



UGC New Delhi & S.R.T.M.U. Nanded Sponsored

One Day National Seminar

On

“Impact of Demonetization on indian Society”

Organized by

Dept.of Commerce



Digambarrao Bindu Arts & Commerce Collage, Bhokar Dist Nanded

Certificate

This is to Certify that, Mr/Miss/Mrs/Dr SHINDE B.R.

From Late. Ramesh Waghbudekar college, Sonpeth.

has participated in One Day National Seminar on “Impact of Demonetization on indian Society”

held on 23 rd Feb. 2017, & presented a paper entitled _____

IMPACT on DEMONETIZATION on FARMERS in MAHARASHTRA.

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Impact on Demonetization on farmer in Maharashtra

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Introduction:

Demonetization has a big impact on Indian market and citizens like you and me. People flocked the banks to changed their currency and stood in long lines in front of bank and ATMs for hours to draw their money also bank employees overworked with all their might so that each individual can take a sigh of relief. Surely, we have problems in but we also need to understand the importance of it. Just imagine if it was told a month ago, then all black money launderers could have managed their money in this or that form. That's why it has to be a sudden and surprise act.

People flocked the banks to changed their currency and stood in long lines in front of bank and ATMs for hours to draw their money also bank employees overworked with all their might so that each individual can take a sigh of relief. Surely, we have problems in but we also need to understand the importance of it. Just imagine if it was told a month ago, then all black money launderers could have managed their money in this or that form. That's why it has to be a sudden and surprise act.

Narendra Modi may have shocked the nation with his Nov. 8.2017 announcement, but the prime minister's move was hardly unprecedented. India has pulled select denominations of its currency twice before.

The first was when Rs1,000, Rs5,000, and Rs10,000 notes were taken out of in January 1946, a year and a half before the country won independence from the



British. The Rs10,000 notes were the largest currency denomination ever printed by the Reserve Bank of India, introduced for the first time in 1938. All three notes were reintroduced in 1954.

Then, in 1977, the Janata Party coalition government came into power. A year into the government's term, party leader Morarji Desai was more bullish about cracking down on counterfeits and black money. The High Denomination Bank Notes (Demonetisation) Act, instated by the ruling party on Jan. 16, 1978, deemed the Rs1,000, Rs5,000 and Rs10,000 notes illegal for the second time. At the time, then-RBI governor I.G. Patel disagreed with the measure and accused the Janata coalition government of trying to cripple the corrupt predecessor governments instead of simply eradicating black money.

For the most part, Modi's measure mirrors Desai's—except this time, he has the backing of his RBI governor, Urjit Patel, who applauded Modi's "very bold step" addressing concerns about the "growing menace of fake Indian currency notes." But that doesn't mean all the skeptics are off his back. Economists doubt the impact of his decision.

Objectives of Study:

- 1) To study the concept of demonetization rupees.
- 2) To study the impact of demonetization on farmer in maharashtra.

Research Merhodology:

The present study is purely based on secondary data which is collected by different internet readings books research papers, articles and related magazines.

Impact of demonetization:

1. Farmers were unable to purchase inputs like certified HYV seeds from market. They were using old seeds from the last year harvest and not



purchasing quality seeds from market. This will adversely affect yields despite good monsoon this year.

2. Farmers suffered a setback due to nationwide cash crunch and a collapse in the demand for vegetables in wholesale markets. "Yes, the prices in the wholesale markets have crashed," an agriculture ministry official admitted but said any reports of farmers discarding produce was "sporadic" and that the crisis would resolve soon.
3. Fruit and vegetable farmers were badly hit. They need cash on daily basis to purchase inputs like pesticides, fertilizers and hired labour for harvest and also to transport and sell at urban centres. Lack of cash with farmers leading to less-than optimal use of inputs resulted in lower yields, reduced sales, higher wastage and lower price realization.
4. The small growers and retail vegetable sellers are bearing the brunt, as they are with inventories of perishable commodities.
5. Farm laborer are not paid with their wages to currency shortage and postponing of work is happening as farmers don't are not able to pay for the laborers .
6. Worst off are the farmers who take loans to buy raw material for growing crops.
7. Failure to get a legitimate price on their produce, will push many farmers undermassive debts, burdened by interests.
8. Small farmers are also suffering a cash-crunch due to demonetisation, as many have crops lying around, but with no buyers whatsoever.
9. Formal financing in many parts, especially Punjab, Uttar Pradesh, Odisha, Maharashtra, Gujarat and Kerala is significantly from cooperative banks, which are barred from exchange-deposit of demonetized currency.

10. Agriculture was impacted through the input-output channels as well as price and output feedback effects. Sale, transport, marketing and distribution of ready produce to wholesale centres or mandis, is dominantly cash-dependent. Disruptions, breaks in the supply chains feedback to farmers as sales fall, increased wastage of perishables, lower revenues that show up as trade dues instead of cash in hand and when credited into bank accounts with limited access affect the sector.

11. A significant portion of the farmers depend on bank credit for their cash needs. Banks only grant new loans, if farmer repay their existing ones. Farmers are unable to withdraw the required cash from their accounts, not to talk about getting crop loans. Of the targeted Rs 18,000 crore crop loan for Rabi, banks have disbursed over Rs 1,500 crore in October. No significant amount was released as crop loans after November 8, when Rs 500 and Rs 1,000 notes became obsolete.

Conclusion:

- 1) Indian economy is growing but with very poor ground
- 2) Rapidly demonetization of rupees creating trouble in economic growth.

Referance:

- 1) www.wikipedia.org
- 2) Lokmat time paper
- 3) Loksatta news paper


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