



A STUDY ON CUSTOMER'S PERCEPTION OF EVANGELICAL SOCIAL ACTION FORUM IN SOCIAL BANKS (WITH SPECIAL REFERENCE TO COIMBATORE DISTRICT IN TAMILNADU)

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Abstract- The Indian Financial System is becoming more and more complex and dynamic as the changes are taking place in the business environment. Small finance bank are a type of niche banks in India. The aim behind these banks is to provide financial inclusion to those sections of the economy not being served by other banks and financial institutions. Microfinance is a form of money lending or banking service that is offered to low earning individuals or rural poor. It tries to evaluate the role of developing the microfinance circle with special reference to ESAF microfinance, which is one of the leading microfinance institutions in Tamilnadu. This paper describes the awareness and perception of customers of ESAF in different parts of Tamilnadu. Social Banking provide banking for the poor population, working for their developmental needs, providing them with easy formal credit, minimal requirements to open accounts, ease of access and friendly staff etc. Banking system in which banks subsidize the provision of banking services to poor and the orientation is towards serving the mass is known as social banking. The main foreground of ESAF is the spotlight they give to small entrepreneurs. They should work towards making society free of poverty and thereby increasing living standards by giving them to opportunities to join mainstream banking. This present study was led with an essential goal to examine the different determinants and fulfilment level on social focuses of social banks in India. This examine study was led distinctly in ESAF SFB of Coimbatore District in Tamilnadu.

Keywords: Small finance, Micro finance, ESAF, Social banking, etc.

I. INTRODUCTION

Banking plays a crucial and significant part in monetary advancement of a nation. Banks are mostly egotistical and they are focused on benefit. In the current time banking idea is changed. Presently they are centre around financial job. The way of thinking of social banking has arisen in the year 1967. Bank has the obligation of meeting the assumptions not just in the rich and metropolitan class of individuals, yet in addition they need to focus on destitute individuals the individuals who live beneath the neediness line. The vital strategy is to bring up people who are in debt and poverty and help them with financial support by providing the impoverished families a helping hand during the times of economic difficult. Micro financing is additionally an effort supported by the Govt, Government agencies, NABARD and various other microfinance establishments within the gift financial set up meaning to alleviate economic condition, offer higher facilities to poor and improvement of ordinary of living of the poor and comprehensive development of rural poor.

The bank needs to focus financial development with social equity. Social financial will focus on mass government assistance; present plans which will conform to the advancement of society. It likewise endeavours to make different financial administrations and items moderate to the general public particularly the more fragile segment (enormous section in India) by presenting different innovative achievements and reducing overhead expenses. They should pursue making society liberated from destitution and consequently expanding expectations for everyday comforts by giving those occasions to join standard banking. India has consistently worked for the government assistance of its more unfortunate areas of society by route for different agreeable social orders, agreeable banks, Self-help gatherings, Regional Rural Banks, and so forth The objective of social banking isn't to boost benefits yet to fortify a positive effect on society.

Standard banks are by and large entered exclusively on the rule of benefit boost; social financial actualizes the triple guideline of benefit human planet. Social banks care about making a benefit, however

similarly for advancing human and natural prosperity. It is this „triple principle“ that they follow when they choose to whom to loan cash, and for what reason. For social banks, the obligation regarding the entire of society is the main measure for a decent loaning practice and is a higher priority than benefit alone. The primary intention of the segments which different banks are not served previously. There is a move from conventional idea of “class banking to the advanced idea of mass banking“. Banks need to go about as an impetus of „economic development with social justice“ banks is relied upon to make a direct as opposed to a backhanded assault of the issue of destitution and to annihilate the different social ills tormenting the general public.

Small Finance Banks

Small Finance Bank is a type of niche banks in India. The main feature of SFB is they undertake the basic banking activities such as acceptance of deposits and lending credit to un-served and underserved sections. It includes small business units, small and marginal farmers, micro and small industries and unorganised sector entities. From 72 applications, Reserve Bank of India granted 10 applicants to set up small finance banks on the basis of “in principle” licence. They are smaller in size and they have no restriction for area of operation. Therefore they can spread their activities all over the India by agreeing the condition that 25% of their branches should be in unbanked area. Many people do not have credit facilities due to poor physical infrastructure facilities. Ten institutions receive in principle license to start small finance bank. Among them eight institutions are micro finance institutions and one is Capital Local Area bank and the other is Non- banking Financial Company. These are the ten small finance banks who receive in principle license.

1. AU Small Finance Bank
2. Capital Small Finance Bank (CSFB)
3. Fincare Small Finance Bank
4. Equitas Small Finance Bank Ltd. (ESFBL)
5. ESAF Small Finance Bank
6. Jana Small Finance Bank
7. North East Small Finance Bank (NESFB)
8. Suryoday Small Finance Bank
9. Ujjivan Small Finance Bank Ltd.
10. Utkarsh Small finance Bank

With the giving of licenses to 11 instalments banks and 10 little banks in September, 2015 the Indian financial area has seen a significant advancement in contacting an alternate customer base and model of conveyance which was not recently covered by the planned business banks. Little money banks are a kind of specialty banks in India. Banks have little account bank permit, they can give fundamental financial capacities, for example, acknowledgment of stores and loaning of cash to un-served and underserved areas.

Reserve Bank of India allowed ten organizations "on a basic level" permit with the target of setting up of little account bank to give further monetary incorporation by arrangement of investment funds vehicles, supply of credit to independent venture units, little and negligible ranchers, miniature and little enterprises and other disorderly area elements through high innovation and minimal effort tasks. ESAF microfinance get little account bank permit. At that point the ESAF microfinance changed over to ESAF little money bank in the year 2016. ESAF Small Finance Bank is the Kerala’s first little money bank. The vision ESAF Small Finance bank is guided by the standard of practical all encompassing change of poor people and underestimated. The bank centres triple main concern approach. That is, the bank offers significance to monetary administrations, social administrations and natural administrations. According to an exploration assessment by KPMG, continuously 2020, the MSME labour force of 106 million across horticultural, assembling and administration areas. In this way, there is a prerequisite to guarantee that the monetary requirements of independent ventures, disorderly area, low pay family units and ranchers are met. Little account banks are significant fragments for offering these types of assistance to meet the credit and settlement needs of this need area.

Reviews based on the study

- **Prabhat Kumar (2018)** reported the financial inclusion and rural development in Indian context. Government of India and the Reserve Bank of India have been takes the efforts to promote financial inclusion with the fundamental objective of providing financial services to the financially excluded Indian population. Researcher reported that addressing financial exclusion requires the banks all inclusive approach in creating more awareness about financial products, money management, debt

counselling, saving and affordable credit by designing and organizing aggressive education cum promotion campaigns in unbanked parts of any region.

- **Okaro et al. (2017)** examined the challenges facing the internal audit function in Microfinance banks and how such challenges can be rectify and play a more effective role in risk management. Access to relevant information was ranked as the most important challenge facing the internal audit function in the MFBs. This means that respondents value the independence of the internal auditor in respect of unfettered access to information. The demand for clear reporting line for internal auditors, by respondents, buttresses their point for independence for the internal auditor.

- **Santa kar and joyeeta deb (2017)** attempted to measure performance of the Indian micro finance institutions and examines whether sustainability has any significant impact on the efficiency that average technical efficiency of the micro finance institutions is estimated to be 79 percent under BCC model and 98 percent under undesirable measure model. Indian MFIs can attain production frontier if they can trim their bad output to an extent of around 14 percent. Researcher found that Sustainability has positive impact on efficiency.

Statement of the Problem

Commercial Banks and different institutions are not serving the destitute individuals viably. There is still a lot of comprehended the idea of social banking in little money banks. In this way, with the assistance of little account banks, discernment on social banking is centring in the un-served and underserved segments of the economy The current investigation manages view of social banking in India with the assistance of ESAF Small Finance Bank. ESAF SFB has better information about the rustic individuals. In view of that beforehand it was microfinance foundation. So they can improve thought regarding the customer's needs and needs.

They are giving more significance to semi and metropolitan territories and furthermore offer significance to higher pay gatherings and give credit to them.. The idea of social banking is to give banking offices to the destitute individuals and gives simple conventional credit, straightforward entry and so forth The goal of social banking is monetary consideration and need area loaning, the RBI presented the idea of Small Finance Banks to serve the un-served and underserved areas of the general public. So they can improve thought regarding the customer's needs and needs. In the present circumstance the current examination attempts to break down the discernment on social banking of India; an observational investigation with uncommon reference to ESAF Small Finance Bank of Coimbatore District in Tamilnadu.

Significance of the study

Social banking is fundamental in the current time. These days, the banks offer significance to social banking. As a piece of additional monetary consideration, RBI give "on a basic level" permit to ten organizations to shape Small Finance Banks. ESAF Small Finance Bank is the Kerala's first Small Finance Bank. They serve the financial offices to un-served and underserved areas of the economy. The bank follows triple primary concern approach. The bank centers the monetary administrations, social administrations and ecological administrations. Focussing this bank will make obvious information about the social banking.

Objectives of the Study

1. To examine the Perception on Social Banking in ESAF Small Finance Bank, Coimbatore District in Tamilnadu.
2. To contemplate the financial and banking profile of the ESAF SFB customers.
3. To discover the explanations behind choosing ESAF SFB.
4. To discover the degree of performance of accomplishing the social targets and Banking channels of ESAF SFB

Scope of the Study

The present study is confined is bound to the social banking of Coimbatore district as it were. With the end goal of the examination, ESAF (Evangelical Social Action Forum) Small Finance Bank is chosen as it is the primary little money bank which get little account bank permit in Kerala and it is the Kerala's first private area business planned bank since the country's autonomy and it was dispatched in Coimbatore. Study focussed on females as it were. Considering the significance of this little money bank it was felt important to zero in insight on social managing an account with exceptional reference to ESAF little account bank.

Limitations of the Study

1. The sample size is limited to 210 respondents and sample area Coimbatore city in Tamilnadu.
2. Time limit was one of the constraints.

II. RESEARCH METHODOLOGY

Methodology is a systematic method to tackle the exploration issue. It could be perceived as a study of concentrating how examination is done logically. This part centers around the exploration plan and system embraced for the investigation. The study will receive the realistic study formation involving information collection and analysis. "People who are ESAF little account bank clients" were the number of inhabitants in the investigation, which is indefinable. The people who have account in ESAF SFB in Coimbatore District were the example outline. 'Advantageous examining strategy' was received for gathering essential information. So the study was conducted 210 respondents.

Data Analysis

After the data had been collected, it was processed tabulated using Microsoft excel-2007 software. The statistical techniques adopted are percentage analysis, Mean based ranking, Factor analysis and multiple regression. SPSS version 23. Statistical software was used and the results obtained thereby have been analyzed and interpreted. The analysis of data has been presented in the following order. Percentage analysis, Descriptive statistics and Factor analysis.

III. FACTOR ANALYSIS

Descriptive Statistics of Social Target Satisfaction Variables

Social target Satisfaction Variables	Mean	Std. Deviation
Reaching the poor	3.23	1.083
Reducing poverty levels	2.61	1.210
Reaching rural clients	3.22	1.191
Access to toilets	2.84	0.970
Access to water & sanitation	2.86	0.878
Access to social security	3.64	1.138
Reaching out to persons with disabilities	2.92	0.950
Improvement in housing	3.37	0.950
Facilitating the women headed households	2.91	0.965
Growth of economic activity	3.05	0.999
Promoting health insurance	3.00	0.936
Conduct of Financial literacy programs	3.20	0.794
Women Empowerment Initiatives	3.01	0.841
Organizing Skill Training Programs	3.04	0.791
Linking the Clients to Govt. Schemes	2.92	0.945

Initiating health care services	2.97	0.901
Providing Educational Support	3.30	0.812
Conduct of capacity building programs	3.04	0.950
Creating marketing avenues to clients	3.04	0.893
Promoting bio-gas plants	3.00	0.813
Promoting organic farming	3.28	0.949
Financing Farmers Producers Organisation	3.40	0.974

Factor Loadings of Satisfaction of social target Variables

Factor Names	Satisfaction of social target variables	Factor Loadings
Factor 1 Necessities Factor	Access to water & sanitation	0.863
	Access to toilets	0.809
	Access to social security	0.606
Factor 2 Inclusion Factor	Reaching the poor	0.834
	Reaching rural clients	0.793
	Reducing poverty levels	0.664
Factor 3 Agricultural Developmental Factor	Financing Farmers Producers Organisation	0.749
	Promoting organic farming	0.689
	Creating marketing avenues to clients	0.643
	Promoting bio-gas plants	0.432

	Reaching out to persons with disabilities	0.400
Factor 4	Initiating health care services	0.887
Health Development Factor	Promoting health insurance	0.869
Factor 5	Providing Educational Support	0.732
Enrichment Factor	Linking the Clients to Govt. Schemes	0.609

IV. SUGGESTIONS

1. Banks are suggested to provide adequate financial services to enrich the reputation of the bank in the means of providing different value added services.
2. Banks are suggested to provide attractive interest rates to satisfy farmers, micro-industries to reach and serve them effectively and ATM's in various convenient locations in the study area. Since, the ATM's are very less in number.
3. Social banks should create more awareness on availability of opportunities in social banks Agricultural development, health development and enrichment in their life satisfaction in their respective place of service.

V. CONCLUSION

This investigation was led distinctly in ESAF SFB Coimbatore District in Tamilnadu. The observational and clear examination configuration was received to investigate the significant answers for the exploration destinations. The observational discoveries demonstrate that, Customers favour present day banking administrations alongside other customary administrations. Clients have moderate mindfulness on various sorts of credits offered by ESAF SFB in the investigation zone. Further the outcome shows that, Necessities Factor, Inclusion Factor, Agricultural Development Factor, Health Development Factor, Enrichment Factor, Awareness and Training Factor, Empowerment Factor and Economic Development Factor are the predominant components of social focuses of ESAF SFB in Coimbatore District in Tamilnadu. To close, explanations behind social bank choice, fulfilment on monetary administrations, and mindfulness on various kinds of credits have critical and positive impact on fulfilment of social targets. Hence micro finance is becoming one of the fastest growing industry which provides a unique platform for the rural people to lead a sustainable livelihood.

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