

Periodic Research

A Study to Assess the Role of Public Banks and Private Banks in the Development of Haryana

Abstract

India is a Developing Country. Banking sector has an important role in economic Development of India. Many changes took place in the functioning of Bank after economic reforms. Haryana's economy play a major role in country's development. Bank has provided a chances of growth to Haryana's people. The question arise that which one has play better role in Haryana's economy- public sector banks or private sector banks. So it has become necessary to a comparative study and analysis the services of public sector banks and private sector banks. This paper has an attempt to analysis how the public and private banks have been working for the growth of Haryana. It this research paper secondary data used to accomplish the objective of study.

Keywords: Public Bank, Private Bank & Economic Development.

Introduction

A bank is financial intermediary that creates credit by lending money to a borrower, thereby creating a corresponding deposit on the bank's balance sheet. Lending activities and be performed either directly or indirectly through capital market.

Banking begins with the first prototype banks of merchants of the ancient world, which made grain loans to farmers and traders who carried goods between cities. The origin of modern banking can be traced to medieval and early Renaissance Italy, to the rich cities in the north like Florence, Lucca, Siena, Venice and Genoa.

The word bank was borrowed in middle English from middle French banque from old Italian banca, meaning table from Old High German banc bank "bench, counter". A banker is defined as a person who carries on the business of banking which has conducting current accounts for his customers, paying cheques drawn on him/her and collecting cheques for his/her customers.

Haryana has the largest number of rural cropatis in India. State wise Haryana have the third highest per capita income in the country after Delhi and Goa. Haryana is considered as the growth engine of India. Haryana is the leading industrialized state of India. No doubt it all happened with the help of banking sector. The state has a developed banking system with over 4500 bank branches.

Public-Sector Banks

There are currently 27 public sector banks in India out of which 19 are nationalized banks and 6 are State Bank of India and its associate banks.^[1]

State Bank and Its Associate

1. State Bank of Bikaner & Jaipur
2. State Bank of Hyderabad
3. State Bank of Patiala
4. State Bank of Mysore
5. State Bank of Travancore
6. Bank of Baroda

Nationalized Banks

1. Allahabad Bank
2. Andhra Bank
3. Bank of India
4. Bank of Maharashtra
5. Canara Bank
6. Central Bank of India

Other Public Sector Banks

1. Bharatiya Mahila Bank
2. IDBI Bank



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3. Post Bank of India

Corporation Bank

1. Dena Bank
2. Indian Bank
3. Indian Overseas Bank
4. Oriental Bank of Commerce
5. Punjab & Sind Bank
6. Punjab National Bank
7. Syndicate Bank

New Private Sector Banks

1. ICICI Bank
2. IDBI Bank
3. HDFC Bank
4. Axis Bank
5. Kotak Mahindra Bank
6. IndusInd Bank
7. Development Credit Bank
8. Yes Bank

UCO Bank

1. Union Bank of India
2. United Bank of India
3. Vijaya Bank

Old Private Sector Banks

1. Catholic Syrian Bank
2. City Union Bank
3. Dhanlaxmi Bank
4. Federal Bank
5. ING Vysya Bank (merged with Kotak Mahindra Bank in April 2015)
6. Jammu and Kashmir Bank
7. Karnataka Bank
8. KarurVysya Bank
9. Lakshmi Vilas Bank
10. Nainital Bank
11. Ratnakar Bank
12. South Indian Bank
13. Tamilnad Mercantile Bank

Objectives of the Study

1. To compare the role of public and private sector banks in Haryana.
2. To analysis that which one sector efficiently work in Haryana.
3. To know the behavior of both sector banks towards consumers.
4. To compare credit facilities of private banks and public banks.

Banks and Haryana's Development

The Economy of Haryana relies of manufacturing. Retailing and information outsourcing Haryana has a vary strong position in all India's states in economy sense. The Industrial factor, and agriculture sector both have professed. The B are play an important role in Haryana's economic development. Here the question arise that the public plays more important role or the private plays more? The give information will answer this question.

Banking & Credit Institutional Finance

In Haryana the role of government has been to persuade the banking institutions to give greater importance to the agriculture & allied sector and for poverty alleviation programmes. The institutional finance available through commercial banks, co-operations berks and other term lending institutions of the state govt. The total number of commercial banks

and Regional Rural Banks working in the state was (3015) (Sep.2012) as compared to 2,653 in 2011.

Annual Credit Plan of Haryana for 2012-13

Sector	Target	Achievement	Percentage Achievement
Agricultural	19409.42	18312.84	94
Micro & Small Enterprise	4113.21	4296.56	104
Tertiary	3736.62	2890.86	77
Total	27259.75	25500.26	94

The Haryana state Co-operative Agriculture and rural development Banks advanced Rs. 159.54 crore up to Sep. 2012 against the target of 421.97 crore which is percent of target.

Advanced by HSCARD B During 2012-13

Sector	Target	Achievement	Percentage Achievement
Agricultural	353.20	132.98	38
Micro & Small Enterprise	26.27	13.44	51
Tertiary	42.50	13.12	31
Total	421.97	159.54	38

Small industries development bank of India had advance Rs.157.31 crore up to Sep. 2012 against the target of Rs. 89.60 crore which is 176 percent of the target.

Advance by Small Industries Development Bank of India during 2012-13

Sector	Target	Achievement	Percentage Achievement
Agricultural			
Micro & Small Enterprise	89.60	157.31	176
Tertiary			
Total	89.60	157.31	176

Haryana state Co-operative Agriculture and Rural Development Bank Ltd.

The Haryana State Ltd. Was set up on 1st Nov. 1966. The following new schemes launched by the HSARDB

- Rural Housing schemes
- Purchase of Agriculture Level
- Margin Money scheme
- Combine Harvester
- Show Reaper
- Strawberry cultivation
- Commercial Dairy for self employed
- Financing of 2- Wheelers to farmer
- Cattle shed schemes
- Financing of medicinal of aromatic Plant
- Organic imports

To the Bank has taken various steps for the benefit of the farmers

Haryana state Co-operative Apex Bank Ltd. Occupies as vital position in the state economy and has been financing farmers, rural artisans agricultural labourers, entrepreneurs etc.

Various self- employment schemes financial

Harco Bank are as under:-

Enterprise Loan Schemes

Project finance for Agro Based Project

Scheme for soft loan assistance for Margin money.

Loan to other type of society.

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Annual Credit Plan of Haryana for 2014-15 (Upto Sep.,2014)

Rs. Crore

Sector	Target	Achievement	Percentage Achievement
Agriculture & Allied	53170.80	23396.58	44.0
Micro & Small Enterprises	12339.25	7126.91	57.8
Other Priority Sector	11651.43	5416.56	46.5
Total	77161.48	35940.05	46.6

Advances by CBs and RRBs during 2014-1-15 (Upto Sep., 2014)

Rs. Crore

Sector	Target	Achievement	Percentage Achievement
Agriculture & Allied	40761.19	18802.08	46.1
Micro & Small Enterprises	11536.21	6911.05	59.9
Other Priority Sector	11020.26	5196.65	47.2
Total	63317.66	30909.78	48.8

Advances by Co-operative Banks During 2014-1-15 (Upto Sep., 2014)

Rs. Crore

Sector	Target	Achievement	Percentage Achievement
Agriculture & Allied	11970.94	4520.85	37.8
Micro & Small Enterprises	495.33	35.86	7.2
Other Priority Sector	563.59	212.81	37.8
Total	13029.86	4769.52	36.6

Evaluation

Reviewing the performance of banking sector in Haryana during the state-level banker's committee, Gauri Shankar, executive Director, Punjab National Bank under Annual credit plan 2014-15 up to Sept., 2014 was 99%. He added that banking system in the state has achieved all the national goals during the period Oct. 2013 to Sep. 2014. The priority sector advances have gone up from Rs. 68063 crore as in Sep. 2013 to 79,566 crore as in Sep. 2014 recording an increase of 17%. The agriculture advances have increased from Rs. 28,385 crore to Rs. 32,155 crore, exhibiting a growth of 13%. All this shows that the banking sector is working efficiently in Haryana.

To above discussion prove that the banking sector plays an important role in Haryana's economy. The Agriculture and industrial sector grows in present time because the supply of bank finance has gone to these sectors. The banks are working in generation of income and employment. They are giving credit for investment in Haryana at large scale the education on higher level became easy due to the banking facilities.

Today the farmers of Haryana do not commit suicide because the banks have given finance to them for scientific agriculture and for business.

The Non Repayment is the big problem. People taking loans for not to repay. Many factors responsible for non-repayment as inadequacy of income, unwillingness to repay, higher family

consumption, lack of efforts by bank staff etc. The private and public sector banks gives facilities to the people at it is required that the people of Haryana become responsible.

Conclusion & Suggestions

Banks plans an important role for any economy. Haryana's economy growing due to growth of Agriculture sector and industrial sector. It is from above information that banks were started so many schemes for provide loans to these sector and for poverty allivation.

Based on the study conducted, there are some of the suggestions of how the modern banking should be. These are the comment about the improvement of the banking sector in India.

1. Banks should obey the RBI norms and provide facilities as per the norms, which are not being followed by the banks. While the customer must be given prompt services and the bank officer should not have any fear on mind to provide the facilities as per RBI norms to the units going sick.
2. Banks should increase the rate of saving account
3. Banks should provide loan at the lower interest rate and education loans should be given with ease without much documentation. All the banks must provide loans against shares.
4. Fair dealing with the customers. More contribution from the employee of the bank. The staff should be cooperative, friendly and must be capable of understanding the problems of customers
5. Internet banking facility must be made available in all the banks.
6. Prompt dealing with permanent customers and speedy transaction without harassing the customers
7. Each section of every bank should be computerized even in rural areas also.

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