project was not done.

It may be concluded that maximum people got loan amount in less than 10 days, which shows that banking service is fast and prompt.

Table no. 6.15 : Shows the expense to acquire the loan

Expense to acquire of loan (In Rs.)	Respondents	%
0-5000	0	0.00%
5000-10,000	02	01.00%
10,000-15000	18	09.00%
More than 15000	180	90.00%
Total	200	100.00%

(Source : Primary data)

The table 6.15 shows the expense done by beneficiary to acquire the warehouse loan. As 01% of loan amount was taken by bank for process fee and always in average the loan amount was more than 15 lakh so more than Rs. 15000/- was expended by 90.00% benefices. Only 09.00% expend 10,000 - 15,000 and 01.00% expends Rs. 5,000 - 10,000. There is no expense under the categories of Rs. 0-5,000.

Overall it may be concluded that maximum beneficiaries expend more the Rs. 15000.

Table no. 6.16 : Shows the attitude of borrower toward loan process

Perception	Respondents	%
Cumbersome	142	71.00%
Least cumbersome	40	20.00%
Not cumbersome	18	09.00%
Total	200	100.00%

(Source: Primary data)

It is observed from the above table that 71.00% of loan borrower are in view that loan process was cumbersome which was followed by 20.00%. who says that it was least cumbersome. But 9.00% of borrowers said that it was not cumbersome as may be that, they have sufficient knowledge about loan process. Overall it may be concluded that loan process was cumbersome as it was not easily understood by the borrowers.

So, bank should take initialtive about this matter and make it easy to be understandable by every person easily.

Table no. 6.17 : Shows whether beneficiary got subsidy from NABARD

Answer	Respondents	%
Yes	197	98.50%
No	03	01.50%
Total	200	100.00%

(Source : Primary data)

The table showed that majority 98.50% of the borrowers got 15%, 25%, or 33% subsidy issued by the NABARD on the cost of warehouse. Only 1.50% borrowers don't get subsidy as the project was not completed in time and may be they do not complete the paper formalities. Overall it may be concluded that maximum informants got subsidy from NABARD, which reduces the cost and indirectly increase the income.

Table no. 6.18 : Shows informants got proper / timely information about subsidy from bank

Answer	Respondents	%
Yes	196	98.00%
No	04	02.00%
Total	200	100.00%

(Source : Primary data)

The above table 6.18 shows that 98.00% informants got proper/timely information about subsidy given by NABARD from bank. Which means bank working is good only negligible 02.00% of informants have expressed their view of dissatisfaction.

Table no. 6.19 : Shows the perception about Interest Rate

Response	Respondents	%
Higher	77	38.50%
Moderate	113	56.50%
Lower	10	05.00%
Total	200	100.00%

(Source : Primary data)

Table 6.19 furnishes the data relating to the view of beneficiaries about interest rate @ 10% per annum on warehouse loan which was charged by the bank. 56.50% of the informants are in the view that interest rate is moderate approx 38.50% informants said that it was high and only 05.00% informants are in the view that it is lower. Overall it can be said that majority of people are satisfied with interest rate on warehouse loan.

Table no. 6.20 : Shows timely repayment of loan by beneficiaries

Answer	Respondents	%
Yes	182	91.00%
No	18	09.00%
Total	200	100.00%

(Source : Primary data)

The repayment pattern of loan is one of the most important aspects of farm credit otherwise bank will not come forward to provide a loan. In this aspect the position of bank in repayment of loan is very good. 91.00% beneficiaries paid the loan amount on time regularly only 09.00% does not pay loan amount as payment not received on time, lack of income, unavoidable family expense and in some cases due to negligence also. Overall it can be concluded that majority of beneficiaries repaid the loan amount timely.

Table no. 6.21 (a) : Shows whether bank officer contact beneficiaries for collection of loan installment

Answer	Respondents	%
Yes	18	09.00%
No	182	91.00%
Total	200	100.00%

(Source : Primary data)

According to bank process in case of non - payment of loan installment, bank officers contact loanee if they doesn't pay loan installment for more than 2 months. It is evident from the table that majority of borrowers i.e. is 91.00% are not contacted for collection of loan installment as they repay the loan installment on time. Only 09.00% borrowers are contacted for collection of loan installment due to non-payment. The default borrowers should be monitored and necessary steps should be taken for collection of loan installment.

Table no. 6.21 (b) : Shows the behaviour of bank officers at the time of collection of installment

Behaviour	Respondents	%
Good	10	55.56%
Normal	06	33.33%
Bad	02	11.11%
Total	18	100.00%

(Source :- Primary data)

This table indicates that 55.56% borrowers expressed their view that at the time of collection of loan installment the behaviour of bank officers is good while 33.33% borrowers said that their behaviour is normal or somehow good. Only approx 11.11% expressed that their behaviour was not good. Over all it may be concluded that the behaviour of bank officers at the time of collection of instalment is good.

Table no. 6.22 : Shows the Attitude of Borrower toward Banking services

Response	Respondents	%
Excellent	67	33.50%
Satisfactory	124	62.00%
Not Satisfactory	09	04.50%
Total	200	100.00%

(Source : Primary data)

Table 6.22 shows that 33.50% of beneficiaries are in the view that Banking service are excellent while 62.00% said it is satisfactory and only 04.50% beneficiaries are not satisfied with the banking service. Overall position of bank is satisfactory in view of beneficiaries but it should take necessary step to improve the services for better business.

Table no. 6.23 : Shows the utilization of Godown by beneficiaries

Answer	Respondents	%
For Self	148	74.00%
For Rent	52	26.00%
Total	200	100.00%

(Source: Primary data)

Table 6.23 Shows the utilization of godown of beneficiaries to store self produce or let it for rent. It is clear from the table that maximum 74.00% godown owner used it to store their own produce. Only 26.00% let it for rent, as they have extra space in their godown to store another produce after storing their own produce. By this there is increase in their income. Overall it can be concluded that maximum number of people constructed godown for storing their own produce, only few respondents let it for rent.

Table no. 6.24 : Shows wastage reduction due to construction of warehouse

Opinion	Respondents	%
Yes	193	96.50%
No	07	03.50%
Total	200	100.00%

(Source : Primary data)

Table 6.24 indicates that due to construction of rural godown majority of respondents i.e. 96.50% are in the view that there is reduction in the wastage of food grains as it stored in warehouse. Only 03.50% people expressed their negative view. Overall it can be concluded that due to construction of rural godown which was close to production areas, there is reduction in wastage of agricultural produce, which ultimately increase the income of beneficiaries.

Table no. 6.25 : Shows the opinion of beneficiaries in the avoidance of distress sale of product due to warehouse

Answer	Respondents	%
Yes	194	97.00%
No	6	03.00%
Total	200	100.00%

(Source : Primary data)

From the above table the inference can be drawn that approx ninety seven percent respondent are in the view that due to warehouse there is avoidance in distress sale of their product and due to that their income had also increased. Only three percent informants have negative view as proper market was not available to them for sale of produce. Overall it can be concluded that warehouse reduces the distress sale of product and increase the income of farmers.

Table no. 6.26 : Shows the Impact of warehouse on price realization of produce

Impact	Respondents	%
Most satisfied	127	63.50%
Satisfied	64	32.00%
Not satisfied	09	04.50%
Total	200	100.00%

(Source : Primary data)

The objective of table 6.26 is to know the impact of warehouse in price realization of product. 63.50% of beneficiaries are most satisfied with price realization as they are realizing better price since storage of product, followed by 32.00%, who were satisfied. Approx 04.50% expressed that they are not satisfied as due to bumper production of food grains and the capacity of warehouse is less and they don't get proper market to sell their produce. Overall it can be concluded that there is a positive impact of warehouse on price realization of produce.

Table no. 6.27 : Shows the opinion of beneficiaries about increase in income due to warehouse

Answer	Respondents	%
Yes	196	98.00%
No	04	02.00%
Total	200	100.00%

(Source: Primary data)

Table shows that majority number of beneficiaries are in the view that after construction of warehouse there is increase in their income as wastage and distress sale was avoided. Only 02.00% beneficiaries are in the view that there is no increase in their income as they not sell their produce in right time and due to lack of marketing facilities they are not able to take the advantage of warehouse.

Table no. 6.28 : Shows the Impact of rural godown in marketing of agriculture produce

Impact	Respondents	%
Yes	10	05.00%
No	190	95.00%
Total	200	100.00%

(Source :- Primary data)

The above table shows the impact of rural godown in marketing of agriculture produce. As seen from above table according to majority of 95.00% respondent rural godown do not help in marketing service it helps only for storing the produce and prevent it from wastage. Only a negligible 05.00% respondent are in the view that rural godown help in market service as they have connection with the market and intermediaries as they purchase the goods direct from the warehouse.

Overall it can be concluded that rural godown do not help in marketing of agriculture produce, it does not have any relation with marketing service.

Table no. 6.29 : Shows the satisfaction of beneficiary about bank plan and policies for warehouse

Opinion	Respondents	%
Good	72	36.00%
Somehow good	109	54.50%
Poor	19	09.50%
Total	200	100.00%

(Source: Primary data)

The above data reveals that 36.00% of the beneficiaries are in the opinion that bank plan and policies are good, for warehouse loan. They think that with the warehouse facility they can secure their product. 54.50% are in the view that it was somehow good and a negligible percentage is of the opinion that the bank plan and policies for warehouse is not good.

Overall bank should introduce new plans and policies to attract people for warehouse loan which ultimate increase its banking business.

Table no. 6.30 : Shows the view of Respondent about some new types of policies of bank in future

Answer	Respondents	%
Yes	168	84.00%
No	32	16.00%
Total	200	100.00%

(Source: Primary data)

From the above table the inference can be drawn from the informants that 84.00% are in the view that bank should introduce some new types of plans and policies in near future. They are expecting a variety of new plans from APEX BANK. 16.00% informants are satisfied with current plans and polices. Overall it can be concluded taht in near future bank should introduce some new plans and policies. Overall it can be concluded that in near future bank should introduce some new plans and policies.

India is known as agricultural country and more than 70% population depends upon agricultural and 60% of the industries are agro based. So without the development of rural economy the objective of economic development cannot be achieved. To promote the agriculture productivity various finance schemes are offered by Government and bank through which farmers satisfy their needs of finance for the purpose of development of farm productivity. After production the need of warehouse was realized by the farmers to store crops as there was lack of warehouses in rural areas, due to that they sell it in unfavorable price and there is wastage of produce due to rain and rats also. In order to construct warehouse in production areas and to avoid distress sale an establishment of rural godown was necessary.

The warehouse loan scheme of APEX BANK has made a remarkable progress in the field of development of storage capacity in rural area. It enhances the warehouse infrastructure which increases the holding capacity of farmers and makes them able to sell their crops at real price.



India is an agricultural economy and therefore it is said that the life of the economy is like a tree, with agriculture as its root, industries as its stems and business as its leaves. It can also be said that development and expansion of business directly and indirectly depend upon the agriculture. As per the census of 2011, 76.76% population are living in rural area that's why India is known as the country of villages. Out of total population 80% of Indian population directly or indirectly depends upon agriculture while in U.S.A., it is only 2% or 3%. The total area of Chhattisgarh is 137 lakh hectares, out of which 33.87% is covered with agricultural field and approximately, 57 lakh hectares of area is net sowing area in 2015-2016 on which 39 lakh hectares in used for producing paddy. The main crop of Chhattisgarh is paddy and out of total production of food grains the maximum portion comprises the production of paddy i.e. 83.53%. That's why Chhattisgarh is known as "The rice bowl of country".

The population of Chhattisgarh as per census of 2011 was 2,55,45,198 which was the 2.11% of total population and holds 16th position in the country. Approximately 80% of population of Chhattisgarh depends upon agriculture for income and there are 37.46 lakh farmer families are residing here. State Government had made a budget of Rs. 10675.61 crore. in the year 2015-2016 for agriculture and allied sectors. It was possible to attain the highest growth rate in the year 2009-2010 in the country due to persistent efforts of farmers and state Government.

Chhattisgarh got "**Krishi Karman Award**" twice a time for the highest production of paddy. First in the year 2009-2010 and second time in the year 2012-2013 for the production of record 110 lakh million tone of paddy. Not only this for the production of pulses in the year 2015-2016, Chhattisgarh got "**Krishi Karman Award**" from Prime Minister Shri Narendra Modi which brought laurels to the

state. With the growth of population the rural areas also developed and the area of agricultural land is also decreasing. This become evident that agricultural land was 76% in the year 1950-1951 which was reduced to 65% in 2003-2004 in country. And in Chhattisgarh 2000-2001 it was 52.23 lakh hectares which was reduced to 50.84 lakh hectare in 2010-2011. That's why we are facing the problem of increasing the production to fulfill the requirement of food grains for the population.

With the changing scenario in every field new techniques are used for production. In the same way in agriculture field with new methods, new machines, new innovation, the production also increases. In harvest season due to bumper production it becomes hard for farmer to protect their agricultural produces due to the shortage of scientific warehouse and they sell it out at price less than incurred in production. The lack of storage facility leads to damage of 30% food grains purchased by Government. According to report of International food organization, the quantity of food grain which was damaged in a year can be used for two times meals of 70 lakh population. Hence, modern well equipped warehouse is urgently needed to help farmers for the storage of their agricultural produce. To consider the recommendation of Farmer Commission and with the efforts of Government and Co-operative societies, large number of warehouses are being constructed for the fulfillment of the requirement of warehouse and increase the storage capacity. Agricultural Produce Corporation Development, Warehouse Corporation and State Warehouse Corporation had been established in the year 1956 to improve the storage facility for the food grains. During the year 2015-2016 state Government had made a budget of Rs. 100 crore for construction of 23 warehouses with a capacity of 930600 Metric tonne. Further private sectors are also taking interest for construction and renovation of warehouse.

APEX BANK, a premier institution registered in 30th October 2000 and commenced its banking business from 1st April 2001 aims

for the development of rural areas of Chhattisgarh. The emblem of APEX BANK of India epitomizes the corporate personality and basic policy of the bank. It facilitates credit flow for agriculture promotion and development of small scale industries, handicraft and other economic activities in rural areas from its own sources and through NABARD for agriculture credit. The main head office of APEX BANK is in Pandri Raipur and there are 5 branches in Chhattisgarh with a paid-up capital of Rs. 132.62 crore as on 2015-2016, net profit of Rs. 21.57 crore and working capital was Rs. 3957.12 crore. Bank provide a variety of loan services to like house loan, mortgage loan, car loan, and cash credit limit, project loan for factory, shop and warehouse etc.

It issues loan for construction of warehouse in rural area according to Gramin Bhandaran Yojana of Indian Government Ministry of Agriculture and Ministry of Marketing and supervision which was started on 2001-2002. According to this scheme for promotion of rural development NABARD gives a subsidy of 15%, 25%, and 33.33% on construction and renovation of warehouse. This was routed through APEX BANK to other co-operative banks as it is a Nodal Bank of NABARD in Chhattisgarh.

The loan has been issued to prospective individual, societies, group of people, companies, and woman farmers for construction / renovation of godown. The maximum loan amount is 25 lakh and @ 10% per annum interest will be charged for maximum 7 years to repay the loan amount. Further for the commencement of warehouse project maximum 18 month moratorium period was given to start a project and this period was deducted from 7 year for calculation of EMI. The subsidy given by NABARD was back ended means it was adjusted in loanee bank A/c after repayment of loan amount of financing bank. It was to be noted that subsidy amount was not adjusted before 5 year from the date of disbursement of first installment. For construction of warehouse, subsidy was disbursed in two installments, i.e. 50%

when land was acquired and project was approved and balance 50% on completion of construction or godown has reached the roof level. In case of renovation / reconstruction 100% subsidy amount was disbursed after the work of repair and renovation was completed. It was to be mentioned that no interest was charged on subsidy amount.

This research is limited to the warehouse loan procedure, disbursement, its repayment, subsidy offered by NABARD and also the perception of its borrowers on loan services and its benefits. The research work is restricted to the study period of 10 years from 2006-2007 to 2015-2016. To study the warehouse loan scheme of APEX BANK and for subsidy of NABARD the state is divided in 5 division viz. Raipur, Durg, Sarguja, Bilaspur and Bastar.

During the study period of 10 years from 2006-2007 to 2015-2016 with opening balance of Rs. 3,64,01,099.00/-, bank disburse Rs. 2,24,67,498.62/-, i.e. total Rs. 5,88,68,597,68/- as warehouse loan in rural areas out of which Rs. 4,15,58,649/- was repaid. In the term of warehouse loan disbursement the position of bank was no so good. Further in the terms of repayment, the position of APEX bank was good as approximately 70.60% of loan amount including interest was repaid and rest of the amount which was not collected was due to non - competition of loan period of 7 years and some defaulters. To improve the warehouse facility in rural area NABARD gives a subsidy of Rs. 3684.953/- lakh during the study period to beneficiaries which reduce the cost of project.

As on the basis of survey of 200 beneficiaries from various division of Chhattisgarh we find that major numbers of beneficiaries come under the age group of 30-40 year, and of general caste category takes more interest to acquire loan. On the evaluation of education profile majority of godown owner were educated till graduation and those who belongs to agriculture occupation and middle income level were more interested to borrow warehouse loan.

Out of total sample most of them get knowledge about warehouse loan through advertisement, but there was a lack of awareness among people about the loan and loan procedure as 71% respondents said it was cumbersome. It is important to note that time lag between loan application to sanction is 10-20 days which shows the fast service of the bank. It has been revealed from study that 74% godown owners were being used godown for self and only empty space capacity was being offered to other people for rent. If the godown owners increase their godown capacity it will increase extra income in form of rent.

The study concludes that the warehouse loan scheme is important for development of warehouse infrastructure in rural area, so necessary steps must be taken by Government and Bank to promote this scheme.

Hypothesis

Hypothesis is a pre imagination of proposed research work. To get the result analysis and interpretation has made during research. On the basis of data collection and field work researcher check the point of hypothesis whether they are accepted or rejected. And the results are as follows:-

(H₁) Accepted

Because 96.50% of respondents are in the view that there is reduction in wastage of food grains as it stored in warehouse. And due to storage of agriculture produce in warehouses there is decrease in the shortage of produce during post harvest period and food grains are easily available in market throughout the year at reasonable price.

(H₂) Accepted

The hypothesis relating to the increase in income of beneficiaries was true as due to storage of goods in warehouse the wastage and distress sale was avoided and actual price realized by beneficiaries which ultimately increase the income.

(H₃) Accepted

Because bank officers and NABARD officers proper co-ordinate each other. Bank gives timely information about NABARD subsidy and its process to beneficiaries and in turn NABARD officers also assist them properly. As subsidy reduce the cost of project and minimize the expense it motivate people construction of warehouse in rural areas.

(H₄) Rejected

The researcher feels that the loan amount Rs. 25 lakh is not sufficient for high profile project. Moreover for establishment of cold storage bank does not issue loan as it require heavy investment. Because of this there is a lack of cold storage with in the state.

(H₅) Rejected

The hypothesis relating to easy loan procedure to acquire, a loan is rejected. As a very small 9% of respondents affirmed it and rest 71% said it cumbersome and 20% are in view that it was least cumbersome.

(H₆) Accepted

Because out of total sample only 12.50% beneficiaries belong to low income as they have not sufficient amount to pay margin money and loan installments. Moreover middle income level i.e. 65% take more interest to borrow warehouse loan.

(H₇) Rejected

Because 95% beneficiaries said that rural godown helps only for storage of produce and avoids wastage, it does not help in marketing of produce. Moreover the role of intermediaries were also not stopped, they purchase goods from warehouse and sell it to another seller at profit.

The success of any research depends to a very extent upon the hypothesis that is formulated at the beginning. It determines the

direction and clears the object. It is helpful in limiting the subject, collection of facts and drawing conclusion. The researcher has made seven hypothesis at the beginning of the research work. On the basis of this data was collected and analysis was done and the result is out of seven four hypothesis are accepted and three are rejected. Therefore we may conclude by saying that APEX Bank is doing good job in the field of agriculture and promotion of warehouse infrastructure in rural areas. Nevertheless hypothesis is an important part of research, without it the research work in not complete and the result were not fruitful.



PROBLEMS

APEX Bank has made significant progress in terms of creating storage capacity in rural areas which were the catchment area of agricultural production. But during the study some difficulties are noticed by researcher which is faced by beneficiaries in warehouse loan scheme.

If APEX Bank solve these following problems it would be more successful in the field of banking sector and the scarcity of godown in Chhattisgarh was somehow fulfilled, which ultimately reduces the wastage of produce.

1. Cumbersome procedure

To acquire a warehouse loan the procedure is cumbersome and rigid. The process of loan appraisal requires lots of formalities and paper work to be fulfilled which creates problem.

2. Loan amount is less

Bank issues Rs. 25/- lakh as warehouse loan which was not sufficient for high profile project. As for construction of warehouse finance was required in large amount.

3. Repayment schedule

The repayment period for loan is 7 year and EMI is set accordingly. According to beneficiaries they face tight repayment schedule. They view that in starting period the amount of installment should be less as the income is also less and in later period it should increase.

4. Complex documentation

The documentation to acquire loan was complex as 71% people said that it was cumbersome and was not understood by them easily.

5. NOC from Electricity board

To acquire a warehouse loan it was compulsory for loanee to get the NOC from electricity board. But NOC from electricity board was not approved easily. It requires lots of paper work formalities, documentation and time.

6. Margin money

For disbursement of loan amount it was compulsory for loanee to submit margin money in bank or construct a warehouse building in the same ratio. But sometime due to lack of sufficient money/ money problem the loanee does not deposit margin money in bank or use it for construction. That's why loan amount was also not disbursed to loanee account by the bank.

7. Guarantor

Bank issue loan to beneficiary only on the availability of guarantor. In the absence of guarantor loan was not approved by the bank.

8. NOC of Gram Panchayat

According to Gramin Bhandaran Yojana warehouse loan and subsidy issued for construction of warehouse if it is constructed only in rural areas. So before construction one has to get NOC from Gram Panchayat which was given by the sarpanch. But some time due non availability of sarpanch or some other reasons there was delay to get NOC from Gram Panchayat.

9. Lack of awareness about subsidy

NABARD give subsidy of 15%, 25% and 33.33% on the cost of project which reduces the cost the warehouse construction. But there was lack of awareness among people about subsidy offered by NABARD as proper promotion was not done.

10. Loan not provided for Cold storage

Agriculture produce like fruits, vegetables, flower have to be stored in cold storage else, they were spoiled. For construction of cold storage heavy investment required. And APEX Bank only

gives loan up to 25 lakh which was not sufficient for high profile project. In absence of finance facility the number of cold storage in Chhattisgarh are less and due to that lots of perishable agriculture produce got wasted.

11. Number of branch is less

APEX bank has only 5 branches. Due to that the customers cannot easily approach to the bank in their city. This will also affect the banking business of bank.

12. Lack of promotional activities

The advertisement and publicity for warehouse loan was not satisfactory. There is lack of effective innovative ideas to capture the competitive market. There was a lack of promotional activities done by the bank.

13. lack of Awareness

There was a lack of awareness among people about warehouse loan scheme and subsidy offered by NABARD, that reduces the cost of project. As awareness programs were not done properly further people also not aware about scientific storage of goods / produce.

14. Agricultural inputs are not stored

Rural godown constructed according to Grameen Bhandaran Yojana is not used to store agriculture input like seed, fertilizer, agriculture chemicals. It was used only store agricultural produce.

15. Free facilities

Farmers got water and electricity facility at concessional rates for agriculture from Government. But for warehouse they don't get water and electricity facility at concessional rates in warehouse.

16. Lack of transportation facilities

Due to lack of transportation facilities in some areas of rural region proper road lines are not developed. That's why the transportation of warehoused goods from rural areas to urban areas or mandis

was not done properly.

17. Do not help in marketing of produce

Godown's are used to store the agriculture produce safely and reduce the wastage. It does not help in marketing of produce. As they are not connected with market and marketing services.

18. Role of intermediaries not reduced

In Indian market, due to the presence of intermediaries agriculturist don't get the actual price of their produce. The godowns only help to store the produce and the impact of intermediaries / broker for marketing was not reduced.

19. Lack of training programme

There was lack of training program for scientific storage of production. Scientific storage reduces the wastage, and maintains the quality of produce stored in warehouse.

In every plan and policies some problems arises for its formulation. In the same manner warehouse loan scheme have also faced some problems. If bank look after this matter and take necessary steps to solve these problems no doubt in near future this scheme will achieve the success.

Suggestions

It is very important to develop warehouse infrastructure with in the state to avoid produce deterioration during harvest season and post harvest period. An establishment of rural godown in agriculture production areas enables farmers to increase their holding capacity and sell their produce at actual price. If the following recommendations are followed by the APEX Bank it will improve its contribution in the field of warehouse sector in Chhattisgarh, and increase customer satisfaction which leads to its banking business within the state.

1. The interest rate for warehouse loan is 10% per annum. In order to improve banking business it must reduce the interest rate.

2. There should be some relaxation for the repayment of loan amount. EMI should be set in an order that it should be less in the initial years and will be increased in later years, to the ratio of the increase in the earnings.
3. The bank has only 5 branches. So it should open more branches within the state to expand its business. And for this bank sent application for 13 new branches to RBI with reference to NABARD and RBI approved 6 branches to be opened in near future.
4. Bank need to adopt certain specific strategies to create awareness among people about the benefits of warehouse loan scheme and subsidy offered by NABARD on project cost.
5. The process to avail loan is cumbersome with lots of legal formalities. It should be made easy and keep the procedural formalities minimum. Bank should try to reduce this problem through hassle free process.
6. The defaulting borrower's should be monitored properly and necessary steps must be taken by bank for timely repayment of loan installment.
7. To capture the competitive market bank should take initiative to develop effective innovative ideas for advertisement and promotion of its various loan schemes.
8. The maximum loan amount given by APEX BANK for warehouse loan is Rs. 25 lakh which was not sufficient for high profile project. It should increase the loan amount.
9. There is a lack of cold storage in the state. Due to that there is wastage of fruits and vegetables in case of its bumper production. And APEX BANK does not provide loan for cold storage as it requires heavy investment. Bank should take initiative about this matter and in future it may be expected that bank should increase its loan amount and issue loan for construction of a cold storage also.

10. There was a lack of training programs of beneficiaries about scientific storage of produce, its packing, grading standardization, accounting, costing methods etc. For encouragement and promotion of warehouse it was compulsory to train godown owners about all these matters.
11. Farmers got the electricity and water supply at concessional rates by the Government which help them to reduce the production cost of Agriculture. In the same way warehouse owners should also given these concessional facilities for operation of warehouse which will leads to their interest for construction of warehouse.
12. Presently many rural areas are connected to road and rail lines. But some remote areas and the interior villages are not properly connected to urban areas or mandis. So for the transportation of agriculture produces under the Integrated Road Development programme of Government the village should be connected to urban areas to facilitate the farmers.
13. In India there is still shortage of scientific warehouses even after 70 years of independence. As a result, lots of food grains go in vain. So for the development of warehouses, infrastructure it was necessary that subsidy was given to attract people for its construction / renovation, as it reduces the cost of project. So it is recommended that subsidy of 15%, 25% and 33.33% which was given by NABARD for creation of infrastructure facility of scientific storage / warehouse should be continued in the coming years also.
14. For development of warehouse infrastructure it was suggested that a adequate software must be developed by National Informatics Center (NIC), which help the godown owners to know about the all details of warehouse construction, subsidy and banking procedures. It should be installed / distributed to all the current godown owners and prospective owners at low rates and some incentives may also be provided to them. This will help

Government to increase warehouse infrastructure and farmer / individual know to the rules and regulation for the construction / renovation of godown.

15. The bank should enhance its resources and infrastructure to face the changing dynamics in lending technology so that in near future it may come to a leading position.

Village economy is the backbone of Indian economy. The rural India scenario is gradually changing. Thanks to the new research and modern technique of storage. With their positive changes hopefully our village would become a model and self reliant units in the time to come. This will help the rural India to proceed toward development and thus India will reach a new summit in the agriculture sector.

Chhattisgarh is one of the agricultural states, which is known as a “ The Rice bowl” of the country. Since the basic *mantra* of enhancing the growth rate is agriculture it is very much mandatory to have an effective implementation of a concrete policy to achieve the target. The state Government often has the problem of insufficient warehouse. In our own Chhattisgarh a huge quantity of food-grains, goes waste for want of warehouse. Therefore the warehouse technique and its problem need to be studied like a scientific research. This research aims at understanding the need of storage and its technique so that the basic information regarding warehouse can be provided to the common people who are associated with this problem. The warehouse loan scheme has made a remarkable progress in terms of creating storage capacity in rural agricultural production areas and to some extent the need of storage of food grain was sort out.

There is an immense potential of growth and development in Chhattisgarh. If the resources are utilized and managed honestly and rationally Chhattisgarh can definitely join the ranks of developed states of the country. Simultaneously with the appropriate utilization of natural resources and manpower this new state can march towards growth and prosperity in near future.

A. BOOK'S

- Agrawal Amit, “Bharat mai Gramin Samaj”, Vivek Prakashan, Delhi – 7. (2007).
- Arora Kaushal K., “Development Banking in India”, Atlantic Publisher and Distributores”, New Delhi, (1992).
- Bishanoe Radha, “Principales of Insurance”, Vishal Prakashan Mandir, MEERUT, (1999).
- Cauvery R., Girija M., Nayak U K Sudha & R Meenakshi, “Research Methodology”, S. Chand Publishing, New Delhi, (2003) Page No. 29-48.
- Datta and Sundram, “Indian Economy”, S. Chand and Company, New Delhi, (2000).
- Desai B.K. and Pujari B.T., “Sustainable Agriculture – A Vision for Furture”, New India Publishing Agency, New Delhi, (2007), Page No. 01-34.
- Dhawan Kamana, “Management Accounting”, Navyug Publications, Delhi, (2016-17), Page NO. 12-119.
- Dubey Ashish, “Rastriyakrit Bank Aur Laghu – Kutir Udyog”, Vaibhav Prakashan, Raipur (Chhattisgarh), 1st Edition, (2007), Page No. 09-64.
- Gupta B. N., “Statistical Analysis”, Sahitya Bhawan Publication Agra.
- Gupta R.K., “ Banking Law and Practice”, Sahitya Bhawan Publication Agra, (2002).
- Gupta S.P. and Gupta K.L., “Management Accounting”, Sahitya Bhawan Publication Agra, (2010), Page No. 36-114.

- Gupta, K.L. “Business Statistics” 6th Edition, Navyug Sahitya Sadan, Agra, (2004).
- Jain G.L., “Banking and Finance, Management system and Operation”, Vital publication, Jaipur (2008)
- Jain, S.C., “Principles of Marketing”, Sahitya Bhawan, Publication, Agra, (1989).
- Jain, S.C., “Vipran Vikray Kala and Vigyapan”, Sahitya Bhawan, Publication, Agra, (1989).
- Jains, S.C., Marketing Management, Sahitya Bhawan, Publication, Agra, (1992).
- Jha Vibhas kumar, Naiyar Soumya “Chhattisgarh Samagra”, CHHATTISGARH RAJYA HINDI GRANTH ACADEMY, 3^d Edition, (2014).
- Kothari C.R., “Research Methodology”, New Age International Publisher, New Delhi, (2005).
- Kotler Philip, “ Marketing Management Practice”, Hall International Publications, (May 1996).
- Kumar Arvind, “ Rural Industrial Sociology”, Anmol Publication Private Limited, New Delhi, (1999), Page No. 229-245.
- Loland J., “Money and Banking” (Prit Chard), Houghton mifflin company Boston, The river side press Cambridge, (1958), Page 279-280.
- Mahajan Mukund, “Indian Financial Market and Banking”, Nirali Prakashan, Pune, (2002).
- Mahajan Mukund, “Principal of Banking Business”, Nirali Prakashan, Pune, (2011).
- Maheshwari S.N., “Banking Law and Practice”, Kalayani’s Publisher’s, New Delhi, (2002).

- Mamoria C.B. and Tripathi B.B., “Agriculture Problems of India”, Kitab Mahal, Allahabad, (2007).
- Mangal Anshu, Barolia A., Smt. Agrawal Neetu, Dubey Shri Krishna, “Methodology of Educational Research And Educational Statistics”, Radha Prakashan Mandir Pvt. Ltd, Agra, (2011).
- Mehata B.K., “ Management Accounting”, Sanjay Sahitya Bhawan Publication Agra.
- Mishra Jai Prakash, “Agricultural Economics”, Sahitya Bhawan Publication, Agra, (2013), Page No. 278-316, 403-423.
- Mishra N., “Principles of Marketing”, Sanjay Sahitya Bhawan Publishing house Agra.
- Mithani D.M., “Money Banking International trade and Public Finance”, Himalaya Publishing house, New Delhi, (2000).
- Muranjan S.K., “Morden Banking in India”, Himalaya Publishing house, New Delhi, (2003).
- Natarajan S. and Parameshwaran R., “Indian banking”, S. Chand and company ltd, New Delhi, (2007), page no. 04.
- Patel D.C., “Chhattisgarh Geographical”, Muskan Publication, Raipur Chhattisgarh, (2014).
- Pathak, Vinay Kumar and Shukla Jaya Shree, “Anushandhan, pravidhi aur Prakriya”, Bhawna Prakashan, Delhi (2010).
- Rao B.R., “Current Trends in Indian Banks”, Deep and Deep Publishing, New Delhi (2004).
- Santram Kamlesh, “Chhattisgarh ki Bhogolik samiksha”, Vansundhara Prakashan, Gorakhpur, (2002).
- Shankar Ravi and Singh K., “Economic Reforms in India”, Abhijeet Publication, New Delhi, (2004).
- Sharma H.L., “Trends and challenges to Indian Banking”, Rajat Publication, New Delhi, (2007), Page No. 2-3.

- Sharma Harichandra and Sharma Ram Kumar, “Banking law and Practice”, Sahitya Bhawan Publication Agra, (1992).
- Sharma N.K. and Sharma Sarita, “Role of Agriculture in India Economy”, RBSA Publisher, Jaipur, (2007) , Page No. 170.
- Sharma Ram Ratan, “Economic Growth and planning”, Kamal Prakashan, (1987-88).
- Shukla S.M., Sahai S.P., “Statistical Analysis”, Sahitya Bhawan Publication Agra.
- Singh Abha Lakshmi and Fazal Shahab, “Agriculture and Rural Development”, B.R. Publishing Corporation, Delhi, (1998), Page No. 125-136.
- Singh S. K., “Business Environment”, Sahitya Bhawan Publication Agra. (2012).
- Singh S.P., “Economic Development and Planning”, with reference of Indian Economy, S.Chand and Co. Ltd. Ram Nagar, New Delhi, Page No. – 1-8, 302-323.
- Sinha and Pushpa Sinha, “Business Environment”, SBPD Publishing house Agra, (2010-11).
- Sinha V. C., “Business Environment”, SBPD publication house, Agra, (2008).
- Sinha V.C. and Sinha Reetika, “Business Environment”, Sahitya Bhawan Publication Agra, (2011-12).
- Tiwari Vijay Kumar, Chhattisgarh ek Bhogolik Adhyayan, Himalaya Publishing house, New Delhi, (2004).
- Tripathi Sanjay and Tripathi Smt. Chanda, “Chhattisgarh Vrihad Sandarbh”, Upkar Prakashan, Agra (2).
- Trivedi L.V., “Indian Banking in the New Millennium”, RBSA Publishers, Jaipur, (2003).

- Varshney P.N., “Banking law and Practice”, Sultan Chand and son’s, New Delhi, (2004).
- Verma Bhagvan Singh, “Chhattisgarh ka Itishas”, Madhya Pradesh Hindi Granth Academy, Bhopal (M.P.), 4th Edition (2003), Page No. – 07.

B. Report, Magazine and News Paper’s

- Annual Economic Survey by Chhattisgarh state Government, Publisher – Economic and statistical department Chhattisgarh Indrawati Bhawan Raipur Chhattisgarh from financial year 2006-07 to 2016-17.
- Annual Report 2015-16, Central warehousing corporation, Published by Government of Chhattisgarh, Central Warehousing Corporation.
- Annual Report of Chhattisgarh Tourism Board, 2001, Published by Government of Chhattisgarh, Chhattisgarh Tourism Board.
- Annual Report of Government of Chhattisgarh, 2006-07 to 2016-17, Published by Government of Chhattisgarh.
- Brochures Published by Chhattisgarh state tourism board- Aagat se atit tak ki dharohar, Pragati ke nay sopan (November 2003- November 2006).
- Business India, New Delhi.
- Business Standard, Kolkata.
- Business Today, New Delhi.
- Chhattisgarh : Resource rich state - Government of Chhattisgarh.
- Chhattisgarh : Rich Resources, Shining success, High hopes, Department of Public relations, (2004-05).
- Chhattisgarh : the land of green and falls, Published by Chhattisgarh state tourism board.

- Chhattisgarh Pragati path par, 2004-05, Department of Public relation.
- Daily Nav Bharat.
- Economic Survey, Economic and statistical department, Chhattisgarh Indrawati Bhawan Raipur (Chhattisgarh), (2016-17).
- Hamar Chhattisgarh 2015, Chhattisgarh Government prachar prakashan jansampark vibhag Chhattisgarh Government.
- India Today, New Delhi.
- Kurushetra – Main Magazine Gramin vikas Mantralaya, Publisher Suchana Prasaran Mantralaya Government of India. (May 2014, June 2015).
- Operational Guide line of NABARD, “SCHEME FOR DEVELOPMENT / STRENGTHENING OF AGRICULTURAL MARKETING INFRASTRUCTURE, GRADING AND STANDARDIZATION”, MINISTRY OF AGRICULTURE AND COOPERATION KRISHRI BHAWAN, NEW DELHI, NOVEMBER 2004.
- Outlook, New Delhi.
- Rakesh Mohan Committee Report (1996), The India Infrastructure Report : Policy Imperative for Growth and welfare, Ministry of Finance Government of India, New Delhi.
- Reports on Trend and Progress of Banking in India, Reserve Bank of India Publication, New Delhi, 2005-06 to 2015-16.
- Reserve Bank Of India, Annual Report, Reserve Bank of India Publication, New Delhi, 2005-06 to 2015-16.
- Sahakar Jyoti APEX Bank. Published by APEX BANK.
- The Economic Times, New Delhi.
- The Economist.

- The Financial Express, New Delhi.
- The Hindu, New Delhi.
- The Hindustan Times, New Delhi.
- The Times of India.
- The Times of India, New Delhi.
- Warehousing Development and Regulatory Authority (Annual Reoprt 2010-2011) Warehousing Bhawan, 4/1, Siri Institutional Area August Kranti Marg, Hauz Kahs, New Delhi – 110016.

C. External Links

- <http://calameo.com>
- http://cdn.preterhuman.net/texts/thought_and_writing/reference/wikipedia_2006_CD/wp/c/Chhattisgarh.htm
- <http://cewacor.nic.in> (Central warehousing corporation)
- <http://cggov.in/development/cdevelopment.htm#irrigation> Agriculture in Chhattisgarh
- <http://cgswc.cg.gov.in> (Chhattisgarh state warehousing corporation)
- <http://cgtourism.choice.gov.in/>
- <http://crediblechhattisgarh.com/>
- <http://descg.gov.in/>
- <http://dfpd.nic.in/ppp-storage-scheme.htm> (model scheme on construction of godown)
- <http://dprcg.gov.in/>
- <http://fci.gov.in/>
- <http://ignca.nic.in/coilnet/kabir004.htm>
- <http://indiabudget.nic.in/>
- <http://indiamicrofinance.com/>

- <http://industries.cg.gov.in/>
- <http://shodhganga.inflibnet.ac.in/>
- <http://suvidhagroup.in/Pdf-Files/RuralGodownEvaluation.pdf>
(Rural Godown Evaluation)
- <http://www.abhinavjournal.com>
- <http://www.business-standard.com> , Chhattisgarh's GDP highest in 2009-10.
- <http://www.nadrs.gov.in/>
- <http://www.nadrs.gov.in/>
- <https://cgstate.gov.in/>
- <https://www.cg.nic.in>
- <https://www.cgapexbank.com/>
- <https://www.ghumakkar.com/chhattisgarh-full-of-surprises/>
- <https://www.nabard.org>
- <https://www.scribd.com/doc/65188280/Specifications-for-Godowns-1>
- mapofindia.com/c-h/economy/ch-industries.html Industries in Chhattisgarh
- www.academia.edu/
- www.bankbazaar.com
- www.rbi.org.in





ADITI PUBLICATION

Near Ice Factory, Opp. Shakti Sound,
Service Gali, Kushalpur, Raipur (C.G.)

Mob. 91 94252 10308,

E-mail:shodhsamagam1@gmail.com,

www.shodhsamagam.com



₹ 225