



Role of banking sector in industrial development in Punjab

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The present study was undertaken to find out the role of banking sector in development of industries in Punjab. Banks play significant role in the development of industries. They are not only significant for industries development but also for social development. The main objectives of this paper was to know the Banking scenario in Punjab, To know Bank wise & District wise credit deposit ratio in Punjab, To know the role of Banking sector in development of MSME sector in Punjab, To know bank wise credit flow to MSME sector. For the purpose of study secondary data has been collected which includes Annual Reports 2011-12 ,Govt. of India ministry of MSME, Financing for MSME the east side story, confederation of INDIA industries etc. The findings of the present paper revealed that there is a positive and significant role played by the banking sector in industrial development of Punjab. At the national level Gujrat, Tamilnadhu, kerala and Rajasthan is leading in different – different sector. The findings of present study can be used as to protect and promote the industries in Punjab.

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Introduction

Punjab is second largest producer of Cotton and blended yarn and the third largest producer of mill made fibers in India. The state has over 20400 small and medium enterprises and about 600 large scale companies. It is one of the leaders in manufacturing of machine and hand tools, printing and paper cutting machine etc. Banks plays significant role in the development of industries. They are not only significant for industrial development but also for social development.

The state profile:

1. State Capital	Chandigarh
2.Area (Sq. Km)	50363 Sq. Km
3. Population (census 2011)	2.77 crore
4. Population Density (Sq. Km) (census2011)	550
5. Number of Districts	22 *
6. Important rivers	Ravi, Beas, Satluj, Indus& Jhelum
7.Prominent Tourist Destinations	Golden Temple, Wagah Border , Anandpur sahib, Jallianwala Bagh

8. Nation Highway length (2009-10)	1749 kms
9.. Domestic Airport	Chandigarh, Ldh. And Pathankot
10. International Airport	Raja sansi international airport, Amritsar
11. Literacy Rate (2011 Census)	76.7%
12. Sex Ratio	893

.key industries in Punjab	Agro and food processing, beverages, IT and knowledge, tourism, handicraft, automobile, chemical, metal and light engineering
Main industrial cities	Ludhiana, Jalandhar, Amritsar, Mohali

Source: PHD research bureau, compiled from department of planning, govt. of Punjab census ,2011.

*the state Punjab has 22 districts which comprises sub –divisions , tehsils and blocks.

RANK WISE PUNJAB STATE PROFILE

Investment Environment	10th
Agriculture	1st
Infrastructure	1st
Consumer Market	1st

Source: India today 29 nov., 2010, an article by Bibek Debroy & Laveesh Bhandar

Economists say that the MSME sector has emerged as a vibrant sector of Punjab economy over the last five decades MSMEs (micro & Small enterprises in the state dominates the MSME sector accounting for 47% of the sectors output 60% of its exports and 21% of investment.

In accordance with the provision of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (MSME) are classifying in two Classes:

(a) Manufacturing Enterprises- The enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and regulation) Act, 1951) or employing plant and machinery in the process of value addition to

the final product having a distinct name or character or use. The Manufacturing Enterprise are defined in terms of investment in Plant & Machinery.

(b) Service Enterprises: The enterprises engaged in providing or rendering of services and are defined in terms of investment in equipment.

Manufacturing sector

Enterprise	Investment in plant and machinery
➤ Micro enterprise	Does not exceed 25 lakh rupees
➤ Small enterprises rupees	More than 25 lakh rupees but doesn't exceed 5 crore
➤ Medium enterprise rupees	More than 5 crore rupees but does not exceed 10 crore

Service sector

Enterprise	Investment in equipment
➤ Micro enterprise	Doesn't exceed 10 lakh rupees
➤ Small enterprise	More than 10 lakh rupees but does not exceed 2 crore rupees
➤ Medium enterprise	More than 10 crore rupees but does not exceed 5 crore rupees

Commercial banks has played a greater role in development of industrial sector especially MSME. A focus paper prepared by national bank for agriculture & rural development (NABARD) has estimated the state MSME sector is need for funds in 2014-15 including term credit and working capital at Rs. 18187 Crore, a growth of 9% over that in 2013-14.(The support Biz Bureau, Jan 21, 2014) With a view to encourage banks for taking effective steps forenhancing flow of credit to MSE sector a national award is being conferred upon banks in recognition of their outstanding performance for the year 2010-11 awards has been given to following banks:

Ist Award - Indian Overseas bank

IInd Award - State bank of Indian

IIIrd Award - State bank of Mysore .

OBJECTIVES:-

- ✓ To know the banking and MSME scenario in Punjab.
- ✓ To know bank wise & District wise credit deposit ratio in Punjab.
- ✓ To know the role of banking sector in development of MSME sector in Punjab.
- ✓ To know bank wise credit flow to MSME sector.

BANKS	NO. OF OFFICES in INDIA	No. of offices in Punjab	% of offices in Punjab to INDIA
SBI AND ASSOCIATION	21092	953	4.52
NATIONALISATION BANK	54243	2808	5.17

Banking scenario in Punjab: -

Punjab has network of 5035 bank branches comprising 3841 branches of public sector and private sector commercial banks, 261 branches of three regional rural banks, 825 branches of Punjab state cooperative bank and 20 district central cooperative banks.

FOREIGN BANK	317	08	2.52
REGIONAL RURAL BANK	17356	301	1.73
OLD PRIVATE BANK	6081	87	1.43
NEW PRIVATE BANK	9905	723	7.29

Bank-wise Distribution of number of reporting offices (Sept, 2013)

MSME SCENARIO					
STATE WISE DISTRIBUTION OF WORKING OF ENTERPRISES BY NATURE OF ACTIVITY					
STATE/UT CODE	STATE/ UT NAME	NUMBER OF ENTERPRISES HAVING NATURE OF ACTIVITY			
		Manufacturing assembly processing	Services	Repairing and Maintenance	Total
1	Jammu Kashmir	11295	1857	1841	14993
2	Himachal Pradesh	10530	577	824	11931
3	Punjab	34047	2399	11664	48110
4	Chandigarh	941	21	34	996
5	Utrakhand	13437	6607	3721	23765
6	Haryana	26471	1524	5155	33150
7	Delhi	3545	55	154	3754

8	Rajasthan	38548	7211	9126	54885
9	Utarpradesh	113840	31350	42552	187742
10	Bihar	34660	3424	11952	50036
11	Sikkim	105	11	6	122
12	Arunachal Pradesh	360	15	42	417
13	Nagaland	1273	18	41	1332
14	Manipur	3587	268	637	4492
15	Mizoram	2873	435	407	3715
16	Tripura	1132	84	127	1343
17	Meghalaya	2720	562	178	3010
18	Assam	13421	3636	2807	19864
19	West Bengal	37542	1699	4018	43259
20	Jharkhand	11464	1298	5428	18190
21	Orissa	15262	2886	1458	19606
22	Chhattisgarh	11510	4870	6388	22768
23	Madhya Pradesh	52599	22302	32096	106997
24	Gujarat	151512	34018	44300	229830
25	Daman &Diu	591	3	0	594
26	Dada& Nagar Haveli	1698	13	5	1716
27	Maharashtra	80244	3692	2650	86586
28	Andhra Pradesh	40910	1292	3490	45692
29	Karnataka	102903	21799	11484	136186
30	Goa	2313	168	140	2621
31	Lakshadweep	2	0	0	2
32	Kerala	106622	28855	14711	150188

33	Tamilnadu	120230	79130	34521	233881
34	Pondicherry	1216	137	98	1451
35	Andaman and Nicobar	440	153	157	750
	All India	1049393	262369	252212	1563974

Source: Database Reserve Bank of India.

The contribution of SBI and Association bank at National level is 21092 offices through out but

STATE WISE DISTRIBUTION OF ENTERPRISES BY AMOUNT OF LOAN TAKEN
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if we look at the Analysis of the same at Punjab level the offices number counts to 953 , so the resulting % of SBI and association banks in Punjab to India is 4.52%. Nationalisation banks dominate the other banks in number of offices which is 54243 at Punjab level the Nationalisation banks have 2808 offices which results in Punjab to India % of 5.17% .foreign banks are lagging behind in the field they just have 317 offices at India level and surprisingly 8 offices at Punjab

STATE / UT CODE	STATE/ UT NAME	Number of Enterprises having taken loan				Amount of Loan Taken (2 Crore)			
		IS	NON IS	BOTH	TOTAL	IS	NON IS	BOTH	TOTAL
1	Jammu Kashmir	1869	96	64	2029	705.87	7.48	51.26	764.61
2	Himachal Pradesh	2490	100	568	3158	941.96	42.32	127.45	1111.73
3	Punjab	4171	425	1133	5729	2092.36	118.42	780.96	2991.74
4	Chandigarh	137	7	22	166	22.86	0.29	10.68	33.83
5	Uttrakhand	5443	114	475	6032	551.46	20.48	429.53	1001.47
6	Haryana	6506	569	953	8028	2810.52	341.14	575.61	3727.27
7	Delhi	361	255	27	643	359.03	137.61	23.49	520.13
8	Rajasthan	8371	894	1863	11128	1723.46	201.21	1705.87	3630.54
9	Uttarpardesh	10989	763	746	12498	3655.67	201.67	910.19	4764.53
10	Bihar	1084	187	72	1343	84.47	5.65	33.71	123.83
11	Sikkim	40	3	4	47	8.62	0.8	0.54	9.96
12	ArunachalPradesh	77	1	6	84	4.78	2.1	1.6	8.48
13	Nagaland	19	5	5	29	4.46	0.06	15.66	20.18
14	Manipur	30	6	0	36	2.22	0.33	0	2.55
15	Mizoram	613	17	8	638	30.76	0.51	1.93	33.2
16	Tripura	501	11	11	523	39.1	1.54	47.25	87.89
17	Meghalaya	374	8	12	394	23.8	0.84	0.52	25.16
18	Assam	3734	150	75	3959	740.62	29.57	54.49	824.68
19	West Bengal	9942	694	831	11467	1992.07	77.37	517.38	2586.86
20	Jharkhand	857	107	43	1007	227.18	15.09	39.35	281.62
21	Orissa	6598	190	301	7089	1442.68	11.64	258.92	1713.24
22	Chhattisgarh	4683	188	137	5002	426.7	8.11	49.61	484.42
23	Madhya Pradesh	9703	631	589	10923	983.73	17.86	541.65	1543.24

24	Gujarat	3377	768	57	4202	160.48	87.31	72.18	319.97
25	Daman& diu	77	38	122	237	99.66	43.91	433.7	577.27
26	Dadra & nagarhaveli	5	1	0	6	4.68	0.22	0	4.9
27	Maharashtra	22788	1545	1432	25765	6661.42	416.92	680.02	7758.36
28	Andrapradesh	7650	561	616	8827	1296.35	103.42	345.6	1745.37
29	Karnataka	15820	3021	1163	20004	2104.55	183.82	198.15	2486.52
30	Goa	453	74	67	594	325.81	66.67	43.86	436.34
31	Lakshadweep	0	0	0	0	0	0	0	0
32	Kerala	31981	2896	1052	35929	1875.47	95.63	187.22	2158.32
33	Tamilnadhu	8966	2085	719	11770	3171.51	290.81	1094.19	4556.51
34	Pondicherry	262	16	19	297	117.12	1.79	59.86	178.77
35	Andaman Nicobar	107	9	1	117	3.12	059	0.07	3.78
	Total	170078	16435	13193	199706	34694.55	2533.18	9292.50	46520.23

level which is having 2.52% of Punjab to India.

Source: Final Report: forth all India census of MSME (2006-07), registered sector (edition: Apr 2011).

From this table we can conclude that in MAP Gujarat is leading all other states as well as UT's which is having 151512 contribution. it is followed by Tamilnadhu which is contributing 120230 in the same field. Lakshadweep is having negligible contribution in this field surprisingly only two. In the services sector Tamilnadhu is leading with majority having contribution of 79130. After tamilnadhu, Gujarat is contributing in the same field having production of 34018 services. Daman and Diu being UT's must work on to increase the no. of services from three. In repairing and maintenance field, again Gujarat is hedging all other region with 44300 units followed by Tamilnadhu having 34521 units. Overall tamilnadhu emerges out to be the best of all regions in the entire three sectors with the mind-blowing contribution of 233881 units. Gujarat occupies the second place with 229830 units. Lakshadweep having the contribution of only two units is the matter of concern for the Nation's progress.

Source: Final Report: forth all India census of MSME(2006-07), registered sector (edition: Apr,2011).

From this table we can conclude that number of enterprises having taken loan IS is maximum for Kerala with a value of 31981 units. Maharashtra occupies the second place with value of 22788 units. For non IS Karnataka is at first place and Kerala occupies the second place. For both IS and non IS Rajasthan contribute the maximum with value of 1863 units. In total Kerala leads all other region with 35929 units. In case of loan taken by IS Maharashtra occupies the first place followed by uttarpradesh having value of 3655.67 crore. For non IS uttarpradesh is at first place with 201.67 crore and Rajasthan is slightly behind UP with value of 201.21 crore. If we look at both IS and non IS again UP emerges at the first one. On the whole for the total value Maharashtra dominates all other regions with a value of 7758.36 crore. Punjab is having 5729 units contribution which includes IS and both and in loan taking area the total amount for Punjab is 2991.74 crore.

District and bank group wise distribution of the aggregate deposits and gross bank credit of all scheduled commercial banks (sept. 2013)

BANKS TOTAL CREDIT AND DEPOSITS IN PUNJAB (SEP 2013)									
States	Regional rural bank			Old private banks			New private banks		
	Deposits	Credit	Credit deposit ratio %	Deposit	Credit	C.D ratio %	Deposits	Credit	C.D ratio %
Punjab	40295	33179	82.34	19333	30071	155.54	229715	159198	69.30
Amritsar	2995	2922	97.56	4907	4095	83.45	25765	12131	47.08
Barnala	1125	1403	124.71	15	14	93.33	1493	17098	1145.21
Bathinda	310	258	83.22	194	706	363.91	7126	7496	105.19
Fridkot	937	426	45.46	-	-	-	2524	3839	152.09
Fatehgarh sahib	1091	783	71.76	279	900	322.58	4693	4796	102.19
Fazika	1090	2185	200.45	77	726	942.85	2075	4165	200.72
Ferozpur	1384	2440	176.30	208	146	70.19	3265	4429	135.65

Gurdaspur	4232	4056	95.84	680	215	31.61	6606	4381	66.31
Hoshiarpur	4397	1890	42.98	-	-	-	10191	3018	29.61
Jalandhar	793	992	125.09	2861	2463	86.08	30777	13107	42.58
Kapurthala	6552	2044	31.19	379	367	96.83	9903	3083	31.13
Ludhiana	262	183	69.84	4749	10891	229.33	49419	51244	103.69
Mansa	556	685	123.20	108	296	274.07	1980	2997	151.36
Moga	559	492	88.01	212	192	90.56	4596	3364	73.19
Muktsar	503	611	121.47	-	-	-	3814	6060	158.89
Pathankot	2182	1198	54.90	376	436	115.95	2838	1183	41.68
Patiala	2116	2063	97.49	1064	3775	354.79	16114	12869	79.86
Rupnagar	1850	1421	76.81	155	354	228.38	3812	1385	36.33
Sahibzada ajit singh nagar	2538	1259	49.60	2837	2588	94.55	29139	6856	23.52
Sangrur	2731	3093	113.25	95	991	1043.15	5196	5929	114.10
Shahid bhagat singh nagar	585	352	60.17	138	916	663.76	4707	1801	38.26
tarntaran	1508	2424	160.80	-	-	-	3683	3266	88.67

Source: Database Reserve Bank of India.

The above mentioned analysis , fazilka is having credit deposits ratio of 200.45% in regional rural bank sector Followed by ferozpur having credit deposits ratio of 176.30%. kapurthala is lagging behind in the same sector with the contribution of only 31.19%. for old private banks SBS nagar is doing well with credit deposits ratio 663.76%. At second place Patiala is contributing with 354.79%. if we look at the new private banking sector, barnala emerges out with credit deposit ratio of 1145.21%. again fazilka region is doing well for new private banks with credit deposit ratio of 200.72%. At Punjab level regional banks are contributing with credit deposits ratio of 82.34%, old private banks with 155..54%, new private banks with 69.30%.

States	SBI & Its associates			Nationalised banks			Foreign banks		
	Deposits	Credit	C.D ratio %	Deposits	Credit	C.D ratio %	Deposits	Credit	C.D ratio %
Punjab	563432	483066	85.73	1224405	898648	73.39	6857	3326	48.50
Amritsar	37269	14343	38.48	135025	54193	40.13	1395	2	.14
Barnala	8463	8668	102.42	8369	5940	70.97	-	-	-
Bathinda	27425	23355	85.15	30544	27515	90.08	-	-	-
Fridkot	10026	6344	63.27	12888	8390	65.09	-	-	-
Fatehgarh sahib	12469	17917	143.69	15541	14906	95.91	-	-	-
Fazika	6916	10615	153.48	14147	13874	98.07	-	-	-
Ferozpur	8997	8769	97.46	18825	19459	103.36	-	-	-
Gurdaspur	19091	6474	33.91	48707	23311	47.85	-	-	-
Hoshiarpur	36656	7923	21.61	96443	25897	26.85	-	-	-
Jalandhar	92353	30132	32.62	252954	67964	26.86	1613	306	18.97
Kapurthala	24393	5414	22.19	70646	23395	33.11	-	-	-
Ludhiana	73434	151964	206.93	209143	344174	164.56	3849	3018	78.40
Mansa	6928	7292	105.25	5658	7434	131.38	-	-	-
Moga	12128	6007	49.53	33496	20012	59.74	-	-	-
Muktsar	8915	9000	100.95	12897	11252	87.24	-	-	-
Pathankot	12600	4523	35.89	20227	8489	41.96	-	-	-
Patiala	69425	39183	56.43	65226	132979	203.87	-	-	-
Rupnagar	16849	4801	28.49	20057	5609	29.46	-	-	-

Sahibjada ajit singh nagar	23595	91180	386.43	67263	44258	65.79	-	-	-
Sangrur	26405	22030	83.43	26442	20719	79.35	-	-	-
Shahid bhagat singh nagar	19245	3383	17.57	41894	8519	20.33	-	-	-
tarntaran	5859	3750	64.00	18012	10361	57.52	-	-	-

Source: Database Reserve Bank of India.

From this table the credit deposits ratio of SBI & its associate for the leading region is 386.43% which is of SAS nagar. Ludhiana is also contributing decently with credit deposits ratio of 206.93%. nationalized banks are working well in Patiala with credit deposits ratio of 203.87% which is followed by Ludhiana with 164.56%. on the other hand foreign banks are having less dominance in Punjab region with majority of credit deposits ratio in Ludhiana only.

GENERAL FINANCING SCHEME:- These are few financing scheme drafted for MSMEs which the industry could approach for (depending on their requirement) Almost all the public sector banks do provide the following schemes:-

NAME	SCHEME PARTICULARS AND WORKINGS
1. SME credit cared (up to 10 lakh INR)	Loans are for the micro enterprises including SSI units, small business enterprises, professional and self employed persons, small retail traders, trans[ort operators etc. for meeting any kind of credit requirement including purchase of shops, maximum limit being 10 lakh &working capital loan. The loan will be sanctioned for three years with an annual review.
2.SME Smart Score (Up to 50 lakh)	The loan product is for manufacturing trade and services segments to meet working capital needs for acquisition of fixed assets. A simplified appraisal model has been developed to standardized the appraisal process for loans up to 509 lakh INR in SSI sector and up to 25 lakh INR for trade and services sector available with attractive interest rates. The loan will be sanctioned for two years with an annual review.

<p>3. SBI Smile (Interest free loan as equity)</p>	<p>The scheme provides interest free loan as equity assistance towards part of margin requirement of the project, to assist eligible professional and technically qualified entrepreneurs setting up new micro and small enterprises and units covered under the banks projects uptake for technology up gradation. Equity assistance is up to a maximum of 10 lakh INR. The interest free loan is repayable in three years with a moratorium period of 5-7 years.</p>
<p>4. General purpose term loan for SSI sector (up to 50 lakh INR)</p>	<p>This product is for existing borrowers for any general commercial purpose such as sharing up of net working capital, substitution of high cost debt, R & D , ISO certification etc, subject to disbursement being made in line with the specific purpose approved. The maximum loan repayable in maximum period of five years.</p>
<p>5. Open term loan (up to 2.5 crore INR)</p>	<p>A pre- sanctioned term loan with limit up to 2.5 crore INR for existing or new corporate or non corporate customers in manufacturing sector and up to 1 crore INR for hotels, hospitals, educational institutions in service sector .</p> <p>The sanctioned limit is valid for a year margin requirement is 10%, the borrowers can utilize pre approved sanction to plan capital expenditure and negotiate with suppliers of manufacturing and finalize best possible contract.</p>
<p>6. SME Construction equipment loan</p>	<p>Maximum loan available up to 25 crore INR with minimum margin applicable up to 15 %. Tenure of loan can be extended up to maximum four years. Term loan for purchase of construction equipment viz loaders, excavators, cranes etc for contractors and firms engaged in construction activity.</p>
<p>7.SME Car loan</p>	<p>Loans for purchase of passengers cars, jeeps, multi utility vehicles etc to promoters / partners/ senior executives of SME units having borrowing arrangements with the bank.</p>

Source:- Financing for MSMEs , CII

Snap – Shot of bank specific schemes

Some of the bank specific schemes are outlined below :-

BANKS	SCHEMES
State Bank of India	Commodity backed warehouse receipt financing, SSI loans traders easy loan schemes open term loan, business current account, retail trade, SBI shoppe, SME petro credit, small business credit card, paryatan plus swarojgar credit card etc.
Bank of Baroda	Baroda SME gold card, Baroda vidyasthali bond, KVIC- ISEC, scheme for financing energy efficiency projects, Baroda overdrafts aganists land and building, Baroda SME loan pack etc.
Export- Imports Bank of India	Several debt restructuring schemes for SMEs etc
United Bank of India	United shilpi card, united udyogshree yojana, united mahila udhyami yojana etc.
Central Bank of India	Central trade, central doctor scheme etc.
IDBI	SME hosiery a/c, dealer finance program, entrepreneurial development fund etc.
Corporation Bank	One time settlement scheme for NPA under SME, corporation kisan farm mechanisation yojana, corp. gram mitra yojana etc
Vijaya Bank	Liquidity finance to MSEs technology up gradation fund scheme for MSEs, CREDIT guarantee fund scheme to MSE etc.
Union Bank of India	Union support, union high pride, union cyber etc.
PNB	PNB vikash udyami, PNB SME saha yog scheme etc.
Syndicate Bank	Synd vyapar, synd udyog, synd swarozgar, synd laghu udhyami credit card, synd general credit card etc.
Dena Bank	Dena shakti scheme, scheme for financing wind mills channel financing scheme for dealers etc.
UCO Bank	SME medium term loans, scheme for financing energy efficiency advances etc.
Allahabad Bank	Micro small and medium enterprises advances etc
Andra Bank	Composite loan scheme, term finance , open cash credit (OCC), AB power tools etc.
ICICI Bank Ltd.	ICICI Bank edge, vendor bill discernming, SME dialogue etc.
HDFC Bank Ltd.	Working capital finance , construction equipment loan, commercial

	vehicle finance, credit substitute, Export credit etc.
YES bank Ltd.	Working capital loans, term loans, Export finance etc.
AXIS Bank	Financing to non priority sector entities, overdraft against property, financing to priority sector entities, term loan against property, lease rent discounting, business loan for property (BLFP)
Kodak Mahindra Bank	Kotak business loan, working capital finance , international imports finance , international Export finance.

Source:- Financing for MSMEs,(CII) confederation of Indian industry

Findings :

1. Nationalized banks dominate the other banks in the no. of reporting offices which is 54243 at overall India. However, old private sector banks are having the highest percentage of reporting offices in Punjab to India i.e. 7.29%.
2. The industries in Punjab more dependent on institutional loans rather than non-institutional loans.
3. In terms of institutional loan disbursement to MSME Punjab stands at second place.
4. Number of working enterprises in Punjab having major portion in manufacturing / assembly i.e. 34017 as compare to services and repairing.
5. Number of enterprises loan taken in IS sector in Punjab is 4271 and amount of loan taken is Rs 2092.36 crore.
6. At Punjab level old private banks are having the highest credit deposits ratio i.e. 155.54% in Comparison with other banks.
7. SBI and its associates having second place in case of credit deposits ratio i.e. 85.73% at Punjab Level.
8. More of the scheme provided by banks to industries which provide credit lies b/w. 10 crore to 50 Crore.

Suggestions:

1. Number of reporting offices should be increased in Punjab to support industrial sector in Punjab.
2. Banks should devise more credit schemes for industry.
3. Banks should check and disclose state-wise performance of each scheme.
4. Banks should improve its credit deposit ratio, to play a better role in industrial development in Punjab.
5. MSME should be aware of various credit schemes offered by banks.
6. MSME should also develop business in service sector, especially in Punjab.

To conclude the nationalized banks have 208 offices which results in Punjab to India % of 5.17%. in case of MSME scenario Gujarat is leading all other state. In the service sector tamilnadhu is leading with majority having contribution of 79130. On the whole of tamilnadhu emerges out of to be the best region in the entire three sectors with the mind-blowing contribution of 233881 units. when we studied about the Credit deposits ratio then fazilka is having highest credit deposit ratio i.e. 200.45% in regional rural bank sector. On the other hand in case of old private banks State bank and its associates are doing well with credit deposits ratio of 663.76%. if we look at the new private banking sector barnala emerges out with credit deposits ratio is 1145.21%. at Punjab level regional banks are contributing with ratio of 82.34%, old private banks with 155.54%, new private banks with 69.30%. Ludhiana is also contributing decently with credit deposit ratio of 206.93%. in case of number of enterprises taken by IS is maximum for Kerala with a value of 361981 units. For non IS karnarka is at first place. In total Kerala leads all other region with 35929 units. Punjab is having 5729 units which includes IS, non IS and both in loan taking area the total amount for Punjab is 2991.74 crore.

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