

Role of Private Banks in Economic Development in Chhattisgarh

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ABSTRACT :

The role of private banks in the economic development of Chhattisgarh is very important. Private banks promote the economy of the state and improve the economic condition of the people. Private banks contribute to economic development by providing financial assistance, which includes investment services, loan services, financial literacy facilities, digital banking services, which help in rural development. Private banks are providing banking facilities to backward and remote areas through modern technology and digital banking services. In today's new era, facilities like UPI and digital wallet are also being provided to the general public through mobile apps, due to which people of backward areas, whether women or men, are taking full advantage of financial assistance while sitting at home. Private banks are contributing to economic development by providing easy loans to businessmen starting new business and new businessmen. They are providing employment opportunities to youth by opening new bank branches in urban and rural areas. Private banking provides the client with a team of expert. manage their finances within the bank. Clients of private banks don't have to wait for a teller or visit the branch frequently. Instead, they can call their personal banker for transaction assistance or answers to their questions. The personal banker knows the intricacies of the client's finances and coordinates with their in-house team of experts to make well-informed recommendations.

Sometimes referred to as "relationship management," private banking allows clients to pay bills, manage money, and access unique financial products. Private banks offer concierge services, making life easier and more profitable for their clients. High-net-worth individuals typically feel the need for a level of accountability and strategic advice that retail banking cannot provide, which is when it's time to consider a private bank.

INTRODUCTION :

bank ' has a few implications in present day utilization. The word " bank ' comes from the Latin word " bancus ' or ' banque , and that implies seat . ' The Italian Jewish financiers used to examine their business while sitting on seats in commercial centers. In the event that a financier fizzled right now, his seat was broken into pieces. It was the acknowledgment of his indebtedness. As indicated by the creators , the word ' Bank ' comes from the German word ' Banck . ' It alludes to a joint - stock bank . The word ' banco ' was later Italianized from German. ' Money is the significance of the term. ' In this day and age, a bank is a monetary element that acknowledges stores to loan cash. The Banking Regulation Act of 1949. characterizes a bank in India as a firm that does banking action in India.

private bank is a type of bank which is privately owned, that is, it is not under the government but is run by a private group or a private company. There are several private banks in Chhattisgarh that offer traditional banking services, such as savings accounts, loans, and mortgage loans. Some of the major private banks are: HDFC Bank, Axis Bank, ICICI Bank, and IDFC First Bank. Private banks are known for their customer-centric approach, advanced technology, and flexible products that meet the diverse needs of their clients. Private banks are subject to regulations by the Reserve Bank of India (RBI) and other regulatory bodies to ensure their stability and security.

Private banks have several significant advantages. They are specifically designed for high net worth individuals and go beyond traditional banking services to provide comprehensive financial management, investment, and financial planning services. Private banks provide customized solutions to meet clients' specific financial needs, with a personal and private touch.

Private banks provide customized financial solutions according to clients' specific financial needs and goals, such as estate planning, tax optimization, succession planning, and investment strategies.

Private banks provide experienced financial advisors and experts who provide financial guidance and support to clients with a personal and private touch.

Privacy and confidentiality are valued in private banking, which helps clients keep their financial information secure. Private banks offer various financial tools and services to help clients grow and preserve their wealth.

Private banks are designed to meet the specific financial needs of high net worth individuals (HNWIs) and provide them with access to wealth management, investment, and financial planning services. Private banks help customers plan financially for the future, such as retirement planning, education planning, and wealth management.

Private banks provide advice to customers about various investment options, such as stocks, bonds, real estate, and other investments.

Private banks offer various credit facilities to customers, such as home loans, business loans, and personal loans. Private banks go beyond traditional banking services and offer customers various specialized products, such as personal loans, investment accounts, and wealth management services. Private banks offer global reach, which helps clients manage and invest their assets around the world. Private banks come with an extensive network that helps clients connect with financial advisors, investment experts, and other financial professionals. Private banks are widely available, giving clients a variety of options to choose from to meet their specific financial needs.

Private banks are useful for people who:

Need help using their money effectively. Need essential advice for investing. Need help securing and protecting their personal assets.

Private banking includes common financial services such as checking and savings accounts, but with a more personal approach: each client is assigned a "relationship manager" or "personal banker" to handle all matter.

A bank is an administration - authorized monetary organization that basically loans cash . In a general public, the financial area assumes a basic part in guaranteeing that various exercises run as expected. Finance revives each part of an economy . To stay aware of the growing money force, India's financial area should have been fortified right off the bat after freedom. In the present culture, the financial framework is basic to a nation's economy. It is liable for the currency market in the economy. Basically, banks disseminate cash from the people who have it to other people who are out of luck. These practices are expected locally. From saving and transmission , the bank's liability has extended to incorporate credit creation . Its effect on economies in emerging nations has been critical. Banks have developed into the essential specialists of monetary change, especially in immature nations. Ideal monetary development requires customary dynamic. commitments , which makes crafted by ideal monetary development much more troublesome. The financial framework in India is one of a kind in that it fills various needs. Activation and allotment of assets to net savers and borrowers is a significant part of the monetary framework. Banks are the most remarkable players in the monetary area. In any case, the financial business' foundation an affects individuals' reserve funds limit and how they are directed into useful endeavours. The design of the financial business affects its productivity and execution. The capacity of banks to gather assets and channel them into productive ventures is additionally affected by their design. Banking movement is progressively significant in the economy of the country. The compelling association of banks in intermediation conveys genuine worth to the economy's genuine area. The word ' bank ' has a few implications in present day utilization. The word " bank ' comes from the Latin word " bancus ' or ' banque , and that implies seat . ' The Italian Jewish financiers used to examine their business while sitting on seats in commercial centers. In the event that a financier fizzled right now, his seat was broken into pieces. It was the acknowledgment of his indebtedness. As indicated by the creators , the word ' Bank ' comes from the German word ' Banck . ' It alludes to a joint - stock bank . The word ' banco ' was later Italianized from German. ' Money is the significance of the term. ' In this day and age, a bank is a monetary element that acknowledges stores to loan cash. The Banking Regulation Act of 1949. characterizes a bank in India as a firm that does banking action in India. what is happening. Its capability is to loan or put away cash , to pull out cash , to draft request , , etc . Goldsmiths, moneylenders, and traders are the three progenitors of the present investors. Goldsmith brokers are very popular these days. Clients' assets are shared with them, and they are given receipts. The variables of trade were these receipts. The moneylender brought in cash by charging revenue. They offered their additional property to the person who was out of luck. The brokers' principal objectives were to convince their clients that their cash was in safe hands. They likewise ran an optional financial activity furthermore. These attributes might be found in the ongoing financial area today. In England during the Elizabethan time frame, goldsmiths filled in as current banks. They gave receipts to their clients' resources that were held in their control under safe authority. Notwithstanding, because of King Charles II's limitations, they couldn't proceed. their bank. They eventually harmed it. Notwithstanding, the breakdown of the goldsmiths prepared for

private banking. The Bank of England was made because of this in 1694. Its business was to fund (loan cash to) the public authority , and it got a great deal of positive criticism . The foundation of business banks in England was advanced with the section of the Banking Act of 1833. In the nineteenth 100 years, England spearheaded modern business banking. The financial framework in India, similar to the Himalayas, has a long history. The starting points of this framework can be followed as far as possible back to the Vedic Period. Manu's books contain everything connecting with the financial framework, including stores, approaches, interest, and responsibilities. Nevertheless, the qualities of current banks were absent at that point, in spite of the way that banks were planned to loan cash. The Micro Small and Medium efforts (MSMEs) have been acknowledged as the driving force of financial development and assume a significant part in the impartial monetary improvement of country. The significant benefit of the area is its work potential at low capital expense. The work power of the MSME area is a lot higher than that of the enormous ventures. The MSMEs comprise more than 90% of complete efforts in the greater part of the economies and are credited with creating the most noteworthy places of business development and record for a significant portion of modern creation and commodities. MSMEs have been laid out in practically all-significant areas in the Indian business, for example

REVIEW OF LITRETURE :

Tripathi, S. (2019). - The bank is a highly effective assistant in the present day. Any business can benefit greatly from the bank's assistance. Only when we have the financial resources can we consider innovation. He addressed the issue of MSMEs and described how an industry was impacted by high lending costs.

Narayan, M. (2018). - Through loans and investments, private banks give businesses the cash they need to grow and add jobs, which boosts the economy. Bank encourage financial inclusion and economic empowerment by providing financial services to a larger community, especially people who have historically been shut out of the banking system.

Sharma, R. (2022) - A comparison of banks in the public and private sectors with regard to business loans for micro, small, and medium-sized businesses. Industry management is necessary for the industry's financial system, which enables industrial growth. These industries attempt to solve their financial issues by obtaining bank loans.

Chatterjee, R. (2021). – A bank is a business that takes money from the public and lends it to people in need. Each commercial bank contributes a specific portion of its total deposits to the RBI, and commercial banks contribute to the nation's economic growth. Encourage MSMEs. Through MSMEs, economic development occurs. Banks support MSMEs and contribute to the nation's economic expansion. Through banks, MSMEs receive numerous loans that enable them to progress. Private and public sector banks are the only ones that can positively impact MSMEs' growth.

Patel, D. (2021) - A bank is a robust organization that invests in the nation's development and holds funds for beneficial purposes. The banks are essential to the nation's economic development. If the country's banks are upgraded, its citizens will benefit, and the nation as a whole will advance as well. Banks are very helpful to MSMEs. The bank is very supportive of

MSME, providing loans without mortgages and helping to grow MSME. As a result, many individuals are able to find work and simply support themselves.

Das, M. (2020). - In his analysis, he evaluated the display of public spaces, private spaces, and new banks from 1991 to 1999-2000. The effectiveness of the financial system was assessed in terms of the percentage of working subsidies and turnover/representatives. discovered that, with regard to the spread operating finances proportion, business banks' overall proficiency had decreased during the post-change period. Since the efficiency of the private and unknown banks was discovered to have improved over the course of the ten years following modifications, the public area banks were held accountable for this decline in production. In contrast to the public area banks, which had an increase in the turnover/worker percentage, the turnover representative in private and unknown banks multiplied during ten years.

Devesh Kumar (2021) In today's era every field is using networking. Even in the field of MSME, everyone has started using net. Online registration of enterprises has started under MSME. Registration is easily done sitting at home from mobile itself. This saves money, labor and time. Online work has started in many enterprises too and they can also apply for loans from banks sitting at home and take loans and also provide many facilities to the customers online. So at present the MSME is developing very fast through networking.

E.upendra (2021) MSMEs provide employment to many people. Today people are fighting unemployment despite being very educated. Educated youth can run their own enterprise and earn their livelihood from MSME. To support MSMEs, along with banks, many finance companies also support them.

Kumar , Mukesh (2021) Prior to setting up any venture, the business person needs to initially contemplate how much is the expense of the endeavor, how much capital he can contribute himself and the amount he will actually want to gather through obligation. He needs to choose that monetary establishment for organizing the obligation capital. Can give this capital at additional helpful terms. The business person needs to do numerous things to get finance. Banks must be reached. Important help must be given in the examination overview led through the financial establishment.

Pathak kanishka (2021) The researcher has told in his research that it is difficult to promote MSME without human resource. To establish any enterprise, first of all human resource is needed so that the work can be done effectively. The growth of MSME is only through human resource.

Surjan sapna (2021) As indicated by them, the public authority ought to offer satisfactory chances for the improvement of miniature, little and medium businesses. Industrialization ought to be supported. He said that monetary element, human asset variable and innovation impact MSMEs. To reinforce the foundation of the economy in India, the public authority ought to make a strategy of advancing MSMEs. The public region banks were at risk for this abatement in efficiency, as the viability of the private and new banks was found to have chipped away at over the key decade after changes. Anyway the turnover laborer extent rose in the public region banks , the turnover per delegate in the private and new banks duplicated near with the extent for public region banks during a decade . In any case, the assessment uncovered

that the efficiency of the public region banks in the last piece of the nineties had chipped away at conversely, with that of private and new banks.

Objective

- To study the role of selected banks in developing entrepreneurship capacity among youths of c.g
- To study the role of selected banks in providing assistance to women schemes launched by Government.
- To study the pattern of financing provided by the selected banks to Various sector.

ANALYSIS PRIVATE SECTOR BANKING 2024-25

Economic contribution of banking sector of Chhattisgarh 2024-25

Area	In crore Rs 2023-24
Banking ,insurance	16000
Service sector	108461
GSDP	306712

Area	In crore Rs 2024-25
Banking, insurance	17500
Service sector	117700
GSDP	329752

(%) increase 2024-25 compare to 2023-24

Area	% increase
Banking, insurance	9.4%
Service sector	8.54%
GSDP	7.1%

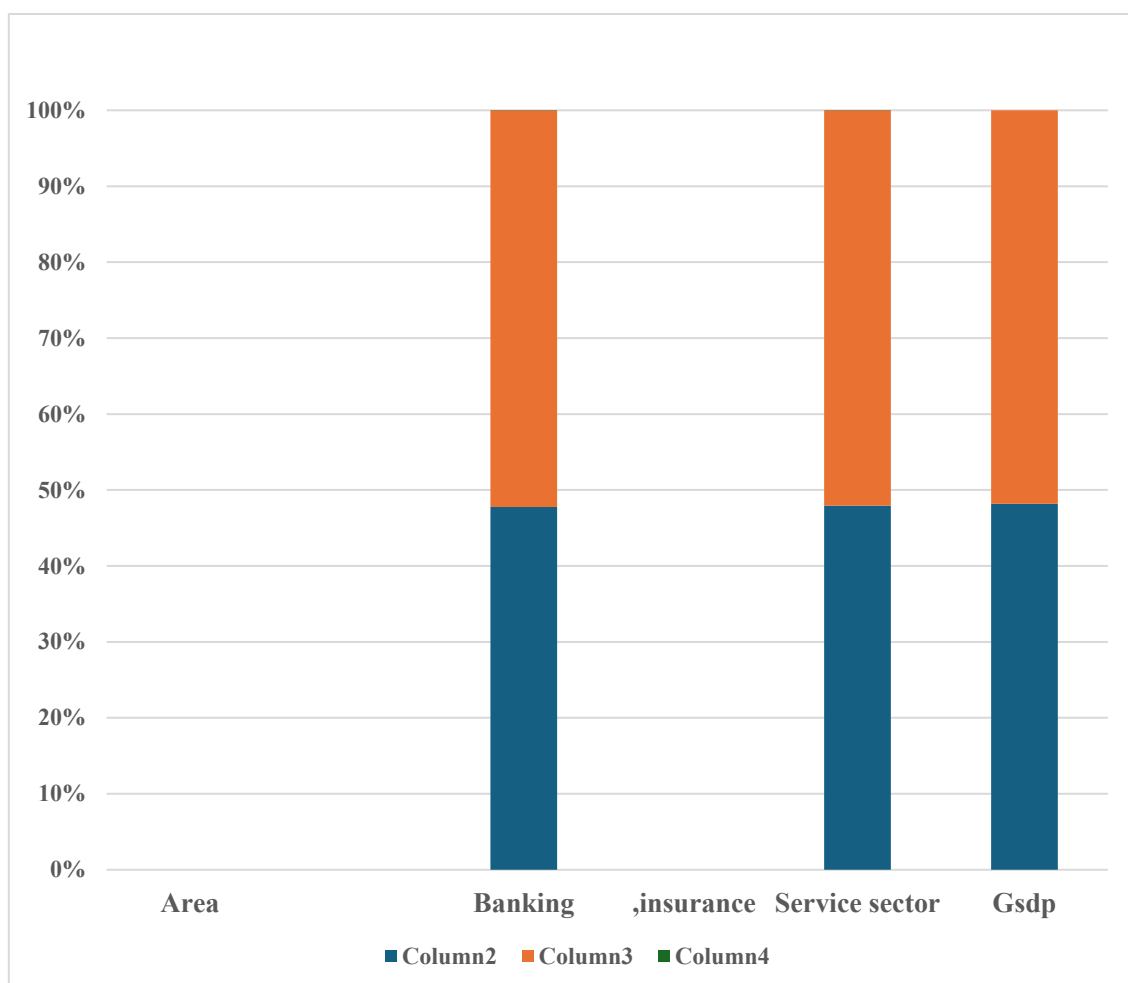
Area	2024	2025	% increase
Banking insurance	16000	17500	9.40%
Service sector	108461	117700	8.54%
GSDP	306712	329752	7.10%

Result : The three major private banks based in Korba district — HDFC Bank, ICICI Bank and Axis Bank — have posted an average annual profit growth of 12% over the past three years.

2. Credit-deposit ratio:

- HDFC Bank: 78%
- ICICI Bank: 74%
- Axis Bank: 76%

All of them are performing better than the national average (68%).



Finding : Major private banks (like HDFC, ICICI, Axis Bank) operating in Korba district have reported consistent profit growth in the last three financial years. This was mainly driven by increase in revenue from retail loans and digital banking services.

- The study revealed that the CD ratio of private banks was more than 75% on an average, which reflects their proactive loan policy and better credit management.
- Due to digital banking and better customer service, the customer base of these banks has increased by 10–15% annually.
- Private banks were found to have lower Non-Performing Assets level (2.1% on average) compared to public sector banks, which had a positive impact on profitability.
- Focusing on small businesses and personal loans helped banks gain more profit from higher interest rates.
- Increase in the number of branches and ATMs of private banks in Korba district in the last 5 years increased customer reach and generated additional revenue from service charges.

CONCLUSION : Private banks play a vital role in the Indian banking system. These banks are considered more effective than public sector banks in terms of efficiency, technological advancement and customer service. Although their main objective is to earn profit, they still contribute to the economic progress and financial inclusion of the country.

Thus, private banks have become the backbone of the modern banking system, which plays a supporting role in the economic development of the country by providing better services to the customers. At present, the banking system has a very important place in our lives. Banks are not only a medium for money transactions, but they are also the backbone of economic development. Banks are mainly of two types – public sector banks and private sector banks. In this report, we highlight the functions of private sector banks and their conclusion. Private banks play a very important role. They give loans to people so easily that they can easily earn their living by doing any business, youth get employment.

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