

INSTITUTIONAL SUPPORT TO MAKE IN INDIA WITH SPECIAL REFERENCE TO KARNATAKA STATE FINANCIAL CORPORATION

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Abstract :

Teconomic development particularly in the backward region to larger extent depends on proper financing. Capital plays a decisive role in determining the level of Industrialization. Finance depends largely on the financial structure which caters to the need of funds of various industrial ventures. In a scattered location of enterprises where entrepreneurs have limited access to capital, the financial institutions can abridge them for sustained economic growth. The finance is the life blood of any economic activity. There are various banks and financial institutions performing and working as function of finance. Development banks are unique financial institutions doing the special task of fostering the development of nation. These banks are financial agencies to provide medium and long term financial assistance and act as catalyst agents in promoting balanced development of the industry, agriculture, and other key sectors. The KSFC is one of pride institution in India to provide financial assistance to micro, small and medium scale industries in Karnataka. Since establishment of KSFC, the industrial picture of Karnataka has changed in the promotion of industries. It has contributed most significantly for the growth of MSMEs in backward area, development and promotion of first generation enterprises. It is also the proud privilege of KSFC to have assisted many Industries that are internationally recognized like the INFOSYS and BIOCON and it has maintained top ranking among SFCs in the country. The paper used secondary data and based on descriptive research methodology. Secondary data from various government journals, KSFC Annual reports and operational statistics are used. The main objectives of the present study are to examine the Role of the KSFC in development of make in India in Karnataka and its contribution to the growth of the economy.

Introduction:

In India, the absence of financial machinery specially designed to provide term loans to industry has been the serious deliberations and demand in the 20th century. The limited sources of industrial finance like indigenous banks, commercial banks and other private agencies were totally insufficient to foster healthy industrialization in India. After independence a number of special financial institutions at the national level and the State level for industrial credit were set up in India.

The uninterrupted supply of finance is a prime requirement like any other input of industrial development. Industrial finance emerged as a source of industrial finance early in the 19th century in Europe. It has become a source of industrial finance in India during the post-independence period. The wide spread demand for machinery to finance industry during the pre-Independence era, and the recommendations of different committees which probed the financing problems of Industries.

FINANCE FOR INDUSTRIALIZATION.

Finance, being a vital and inevitable ingredient for economic development, possesses a significant role in fueling industrialization in any country. It is the key input of production distribution and development (Desai). Finance is the life blood of industry and a pre-requisite for accelerating the processes of industrial development (Raul). Economic development particularly in the backward region

largely depends on proper financing and capital plays a decisive role in determining the level of industrialization (Prasad). Finance is the life blood of industry without which the wheels of modern industries system cannot be greased (Rosen). No business enterprise can reach its full potential of growth and success without adequate finance.

INSTITUTIONAL SOURCE FOR INDUSTRIAL FINANCE

The concept of institutional finance originated in the last 19th century. England was the first nation in the world to experience industrial revolution and was responsible for many of the innovations made in the industrialised countries. The very first institution for industrial finance 'SOCIETE DE GENERAL DE BELGIQUE' was set up in Belgium in 1822 with specific object of financing and promoting Industry. Then 'THE CREDIT MOBILIER OF FRANCE', formed in 1852 and engaged in various promotional activities in addition to long term lending to industry. A chain of credit banks appeared in Germany in the second half of the 19th Century with special emphasis on industrialization of the country. The formation of the 'INDUSTRIAL BANK OF JAPAN' in 1902 was another mile stone in the history of industrial finance to industry.

INDUSTRIAL FINANCE IN INDIA

The widespread demand for special machinery financing to industry during pre-independence era, and the recommendations of the different committees which probed the financing problems of industries, led to the formation of specialised institutions for providing finance to Industry. It became a reality by only in 1948 with the establishment of Industrial Finance Corporation of India. Later on, a number of financial institutions at both the central and the state levels came to be organized to provide medium and long term finance for balanced industrialization of the country.

The institutional structure covered the range of all the Financial Institutions extending financial support to Indian Industry. It comprises of 15 institutions at national level (AIFIs) and 47 institutions at the State level (SLFI). Institutional finance has been occupying a significant role in industrial finance until the inception of the economic reforms in 1991. The reforms have nullified the difference between the FI, and commercial banks. The FIs are now extending short term loans and working capital finances, and commercial banks have started financing for medium and long terms capital needs of the industries in a big way. This has led to a stiff competition between FIs and banks, and the focus of the FIs has shifted for the purpose for which they were set up. The FIs have realized that they need to re-engineer and identify new operational areas to survive as profitable entities.

INSTITUTIONAL FINANCE IN KARNATAKA

Karnataka has been supporting the growth of Industry, particularly in terms of high-technology, information and communication technology, bio-technology and recently nano-technology. The industrial structure of Karnataka presents a blend of modern high-tech capital goods and knowledge intensive industries on the one hand and traditional consumer goods industries on the other.

Karnataka is considered as one of the most desired industrial location for setting up industries in the country. State has been consistently pursuing progressive out look to meet the changing needs of the state's economy and industry. It has emerged as the leader in IT & BT and knowledge based industrial sector making rapid strides in IT and computer related industries and Bio-technology with a strong research and development base. The state has number of traditional cottage, handicrafts, Micro-Enterprises like hand looms, power looms, silk wearers, Khadi and village industries.

The AIFIs, KSFC, KSIIDC, Commercial Banks and other banks have been meeting the industrial finance requirement of the state of Karnataka. Among these, the FIs for exclusive industrial finance as IFCI, ICICI, IDBI, SIDBI and IIBI at national level and KSFC and KSIIDC at state level are serving with an exclusive agenda for industrial sector of

Karnataka. Now a day's KSIIDC has stopped its Operations and only KSFC is playing industrial finance in Karnataka.

INDUSTRIAL INFRASTRUCTURE DEVELOPMENT INITIATIVES IN KARNATAKA

- 1) KIADB is a statutory body, playing an important role in development of industries in the state. Since inception, the KIADB has developed 136 industrial Areas in 28 districts of the state covering an area of about 41983.95 acres.
- 2) KSIIDC has been a catalyst in the development of MSMEs the State. Establishment of industrial estates, construction of industrial sheds and formation of Industrial plots are the major functions of the corporation. It has developed 171 industrial estates, with 6163 sheds have been constructed and 6073 sheds have been allotted and 7164 of different size plots have been developed and 6370 plots have been allotted.
- 3) KSIIDC has assisted 135 start-up ventures through equity participation and has extended long term financial assistance to core sector industries like steel, cement, mining and textiles and modern sector industries like IT, Aviation, Tele-communication and other infrastructure projects to the extent of Rs. 3100crores.

OBJECTIVES

The main objectives of the present study are-

- To examine the growth and performance of MSME sector in Karnataka
- To evaluate the contribution of KSFC to MSME sector for the growth of the Karnataka economy.

METHODOLOGY

The present study is based on secondary data. The secondary data are collected from the Economic Survey of Karnataka 2013-14, Annual reports of Industry and Commerce of Karnataka and from annual reports and operational statistics of KSFC.

ROLE OF KARNATAKA STATE FINANCIAL CORPORATION FOR SUPPORT TO MSMEs FOR MAKE IN KARNATAKA

The Karnataka State Financial Corporation (KSFC) is the state level financial institution established by the State government in the year 1959 under the State Financial Corporation Act of 1951. It was established to meet mainly the long-term financial needs of Micro, Small and Medium scale enterprises (MSME's) in the state of Karnataka.

The KSFC is a financial super market. It extends all types of financial assistance in the form of long term loans, short-term loans. The KSFC's assistance covers almost all types of industrial and service sectors. The KSFC has wide ranging scope of assistance and operational flexibility due to recent amendments in the SFC's Act of 1951. Keeping this in view, the KSFC has re-engineered itself to ensure almost customer satisfaction with new energy, thrust and speed. In these 50 years of existence, the KSFC has contributed most scientifically for the growth of MSMEs, backward area development and promotion of first generation entrepreneurs. Their achievement in these areas is unparallel.

Since 1959, the KSFC has assisted more than 168152 units with cumulative sanctions of over Rs. 13135.53 crore out of which more than 50% is towards MSMEs. The KSFC, an IS/ISO 9001:2008 certified organization is proud to have played major and vital role in the industrial development of the state. It is also the proud privilege of the KSFC to have assisted many industries that are internationally recognised like the INFOSYS and BIOCON. The KSFC extends financial assistance for establishing new units as well as for expansion/modernisation/ diversification of existing units.

ACTIVITIES ELIGIBLE FOR FINANCIAL ASSISTANCE AS PER SFC'S ACT OF 1951 FOR MSMEs:

- Manufacture, preservation or processing of goods,
- Mining or development of mines,
- Generation of distribution of electricity or any form of power,
- Maintenance, repair, testing or servicing of machinery and vehicles,
- Assembling repairing or packing or article with the aid of machinery or power,
- Setting up or developing of an industrial estate,
- Fishing or providing shore fertilizers for fishing or maintain there off,
- Providing weighbridge facilities,
- Providing engineering, technical financial management marketing or other services or facilities for industry,
- Providing software or hardware services relating to information technology, telecommunications or electronics including satellite. Linkage and audio or visual cable communication,,
- Floriculture,
- Tissue culture, fish-culture, poultry forming breeding and hatcheries,
- Service industry,
- Research and development activities,
- Such other activities approved by SIDBI from time to time.

Corporate Mission:

The KSFC's corporate plan strategy for resource raising and creating competitive advantage resolves around an organization mission.

The mission is based on a clear identification and perception of KSFC's core competencies, they are

- Reach and cover the state of Karnataka,
- Knowledge for each region in the state in terms of infrastructure and natural resources existing level of industrialisation and entrepreneurship,
- Building a body of multi-disciplinary professionally,
- Specialisation in the appraisal, monitoring and recovery of loans of SSI/MSI and other fund based and fee based activities. A deep routed commitment to the development of entrepreneur and MSMEs.

Mission :

"To be a premier, self sustained financial institution for catalysing, creating and sustaining viable investments in the Micro, Small and Medium scale Enterprises and services in the state of Karnataka".

Quality Policy:

- To ensure satisfaction through team work and professional management.
- To extend effective guidance through entrepreneurs for venture.
- To provide good quality of service on a continued basis to the satisfaction of the customers.
- To encourage everyone in the organization to upgrade and enhance their skill and knowledge with appropriate training for improving quality of service to the entrepreneur.
- To motivate and involve every one for achieving organizational growth through implementation of the document quality marketing system.
- To attain specific levels of performance every year and to ensure compliance with statutory and regularly requirements.

TABLE-1
PERFORMANCE OF MSMEs IN KARNATAKA

| YEAR | REGISTERED MSMEs IN KARNATAKA | | SHARE OF KSFC SANCTIONS TO REGISTERED MSMEs IN KARNATAKA | | | |
|---------|-------------------------------|--------------------------|--|-------------------|-----------------|-----------------|
| | No of UNITS | Investment (Rs in Lakhs) | No. of Units | AMT (Rs in Lakhs) | SHARE OF 3 IN 1 | SHARE OF 4 IN 2 |
| | 1 | 2 | 3 | 4 | 5 | 6 |
| 2000-01 | 16554 | 85792 | 1461 | 16982.2 | 8.83 | 19.79 |
| 2001-02 | 16964 | 73195 | 919 | 15408.4 | 5.42 | 21.05 |
| 2002-03 | 12029 | 40836 | 806 | 16505.1 | 6.7 | 40.42 |
| 2003-04 | 12220 | 37054 | 774 | 14703.1 | 6.33 | 39.68 |
| 2004-05 | 11238 | 38541 | 779 | 13179.2 | 6.93 | 34.2 |
| 2005-06 | 12780 | 43647 | 788 | 16500.3 | 6.17 | 37.8 |
| 2006-07 | 12580 | 46542 | 875 | 17852.6 | 6.96 | 38.36 |
| 2007-08 | 14984 | 112659 | 795 | 17305.1 | 5.31 | 15.36 |
| 2008-09 | 15705 | 101617 | 923 | 26250 | 5.88 | 25.83 |
| 2009-10 | 17195 | 122816 | 892 | 28766.5 | 5.19 | 23.42 |
| 2010-11 | 18434 | 120623 | 1316 | 54926.8 | 7.14 | 45.54 |
| 2011-12 | 21021 | 159641 | 1226 | 52976.00 | 5.83 | 33.18 |
| 2012-13 | 24208 | 216513 | 1271 | 60695.82 | 5.25 | 28.03 |
| 2013-14 | 25966 | 285056 | 1157 | 57541.38 | 4.50 | 24.03 |
| MEAN | 15439 | 95927.53 | 932.33 | 27306.43 | 6.09 | 20.18 |
| SD | 4527.93 | 65497.28 | 236.29 | 18460.43 | 1.10 | 9.19 |
| CV | 29.33 | 68.28 | 25.34 | 67.60 | 17.98 | 31.86 |

Source: Karnataka Economic survey 2014-15 & Operational statistics of KSFC.

Table 1 depicts the number of units registered and investment made in MSMEs in Karnataka. The KSFC's sanctions for MSMEs shows 30 percent to 45 percent during the period from 2000-01 to 2013-14 and MEAN is 28.84 percent. It shows that the KSFC is playing very important role in financing to MSMEs in Karnataka. Still there is stiff competition among Commercial Banks and other financial institutions. The share of number units sanctioned showed 6.09 percent and above. It expresses that the contribution of KSFC in financing towards MSMEs is strong and consistent.

TABLE-2
UNIT WISE LOANS SANCTIONED TO MSMEs BY KSFC
(Numbers)

| Sl. No. | Year | Gross Sanctions | Santions To MSMEs | % of MSMEs Sanctions in Cross Sanctions |
|---------------------------------------|-----------|-----------------|-------------------|---|
| 1 | 1998-99 | 3672 | 1988 | 54.14 |
| 2 | 1999-2000 | 2848 | 1611 | 56.57 |
| 3 | 2000-01 | 2662 | 1461 | 54.88 |
| 4 | 2001-02 | 1621 | 919 | 56.69 |
| 5 | 2002-03 | 1345 | 806 | 59.93 |
| 6 | 2003-04 | 1307 | 774 | 59.22 |
| 7 | 2004-05 | 1242 | 779 | 62.72 |
| 8 | 2005-06 | 1161 | 788 | 67.87 |
| 9 | 2006-07 | 1326 | 875 | 65.99 |
| 10 | 2007-08 | 1195 | 795 | 66.53 |
| 11 | 2008-09 | 1420 | 923 | 65.00 |
| 12 | 2009-2010 | 1461 | 892 | 61.05 |
| 13 | 2010-11 | 1537 | 1316 | 85.62 |
| 14 | 2011-12 | 1485 | 1226 | 82.56 |
| 15 | 2012-13 | 1598 | 1271 | 79.54 |
| | 2013-14 | 1426 | 1157 | 81.13 |
| | MEAN | 1725.33 | 1094.93 | 65.22 |
| | SD | 733.05 | 369.89 | 9.99 |
| | CV | 41.73 | 32.55 | 15.76 |
| CUMILATIVE SANCTIONS AS ON 31-03-2014 | | 168152 | 111573 | 66.35 |

Source: Operational statistics of KSFC.

Table 2 expresses unit wise loans sanctioned by KSFC towards MSMEs. It registered from 54 percent to 85 percent and the MEAN is 65.22 percent. KSFC sanctions are predominating towards MSME units. It proves more concentration towards MSME units.

TABLE-3
LOANS SANCTIONED TO MSMEs BY KSFC

| Sl. No. | Year | Gross Sanctions | Sanctions To MSMEs | % of MSMEs Sanctions in Cross Sanctions |
|---------------------------------------|-----------|-----------------|--------------------|---|
| 1 | 1998-99 | 30021.14 | 19103.63 | 63.63 |
| 2 | 1999-2000 | 31199.73 | 16020.53 | 51.35 |
| 3 | 2000-01 | 42292.09 | 16982.2 | 40.15 |
| 4 | 2001-02 | 30255.74 | 15408.44 | 50.93 |
| 5 | 2002-03 | 33303.98 | 16505.05 | 49.56 |
| 6 | 2003-04 | 29969.76 | 14703.07 | 49.06 |
| 7 | 2004-05 | 24175.95 | 13179.19 | 54.51 |
| 8 | 2005-06 | 31620.5 | 16500.26 | 52.18 |
| 9 | 2006-07 | 42452.94 | 17852.6 | 42.05 |
| 10 | 2007-08 | 36815.07 | 17305.07 | 47.01 |
| 11 | 2008-09 | 56524.31 | 26250.02 | 46.44 |
| 12 | 2009-2010 | 63148.75 | 28766.47 | 45.55 |
| 13 | 2010-11 | 73162.62 | 54926.8 | 75.07 |
| 14 | 2011-12 | 81731.68 | 52975.95 | 64.82 |
| 15 | 2012-13 | 94405.52 | 60695.82 | 64.29 |
| | 2013-14 | 90926.05 | 57541.38 | 63.28 |
| | MEAN | 49500.36 | 27794.78 | 53.74 |
| | SD | 23831.30 | 17652.80 | 9.73 |
| | CV | 48.14 | 63.51 | 18.11 |
| CUMILATIVE SANCTIONS AS ON 31-03-2014 | | 1313553.00 | 844118.00 | 64.26 |

Source: Operational statistics of KSFC.

Table 3 presents the loans sanctioned by KSFC towards MSMEs. It ranges between 40.15 percent to 75.07 percent to the total sanctions during the period from 2000-01 to 2013-14 and the MEAN value is 53.74 percent. Loans sanctioned towards MSMEs are substantial and unbeatable.

TABLE-4
INDUSTRY WISE LOANS SANCTIONED TO MSMEs
BY KSFC SINCE INCEPTION UPTO 31-03-2014

(Rs. In lakhs)

| SL. NO | TYPE OF INDUSTRY | AMOUNT SANCTIONED | PERCENTAGE TO THE TOTAL |
|--------|--|-------------------|-------------------------|
| 1 | FOOD | 149816.10 | 39.15 |
| 2 | TEXTILES | 41374.99 | 10.81 |
| 3 | PAPER & PAPER PRODUCT | 8740.98 | 2.28 |
| 4 | Mfr of rubber products | 11319.92 | 2.96 |
| 5 | Chemicals | 39618.61 | 10.35 |
| 6 | Cement | 2275.73 | 0.59 |
| 7 | Basic Metal Industries | 20413.95 | 5.33 |
| 8 | Metal products excluding machinery & transport equipment | 63729.59 | 16.65 |
| 9 | Mfr of machinery excluding electrical machinery | 26191.46 | 6.84 |
| 10 | Mfr. of transport equipment | 18104.71 | 4.73 |
| 11 | Ele. Generation supplies | 1110.90 | 0.29 |
| | TOTAL | 382696.9 | 100.00 |

Source: Operational statistics of KSFC.

Table 4 presents cumulative Industry wise loans sanctioned towards MSMEs. It accounted 39.15 percent in food industry, 16.65 percent in metal product industry then 10.18 percent towards textiles industry since inception up to 2013-14. KSFC's assistance towards traditional and basic industries leads to creation of employment and first generation entrepreneurs.

Table-5
CONSTITUTION WISE DISTRIBUTION OF LOANS
TO MSMEs BY KSFC

| SL. No. | Constitution Wise | AMOUNT (Rs.in Lakhs) | % TO THE TOTAL |
|---------|---------------------------|----------------------|----------------|
| 1 | Public Limited Companies. | 15384.67 | 2.50 |
| 2 | Private Limited Companies | 134551.91 | 21.87 |
| 3 | Co-Operatives | 1011.36 | 0.16 |
| 4 | Partnership Firms | 225410.79 | 36.65 |
| 5 | Proprietary Concerns | 238126.06 | 38.71 |
| 6 | Hindu Undevided Families | 633.0 | 0.10 |
| | TOTAL | 615117.79 | 100.00 |

Source: Operational statistics of KSFC.

Table presents cumulative constitution wise loans sanctioned towards MSMEs which accounted 38.71 percent for proprietary concern, 36.65 percent for partnership firm, 21.87 percent for private ltd companies then 2.50 percent for public ltd companies Since inception up to 2013-14. KSFC's loans sanctioned towards proprietary and partnership firms shows single entity rather than companies.

Table-6
PURPOSE WISE UNITS ASSISTED BY KSEC IN KARNATAKA
(Numbers)

| YEAR | TOTAL PROJECTS | NEW PROJECTS | EXISTING PROJECTS | SHERE OF NEW PROJECT IN TOTAL PROJECTS | SHERE OF EXISTING PROJECT IN TOTAL PROJECTS |
|-----------|----------------|--------------|-------------------|--|---|
| 2000-01 | 2662 | 1943 | 454 | 72.99 | 17.05 |
| 2001-02 | 1621 | 1436 | 120 | 88.59 | 7.40 |
| 2002-03 | 1345 | 781 | 564 | 58.07 | 41.93 |
| 2003-04 | 1307 | 696 | 610 | 53.25 | 46.67 |
| 2004-05 | 1242 | 483 | 759 | 38.89 | 61.11 |
| 2005-06 | 1161 | 516 | 645 | 44.44 | 55.56 |
| 2006-07 | 1329 | 559 | 767 | 42.06 | 57.71 |
| 2007-08 | 1195 | 510 | 685 | 42.68 | 57.32 |
| 2008-09 | 1420 | 543 | 876 | 38.24 | 61.69 |
| 2009-2010 | 1461 | 601 | 860 | 41.14 | 58.86 |
| 2010-11 | 1537 | 571 | 996 | 37.15 | 64.80 |
| 2011-12 | 1485 | 663 | 822 | 44.65 | 55.35 |
| 2012-13 | 1598 | 679 | 919 | 42.49 | 57.51 |
| 2013-14 | 1426 | 541 | 885 | 37.93 | 62.06 |
| MEAN | 1484.93 | 751.57 | 711.57 | 48.76 | 50.36 |
| SD | 367.04 | 417.98 | 227.72 | 15.08 | 17.34 |
| CV | 24.72 | 55.61 | 32.00 | 30.93 | 34.42 |

Source: Operational statistics of KSFC.

Table 6 depicts purpose wise units sanctioned by KSFC. The MEAN value is 48.76 percent towards new projects and 50.36 percent towards existing units. It shows that KSFC is generating new generation entrepreneurs as well as retaining of existing entrepreneurs.

FINDINGS

1 The number of units registered and investment made in MSMEs in Karnataka and the share of KSFC sanctions towards MSMEs admitted 30 percent and above where as the share of number of units sanctioned shows 6 percent and above. It express that the contribution of KSFC financing towards MSMEs is strong and consistent since establishment of the Corporation

2 The number of unites sanctioned by KSFC towards MSMEs registered 65 percent and above to the total units sanctioned during the period from 2000-01 to 2013-14. Since main motive of KSFC is for assistance to MSMEs sector in Karnataka which it has balanced since inception.

4 Industry wise loans sanctioned towards MSMEs accounted 39.15 percent in food, then 16.65 percent in metal industry which probing it is playing a vital role assisting engineering and food industries sector in Karnataka.

5 Constitution wise loans sanctioned by KSFC towards MSMEs accounted 38.71percent towards proprietary concern then 36.65 percent partnership still concentrating towards proprietary and partnership firms in Karnataka which major population falls under the said category.

6 Purpose wise units sanctioned by KSFC which accounted 48.76 percent in towards new projects and 50.36 percent towards existing projects. It shows that still KSFC is assisting First Generation Entrepreneurs.

CONCLUSION :

The KSFC has been playing pivotal role in financing towards MSME sector with special reference to make in Karnataka which substantially a basic role of employment generation and accessibility of first generation entrepreneurs and reduction in regional imbalance. The State Government should encourage and promote financial institutions like KSFC and all schemes of MSMEs sector should rooted through KSFC. The Government should allocate equity based funds to KSFC since the institute is on the basis of service motive rather than profit.

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PERCEPTION AND ATTITUDE OF CUSTOMERS TOWARDS THE PERFORMANCE OF SELECT PRIVATE BANKS IN GOA: A STUDY

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ABSTRACT

The private-sector banks in India represent part of the Indian banking sector that is made up of both private and public sector banks. The private banks are banks where greater parts of stake or equity are held by the private shareholders and not by government. Today, their scope of operations of private banks has widened considerably therefore this paper tries to understand customer perception and attitude towards the different financial products and services. The customer response survey in respect of certain parameters viz, advise of bank employees to customers; guidance to loan utilization; inquiry about utility of sanctioned loans; rapport and follow-up with the borrowers; rectification of errors; online response and connectivity; account opening formalities; cost of loan and other charges; utility payment service; ethical values, etc, are studied. The study concludes that progress and healthy growth of banks, customer satisfaction and good impression about the different services also plays equally important role in enhancing the progress of the private banks.

INTRODUCTION :

The private-sector banks are banks where greater parts of stake or equity are held by the private shareholders and not by government. The private sector banks are split into two groups by financial regulators in India, old and new. The old private sector banks existed prior to the nationalisation in 1969 and kept their independence because they were either too small or specialist to be included in nationalisation. The new private sector banks are those that have gained their banking license since the liberalisation in the 1990s. Private sector banks in India hold 18.2% of the total assets of Indian banking industry. Presently, Private Banks in India includes leading banks like ICICI Banks, Jammu & Kashmir Bank, Karnataka Bank, Kotak Mahindra Bank, etc. Certainly, being tech-savvy and full of expertise, private banks have played a major role in the development of Indian banking industry. They have made banking more competent and customer friendly. In the procedure they have jolted public sector banks out of satisfaction and forced them to become more competitive.

Banking in Goa

Banking as an integral part of tertiary sector has made a remarkable progress and expansion in the state of Goa. The banking system in the state is broadly comprised of SBI and its associates, nationalized banks, private banks and co-operative banks. The average population per bank branch office is the lowest in India being less than 3000 as against the national average of around more than 16000. The banking sector in the state has recorded an excellent deposit growth and has the highest