

SMG

ISSN 0976-9056

SPECIAL ISSUE

AUGUST-2013

Not Found



**SOCIETY OF TRAINING AND RESEARCH MANAGEMENT
AURANGABAD (M.S.)**

29.	Impact of Indian infrastructure on economic development of India	Dr. Jagtap B. S. Prof. Pansambal S. U. Dr. Gholap A. R.	69
30.	Service Sector In India: Challenges And Opportunities	Dr. B. G. Lobo	71
31.	Role of Small Scale Industries in the Development of Indian Economy	Dr. Mrs. Kanwade P. V. Prof. Nirmal V. D.	
32.	Role & Challenges of Jnnurm In Urban Infrastructure Development In India	Dinkar P. Bhadane	74
33.	Issues And Challenges Before Indian Retail Sector	Bhosale J. P.	76
34.	Human Resource Development Policies in Manufacturing Industry in India	Mrs. Manisha A. Navare	78
35.	A Study of Maharashtra Industrial Development Corporation	Shinde V. G. Sayyad Mehajabin	80
36.	Challenges and Opportunities in Indian Retail Industry	D. N. Ghane Dr. B. R. Pawar	82
37.	Indian Defence Industry: Challenges before the Defence Procurement Procedure (DPP) – 2013	Miss. Sneha Kulkarni	83
38.	Instability in sectoral growth rate of indian economy: Especially industrial sector	Prof. Nitin Ade	85
39.	Infrastructure In The Indian Economy	Manisha Subhash Giri	87
40.	Trends In Accounting of Service Sector In India's Economy	Dr. M. V. Jagtap	89
41.	Indian Banking Sector: Challenges and Opportunities	Prof. Kawade V. P.	91
42.	Devaluation of money – Causes and remedies	Prof. Ranpise Bhausaheb D Dr. B. R Pawar	93
43.	Rupee Devaluation Probable Causes , Impacts and Remedial Measures	Mr. Abhijit Shripatrao Misal Mr. Abhijeet Kamble	95
44.	Monetary measures to control Inflation in India	Dr. Barhate G. H Mr. Rajesh B. B.	97
45.	Devaluation of Indian Rupees	Dr. R. G. Rasal A. V. Ghorpade	101
46.	Devaluation of the Indian Currency: Implications for the Indian Economy	Dr. Bhor L. D.	103
47.	Evaluation of Financial Performance of Urban Co-operative Banks in India.	Smt. B. D. Patil, Dr. R. K. Datir	106
48.	Rupee Depreciation	Prof. Ravindra A. Ahire	108
49.	Devaluation of Money	Dr. Suresh Kashinath Pulate	110
50.	Devaluation of currency in Indian economy: Causes & consequences	Bipin G. Sable	113
51.	Challenges before Indian Banking Industry	Dr. D. B. More,	115
52.	Role of Financial Services In Indian Economy''	Prof. Dr. Shirish N. Gawali	117
53.	Micro Credit The part of women's Empowerment in Rural Development in India	Prof. Ashwini Adadande	120
54.	Rupee Depreciation: Its Implications and Cures	Dr. D. G. Ushir	122
55.	Rupee Depreciation and its Impact on Indian Economy	Dr. R. K. Datir,	124

focus on the financial services sector. Thus at last I would like to conclude with a note that these are challenging times for the banking Industry which are to be strive to battle competition.

References:

- 1) www.google.com (About updated statistic of July 2013 mobile banking transactions).
- 2) <http://www.cscjournals.org/csc/manuscript/Journals/IJBRM/volume3/Issue1/IJBRM-64.pdf>
- 3) http://rbi.org.in/scripts/BS_SpeechesView
- 4) <http://blog.ficci.com/q1-gdp-growth-rate-india/1343/>
- 5) www.Wikipedia.com
- 6) Goyal, K. A. and Joshi, V. "Mergers in Banking Industry of India"
- 7) International journal of business research and management.

"Role Of Financial Services In Indian Economy"

Prof. Dr. Shirish N. Gawali

Associate Professor, Faculty Member, University of Pune, C.D.Jain College of Commerce
Shrirampur, Dist- Ahmednagar Pin Code - 413 709 (M.S) e-mail: gawalishirish@gmail.com
Mobile : 9423785954

Abstract :

Financial services are fundamental to economic growth and development. The financial service sector is the largest in the world in terms of earnings comprised of a wide range of business including credit card companies, stock exchanges, merchant banks and insurance companies, among others. The far-reaching changes in the Indian economy since liberalization have had a deep-impact on the Indian financial services sector. India's service sector has been the dynamic part of its economy leading GDP growth for past two decades. Therefore in the financial services sector in line with micro finance institutions, international financial institutions and multilateral and bilateral donors in common large commercial banks have the potential to serve as lynchpins in the dynamic transformation of financial institutions to offer expanding economic opportunity to the poor. The role of the financial institutions is to mobilize funds and allocate them to those in need of funds.

Key words :

Credit card, Merchant bank, Liberalization GDP, International Financial Institute, Multilateral, Bilateral ,Opportunity.

INTRODUCTION

Finance is the backbone of Indian economy. During the last decade, there has been a broadening and deepening of financial market. Since Liberalization, privatization and globalization (LPG), the changes in the Indian economy have had a deep impact on the Indian Financial services. Access to Financial services plays an important role in Indian economy. A sound Financial system is an important for the economic development of a country. The formal and informal financial sector constitute the financial systems for most developing countries. The formal financial sector is characterized by the presence of an organized institutional and regulated system which caters to the financial needs of modern spheres of economy. The Indian financial system can be divided into two major groups. i.e. formal/organized financial system and the informal / unorganized financial system. The formal financial system comes under regulatory purview of the ministry of finance, Reserve Bank of India, Securities and Exchange Board of India (SEBI) and other regulatory bodies. On the other hand, the informal financial system are as individual money lenders, partnership firms – include local brokers, pawanbrokers and nonbank financial intermediaries i.e. investment, finance and chit fund companies etc.

In this way the importance of the financial sub. Sector goes beyond the output and employment, it directly generates its critical role in enabling broader economic activity whether in industry, agriculture or other services. In short the financial sub-sector provides corporate saving insurance for risk mitigation credit for producing and consuming goods and creating long term assets saving and social securities

OBJECTIVES OF THE STUDY

The present study has been attempted in pursuance of the following objectives

- 1) To overview of service sector in India.
- 2) To study the growth and analysis of financial services in India
- 3) To understand the financial companies in India.
- 4) To know the challenges facing by financial services.

RESEARCH METHODOLOGY

The researcher has made the use of secondary data and information like reference books, journals, magazines, reports and websites to collect the relevant data for the study.

Service Sector in India : An overview :-

The service is a large part of the Indian economy i.e. in terms of employment potential or its contribution to the national income. India is the third largest economy of Asia. The sophisticated fields of service sector are telecommunication, satellite mapping and computer software. The simple services like those performed by the carpenter, the barber and the plumber, highly capital intensive activities are civil aviation and shipping to employment oriented activities like tourism, real estate, and housing infrastructure related activities like roadways, railway and ports and social sector related activities are health and education.

Importance of service sector :

The following is the important information regarding service sector in India.

- The share of services in India's gross domestic product (GDP) at factor cost has expanded from 33.3 percent in 1950-51 to 56.5 percent in 2012-13 as per advance estimate.
- The HSBC market services Purchasing Manager's Index (PMI) which gauges business activity from a survey of over 400 companies ranging from bank to hospitals, stood at 50.7 in April 2013.
- Indian service sector enjoyed foreign direct investment (FDI) inflows amounting to US \$ 4.75 billion during April February 2012-13.

GROWTH AND ANALYSIS OF FINANCIAL SECTOR IN INDIA :

The financial services sector is the largest in the world in terms of earning comprised of a wide range of business including merchant banks, credit card companies stock brokerages and insurance companies, among others. At present the growth of financial sector in India is nearly 8.5% per year. The rise in the growth rate suggests the growth of the economy. So the financial policies are able to sustain a stable growth rate.

Financial Sector reforms can be classified in two phases. The first phase of economic reforms that started in 1985. It is mainly focused on increasing productivity, new technology import and effective use of human resources. These efforts were used for the changes in international markets, organizations and production areas. In the second phase, started in 1991-92 the government aimed at reducing fiscal deficit by opening the economy to foreign investments. These reforms targeted three interrelated issues i.e.

- i) strengthening the foundations of the banking system.,
- ii) Streamlining procedures, upgrading technology and human resource development and
- iii) Structural changes in the system.

In India, the financial sector had an overall growth of 15 percent, which has exhibited stability over the last few years although several other markets across the Asian region were going through a turmoil. With the help of opening the financial market, variety of products and services were introduced to match the needs of the customer. The Reserve Bank of India played a dynamic role in the growth of the Financial sector in India.

The Indian Financial system till the early 1990s was a closed. Restricted highly regulated and segmented system. Allocation decisions were made by the government limiting the allocation efficiently of the financial system. The interest rate controls and high regulations inhibited proper pricing of resources and limited the allocative efficiency.

The growth of financial sector in India was due to the development in the following sectors.

Growth of the banking sector in India.

In bank based financial systems, banks play a pivotal role in mobilizing savings, allocating capital, creating credit, overseeing the investment, decisions of corporate managers and providing it management facilities. The banking system in India is the most extensive. The total asset value of the entire banking sector in India is nearly US \$ 270 billion. The total deposits is nearly us \$ 220 billion. Presently the latest inclusions such as internet banking and core banking have made banking operations more user friendly and very simple.

Growth in the insurance sector in India.

The insurance market is filled up with near players which had led to the introduction of several innovative insurance based product, value add- on services. Therefore so many foreign companies have also entered in insurance sector i.e. Aviva, Allianz, Lombard General, TokyoMarine, AMP, New York Life, Standard Life and SunLife. These Insurance companies has led to aggressive in marketing and distribution techniques. The active part of the Insurance Regulatory and Development Authority (IRDA) as a regulatory body has provided to the development of the sector.

Growth of the capital market in India –

The capital Issues Control Act was abolished in May 1992 and the functions of Capital issues controller were entrusted to SEBI. So the ratio of the transaction was increased with the share ratio and deposit system. As well as the introduction of InfoTech systems in the National stock Exchange (NSE) in order to cater to the various in different locations.

Growth of the venture capital market in India

The Venture capital sector in India is one of the most active in the financial sector inspite of the hindrances by the external set up.

only in India there are around 34 national and 2 international SEBI registered Venture Capital Funds.

OPPORTUNITIES FOR FOREIGN INVESTORS IN STOCK MARKETS IN INDIA:

Foreign institutional investors (FII) may operate in the stock markets in India being registered with the reserve bank of India (RBI) and the Securities and Exchange Board of India (SEBI)

investment opportunities for foreign investors in stock markets in India some companies the foreign stake may be up to 26%

Bond Market in India :-

Bond market in India with the liberalizations has been transformed completely. At present several foreign investors are allowed up to 30% of the Financial in form of fixed income to invest in the bond market in India. The bond market in India plays an important role in fund raising for development Ventures Bonds are issued and sold to the public for raising funds. Bonds are interest bearing debt certificates. The bond market in India has huge opportunities for the market is quite shallow. The equity market is more popular than the bond market in India. At present the bond market has emerged as an important financial sector.

Types of bond market in India

- Funding Bond market
- Municipal Bond market
- Corporate Bond market
- Government and Agency Bond market
- Mortgage Backed and Collateral Debt obligation Bond market.

Major reforms in the bond market in India.

- The computerization of the SGL
- Sophistication of the markets for bonds such as inflation indexed bonds.
- The system of auction introduced to sell the government securities.
- A new segment called the wholesale Debt market (WDM) was established at the NSE to report the trading volume of the Government of India bonds market.
- To establishment of the power regulatory system called the trade for trade system by the RBI which stated that all deals are to be settled with bonds and funds.
- The development of the more and more primary dealers as creators of the Government of India bonds market.
- The launch of innovative products such as capital.
- Indexed bonds and zero coupon bonds to attract more and more investors from the wider spectrum of the populace.

CHALLENGES FACING FINANCIAL SERVICES IN 2013:

- The following are the challenges of financial services.
- Incorporating mobile banking as a regular delivery channel.
- Developing a strategy around social media.
- Implementing tally digital banking
- Filling manual gaps and delivering straight through efficient business processes.
- Enterprise level integration and management of data interactive customization of products and services to meet customer demands.
- Where to develop new and reliable sources of revenue.
- How to come to a new level of growth and sustainable profitability in an environment of low interest rates.
- Rebuilding assets quality and strengthening their capital adequacy.
- Embedding a risk management culture in to the fabric and habit of daily operations.
- Enriching and increasing the business value of customer relationships at a time when customer behaviors and expectations are more demanding.
- How to deal with aggressive and innovative non-bank competitions.
- Transparency in costs compliance and prices

Therefore there is only one challenge for financial institutions in 2013 i.e. how to stay in disciplined and remain responsive to all of the above issues simultaneously.

CONCLUSION:

Considering the above mentioned role of financial companies and changes of financial services in Indian economy. The banking and financial services have been witnessing unheralded disruptions since the last couple of years. Therefore it is clear that, today companies across the spectrum are facing with extraordinary challenges increased regulatory control, need for additional capital and larger bad loan reserves, higher administrative costs amidst greater competition besides pricing pressure while addressing increasing customer expectation.

REFERENCES :

- 1) G. Ramesh Babu, Financial Services in India, Concept Publishing Company, New Delhi – 110059

- 2) L. M. Bhole, Financial Institutions and Market, MCGraw Hill, New Delhi
- 3) P. V. Kulkarni, Corporation Finance Principles and Problems, Himalaya Publishing House, Mumbai
- 4) R. P. Sharma Corporate Financial Structure, Printwell Publishers, Jaipur (India)
- 5) S. K. Misra & V. K. Puri, Indian Economy, Himalaya Publishing House, Mumbai
- 6) South Asian Economic Journal (2012)
- 7) [Http://firstsource.com/bfs.overview.html](http://firstsource.com/bfs.overview.html)
- 8) www.protiviti.com/en-us/documents/newsletters/bulletin
- 9) www.protiviti.com
- 10) <http://business.mapsofIndia.com>.

Micro Credit The part of women's Empowerment in Rural Development in India

Prof. Ashwini Adadande

Associate Professor in Economics, Abasaheb Garware College, Karve Road, Pune-411004
email: ashadadande@gmail.com

Micro credit is not a new idea in India. Immediately after the nationalization of banks in 1969, increasing the flow of bank credit to the poor and under privileged sections was made one of the objectives of the social and development banking. In order to achieve this objective a wide network of rural bank branches, which implement specific poverty alleviation programmes, were created. But research conducted in the 70's and early 80's showed that a very large number of the poor continued to be outside the fold of the formal banking system and the special schemes for rural development and rural banking could not solve the problem of rural poverty. Taking stock of the situation, the Government of India set up NABARD in 1982 through an Act of Parliament as a development bank to provide and regulate credit and other facilities for promotion of development of agriculture, cottage and village industries, handicrafts and other allied economic activities in rural areas.

Against this background a need was felt for alternative policies, systems and procedures, savings and loans products, complementary services and new delivery mechanisms that would fulfil the requirements of the poor especially women members. To tackle these issues of both borrowers and banks, the self help group model, pioneered by Bangladesh Grameen Bank has emerged as a viable strategy. Before we enter into the main discussion of the study, it is better to have an idea on the basic premise on which Grameen Credit of Bangladesh is based and its major features. The Grameen Credit is based on the premise that poor have skills, which remain a utilized or underutilized. It is not lack of skills that make the people poor.

- It promotes credit as a human right
- It provides credit to the poor families to help themselves to overcome poverty. It is targeted to the poor, especially poor women.
- It is based on trust, but not on legal procedures and system. So it does not insist on any collateral security.
- It provides service at the doorstep of the poor based on the principle that people should not go to the bank, the bank should go to the people.
- A borrower must join a group of borrowers in order to obtain loans
- Loans can be obtained in a continuous sequence. A new loan is available to the borrower if her previous loan is repaid.
- Grameen credit gives high priority to build social capital. It is promoted through formation of groups, developing leadership qualities through annual election of groups. It gives special emphasis on formation of human capital and has concern for protecting environment. It monitors children's education, provides scholarships and student loans for higher education.

In promoting micro-credit, Non-Government organizations play an important role in India both as promoters and financial intermediaries in bridging the gap between the un-reached micro enterprises and the formal banking system. For instance SEWA, an NGO in Ahmedabad, has promoted a bank exclusively for women and is engaged in providing credit for income generating activities of women. The working women's forum of Chennai has organized women's cooperative societies for pursuing income-generating activities and facilities their empowerment-

At the formal level, NABARD and small industries development bank of India (SIDBI) the two apex level financial institutions are promoting, supporting and financing micro-credit programmes in India. NABARD's involvement in promoting finance through the concept of Self Help Groups (SHGs) started in 1987 with a sanction of Rs. 10 lakhs as grant assistance from its R & D fund to

This pilot project of NABARD in reaching the unreached rural poor, achieved a milestone of linking one million SHGs