

Analysis of Financial Assistance of KSFC for Development of Entrepreneurship in Karnataka State

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Abstract

Entrepreneurs and entrepreneurship play very important role in the economic development of any nation. The success and development of the entrepreneurship depend on the coordination and assistance of the state and central Governments. In the view of this, the Government of India initiated the State Financial Corporation (SFCs) in 1951 to promote small and medium enterprises of the States. These institutions facilitate covenant and effective channels of savings and investments, in a developing country like India. The role of these institutions becomes more pronounced in achieving rapid economic growth. The present study is based on secondary data collected from the Karnataka State Financial Corporation (KSFC) annual reports to examine the loan sanction and disbursement by KSFC under different year and schemes in the Karnataka State (India).

Keywords: Entrepreneurship Development, Financial Assistance, Single Window Scheme

Introduction

Finance is the essential need of all economic operations. It is an input of production, distribution and development of industrial concerns. The supply of funds regulates such industrial activities. In absence of finance, neither the programs would be completed nor would the concerns be able to make fair returns to the investors. Therefore, the financial requirements of an industry need prompt and proper attention.

Industrial concerns were procuring their financial requirements, in the pre-industrialization era in India, mainly from private lenders, friends, and relatives and obtaining a loan from commercial banks. But now the pattern of financing industries has changed remarkably. A large number of financial institutions have been set up by both Central and State Governments in order to supply the needs of financing the industrial unit's viz. large, medium and small scale. These institutions have been entrusted with a variety of functions and responsibilities, i.e. financing large, medium and small-scale industries. In such institutions, Karnataka State Financial Corporation is one.

Review of Literature:

The literature on the progress and prospects of Karnataka State

Financial Corporation in the country is abundant. Administrators and Academicians have made several studies of the performance of the KSFC during the last five decades. Some of the important studies relating to SFCs in general, and the KSFC, in particular.

Trinadh S.G (2002) identified some problems affecting the performance of SFCs in Andhra Pradesh such as increasing over dues, weak interval resource position, bottleneck in the diversification of assistance profile. The study holds that the concept of customer satisfaction has been given primary importance and the response time for customer proposals has been considerably speeded up at every operating level. The study highlights the problems to be sorted out in the area of loan appraisal and recovery.

Rajesh Zingade (2011) explained the achievement of KSFC during the year 2007-08 that Rs. 173.05 crores have been sanctioned to small scale enterprises, 14.65 crores have been sanctioned to medium scale, 2.05 crores have been sanctioned to transport and 178.40 crores have been sanctioned to other sectors. Overall 1154 industries have taken financial assistance from the KSFC. Since inception, KSFC has assisted more than 1,55,453 units with cumulative sanctions of over Rs. 7,427.65 crores out of which more than 50 per cent is towards the development of Small Scale Industries and Entrepreneurship. Hence, KSFC is playing a model role in the process of economy up-liftment. Anilkumar Kote and Chaya Degaonkar (2013) have opined that the KSFC is one among leading State Financial Corporations in the country. It is playing a vital role in the industrial growth of our state in general and particularly in industrial backward regions like Hyderabad Karnataka region. Today, while the State economy is making rapid strides in the global market. Karnataka State Financial Corporation is moving in tandem. KSFC is fine-tuned to fulfill the plans and aspirations of entrepreneurs by extending all possible assistance. Karnataka State Financial Corporation (KSFC) provides finance to industries.

Objectives of the Study:

To examine growth in sanctions and disbursements of

credits of KSFC

To analyze the significant variations between loan sanctioned by KSFC across different periods, industries and schemes.

To offer suggestions in the lights of findings

Hypothesis of the Study:

Ho= There is no significant growth in sanctions and disbursement of credit of KSFC during the study period

Ha= There is significant growth in sanctions and disbursement of credit of KSFC during the study period

·Ho= there is no significant variations in the loan sanctioned by KSFC across different study period, industries and schemes

Ha= there is significant variations in the loan sanctioned by KSFC across different study period, industries and schemes

Research Methodology:

The present study is based on secondary data. The secondary data were collected from published annual reports of KSFC. Thus, collected data is scientifically analyzed by applying appropriate statistical tool like percentage, averages, growth rate, independent t-test and Two-way ANOVA etc. Further, appropriate non-parametric techniques are also used wherever necessary in order to interpret the data meaningfully and draw a meaningful conclusion. The voluminous data collected is processed through MS-Excel to make the analysis precise and accurate.

Analysis of Assistance of KSFC for Development of Entrepreneurship Growth of Sanction and Disbursement of Credit

The purpose of the analysis is to examine the trend in sanctions, disbursements and disbursement ratio in relation to sanction achieved by the KSFC during the study period.

Table 1: Annual Growth Rates of Sanctions and disbursement of Credit of KSFC

Year	Sanctions	AGR	Disbursements	AGR
1993-94	342.06	-	299.81	-
1994-95	354.77	4	310.01	3
1995-96	520.18	47	432.09	39
1996-97	818.81	57	612.63	42
1997-98	859.84	5	649.46	6
1998-99	577.36	-33	469.56	-28
1999-00	371.96	-36	358.97	-24

2000-01	340.26	-9	298.49	-17
2001-02	440.05	29	328.78	10
2002-03	303.71	-31	292.42	-11
2003-04	340.67	12	268.28	-8
2004-05	302.77	-11	248.79	-7
2005-06	242.87	-20	240.34	-3
2006-07	316.20	30	199.86	-17
2007-08	424.53	34	310.39	55
2008-09	368.15	-13	303.39	-2
2009-10	565.24	54	383.92	27
2010-11	631.49	12	434.39	13
2011-12	731.63	16	580.41	34
2012-13	817.32	12	597.08	3
2013-14	944.06	16	734.70	23
2014-15	909.26	-4	707.47	-4
2015-16	675.15	-26	553.62	-22
2016-17	731.94	8	566.36	2
Total	12930.28		10181.22	
A.M	534.62		424.21	
S.D	227.68		161.47	
p-value	0.4875		0.4834	
t-value	0.0316		0.0421	
df	23		23	
Significance level	0.05		0.05	

Source; Published Annual Reports of Karnataka State Financial Corporation, Bangalore.

Table 1 explains the clear image of the sanction and disbursement trend of KSFC since 1993-94. The amount of sanctions gradually increased from Rs. 342.06 crores in 1993-94 by Rs. 731.94 crores in 2016-17, with an annual average Rs. 538.76 crores. Further, the amount of disbursements increased from Rs. 299.81 crores in 1993-94 to Rs. 566.36 crores in 2016-17, with an annual average Rs. 427.14 crores. The sanctions of credit decreased in 1998-99, 1999-00, 2001-02, 2003-04, 2004-05, 2007-08, 2013-14 2014-15 and 2015-16 by Rs. 577.36 crores, Rs. 371.96 crores, Rs. 340.26 crores, Rs. 303.71 crores, Rs. 302.77 crores, Rs. 242.87 crores, Rs. 368.15 crores, Rs. 909.26 crores, and Rs.675.15 crores respectively as compared to their respective previous year. Also the amount of disbursement of credit decreased in 1998-99, 1999-00, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2007-08, 2013-14, 2014-15 and 2015-16 to Rs. 469.56 crores, Rs. 358.78 crores, Rs. 298.42 crores, Rs. 292.42 crores, Rs. 268.28 crores, Rs. 248.79 crores, Rs. 240.34

crores, Rs. 199.86 crores, Rs. 303.39, Rs. 707.47 crores, and Rs. 553.62 crores respectively as compared to their respective previous year. Further, it is clear from the t-test that the calculated t value of the credit of sanctions is 0.0316 and which is lesser than critical t value 2.069 at 5 per cent level of significance for 23 degrees of freedom. Hence, the null hypothesis is accepted and it can be concluded that the credit of Sanctions of the KSFC over the period has increased significantly. Further, it is clear from the t-test that the calculated t value of the credit of disbursement is 0.0421 and lies in the acceptance region at 5 per cent level of significance. Hence, the null hypothesis is accepted and it can be concluded that the amount of disbursements of the KSFC over the period has increased significantly. This shows that the KSFC has to play a vital role in the development of entrepreneurship by providing financial assistance.

Table 2: Trend of Credit Disbursements and Loans outstanding of SMEs by KSFC

Year	Disbursements	AGR	Loan Outstanding	AGR
1993-94	299.81	-	930.03	-
1994-95	310.01	3.00	1076.59	16.00
1995-96	432.09	39.00	1260.88	17.00
1996-97	612.63	42.00	1468.22	16.00
1997-98	649.46	6.00	1689.81	15.00
1998-99	469.56	-28.00	1940.05	15.00
1999-00	358.97	-24.00	1846.56	-5.00
2000-01	298.49	-17.00	1836.27	-1.00
2001-02	328.78	10.00	1858.43	1.00
2002-03	292.42	-11.00	1859.78	0.00
2003-04	268.28	-8.00	1786.69	-4.00
2004-05	248.79	-7.00	1666.29	-7.00
2005-06	240.34	-3.00	1560.12	-6.00
2006-07	199.86	-17.00	1326.47	-15.00
2007-08	310.39	55.00	1329.20	0.00
2008-09	303.39	-2.00	1260.81	-5.00
2009-10	383.92	27.00	1325.36	5.00
2010-11	434.39	13.00	1386.87	5.00
2011-12	580.41	34.00	1599.12	15.00
2012-13	597.08	3.00	1753.61	10.00
2013-14	734.70	23.00	1938.45	11.00
2014-15	707.47	-4.00	2072.92	7.00
2015-16	553.62	-22.00	1836.58	-11.00
2016-17	566.36	2.00	1819.50	-1.00
Total	10181.22		38428.61	
A.M	424.21		1604.19	
S.D	161.47		0303.64	
H.M	200		200	
P-value	0.4834		0.4706	
t-value	0.0421		0.07450	
df	23		23	
Significance level	0.05		0.05	

Source; Published Annual Reports of Karnataka State Financial Corporation, Bangalore.

It is evident from table 2 that the annual growth rate of disbursements of the loan was maximum during 2007-08 i.e. 55 per cent as compared its previous year and overall the growth of disbursements has shown fluctuations year by year. From 1993-94 to 1997-98 the annual growth rate of disbursements of loans showed positive trend and thereafter the trend shows negative till 2007-08. Further, in 2008-09 disbursement has shown negative i.e. -2 per cent and 2008-09 onwards continuously shows positive growth

till 2014-15. In the present year 2016-17, it shows a positive trend of 2 per cent as compared to that of the year 2015-16. As far as outstanding loans are concerned, there is positive growth in 1994-95, 1995-96, 1996-97, 1997-98, 2000-01, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, and 2014-15 (i.e. 16 per cent, 17 per cent, 16 per cent, 15 per cent, 15 per cent, 1 per cent, 5 per cent, 5 per cent, 15 per cent, 10 per cent, 11 per cent and 7 per cent respectively) as compared to respective previous years.

Table 3: Trend of Recovery of Loans and Per cent of NPA of SMEs by KSFC

Year	Recovery	AGR	Per cent of NPA	AGR
1996-97	495.33	-	18.12	-
1997-98	611.84	24.00	15.60	-14.00
1998-99	665.47	9.00	22.79	46.00
1999-00	671.81	1.00	40.21	76.00
2000-01	642.30	-4.00	44.31	10.00
2001-02	529.36	-18.00	19.16	-57.00
2002-03	520.50	-2.00	56.36	194.00
2003-04	495.22	-5.00	57.63	2.00
2004-05	562.43	14.00	55.60	-4.00
2005-06	582.17	4.00	50.62	-9.00
2006-07	555.06	-5.00	46.09	-9.00
2007-08	502.75	-9.00	32.80	-29.00
2008-09	561.14	12.00	24.11	-26.00
2009-10	501.22	-11.00	9.71	-60.00
2010-11	554.94	11.00	3.45	-64.00
2011-12	586.71	6.00	2.37	-31.00
2012-13	660.90	13.00	3.72	57.00
2013-14	792.59	20.00	2.78	-25.00
2014-15	836.54	6.00	2.57	-8.00
2015-16	814.00	-3.00	5.07	97.00
2016-17	841.10	3.00	8.82	74.00
Total	13900.58		24.85	
A.M	618.26		412.24	
S.D	115.10		20.30	
H.M	200		200	
P value	0.4432		0.0329	
t-value	0.1447		-1.947	
df	20		20	
Significance level	0.05		0.05	

Source; Published Annual Reports of Karnataka State Financial Corporation, Bangalore.

It is inferred from table 3 that the recoveries of loans for Karnataka State Financial Corporation have been increasing in absolute terms from Rs. 495.33 crores in 1996-97 and it has increased to Rs. 671.81 crores in 1998-99, since then it has declined to the extent of Rs.660.90 crores in 2011-12 and again increased from Rs.660.90

crores in 2012-13 to 841.10 crores in 2016-17. As far as annual growth rate is concerned, it has positive trend in 1996-97, 1997-98, 1998-99, 2003-04, 2004-05, 2007-08, 2009-10, 2011-12, 2012-13, 2013-14, 2015-16 and 2016-17 (i.e. 24 per cent, 9 per cent, 1 per cent, 14 per cent, 4 per cent, 12 per cent, 11 per cent, 6 per cent, 13 per cent, 20 per

cent, 6 per cent, 3 per cent) respectively as compared to their previous year. Since then it has been negative trend in 2000-01, 2001-02, 2002-03, 2005-06, 2006-07, 2008-09, 2014-15 and 2015-16 (i.e. -4.00 per cent, -18.00 per cent, -2.00 per cent, -5.00 per cent, -5.00 per cent, -9.00 per cent, -11.00 per cent and -3.00 per cent) respectively as compared to their previous year. As far as Percentage of NPA concerned, it has continuously increased from 15.60 per cent in 1997-98 to 57.63 per cent in 2003-04. Further, it has continuously declined from 57.63 per cent in 2001-02 to 2.57 per cent in 2014-15. This signifies that the NPAs have drastically declined over the study period and recovery has positive in most of the years.

It is clear from table 4 that the average loan sanction for per unit of basic metal industries in the state is more and followed by machinery, chemical, metal and paper industries. Further, the average loan sanctioned by the Karnataka State Financial Corporation over the period of time is in increasing trend.

Two-way ANNOVA test has been employed to examine is there any significant variation in the per unit of micro and small scale industries loan sanctioned by KSFC across the study period and also is there any significant variations in per unit of micro and small scale industries money sanctioned by KSFC across different types micro and small scale industries.

Table 4 reveals that the calculated f-value (i.e. 18.53874) in respect of time period is more than the critical f-value (i.e. 1.62919) at 0.05 per cent level of significance for 20 degree of freedom and therefore, null hypothesis gets rejected. Hence, it is inferred that there are significant variations in the loan sanctioned across the study period. Further, analysis of significance of variations among the different industries reveals that the calculated f-value (i.e. 4.207) is more than the critical f-value at 0.05 per cent level of significance for 9 degree of freedom (i.e. 1.932). Hence, null hypothesis is not supported by the test result. Therefore, it is concluded that there are again significant variations in the volume of money sanctioned by the KSFC across the different micro and small scale industries.

Two-way ANNOVA test has been employed to examine is there any significant variation in the per unit of medium

scale industries loan sanctioned by KSFC across the study period and also is there any significant variations in per unit of micro and small scale industries money sanctioned by KSFC across different types medium scale industries.

Table 5 reveals that the calculated f-value (i.e. 5.550407) in respect of time period is more than the critical f-value (i.e. 1.62919) at 0.05 per cent level of significance for 20 degree of freedom and therefore, null hypothesis gets rejected. Hence, it is inferred that there are significant variations in the loan sanctioned across the study period for medium scale industries. Further, analysis of significance of variations among the different industries reveals that the calculated f-value (i.e. 2.827443) is more than the critical f-value at 0.05 per cent level of significance for 9 degree of freedom (i.e. 1.932). Hence, null hypothesis is not supported by the test result. Therefore, it is concluded that there are again significant variations in the volume of money sanctioned by the KSFC across the different medium scale industries.

Two-way ANNOVA test has been employed to examine is there any significant variation in the per unit of small and medium scale industries loan sanctioned by KSFC across the study period and also is there any significant variations in per unit of money sanctioned by KSFC across different schemes.

Table 6 reveals that the calculated f-value (i.e. 8.4356) in respect of time period is more than the critical f-value (i.e. 1.62919) at 0.05 per cent level of significance for 20 degree of freedom and therefore, null hypothesis gets rejected. Hence, it is inferred that there are significant variations in the loan sanctioned across the study period for small and medium scale industries. Further, analysis of significance of variations among the different schemes reveals that the calculated f-value (i.e. 16.8307) is more than the critical f-value at 0.05 per cent level of significance for 9 degree of freedom (i.e. 1.932). Hence, null hypothesis is not supported by the test result. Therefore, it is concluded that there are again significant variations in the volume of money sanctioned by the KSFC across the different schemes.

Table 4: Year and Industries-wise Loan sanctioned by KSFC for Per Unit of Micro and Small Scale Industries (Rs. in lakhs)

Year	Food	Textile	Paper	Rubber	Chemicals	Basic Metal	Metal	Machinery	Transport Equipment	Other Industries	Sum	Average	Variance
1996-97	0.0535	0.0174	0.0993	0.0428	0.0829	0.1633	0.0700	0.0855	0.0965	0.0389	0.750	0.075	0.002
1997-98	0.0725	0.0296	0.1050	0.0571	0.1219	0.1633	0.0652	0.0981	0.0781	0.0584	0.849	0.085	0.001
1998-99	0.0698	0.0503	0.1080	0.0509	0.1518	0.1826	0.0843	0.0769	0.0629	0.0736	0.911	0.091	0.002
1999-00	0.0869	0.0756	0.0943	0.0769	0.1664	0.1363	0.0658	0.0750	0.0836	0.1042	0.965	0.097	0.001
2000-01	0.0852	0.0873	0.0878	0.0824	0.2314	0.0800	0.1043	0.0659	0.1396	0.0985	1.062	0.106	0.002
2001-02	0.0959	0.0827	0.0650	0.0561	0.1722	0.2258	0.1514	0.1614	0.1258	0.1217	1.258	0.126	0.003
2002-03	0.1522	0.1286	0.0950	0.0827	0.3648	0.2868	0.1969	0.1889	0.1250	0.1719	1.793	0.179	0.008
2003-04	0.1765	0.1649	0.2420	0.0940	0.4542	0.3317	0.2109	0.4583	0.5383	0.1928	2.864	0.286	0.023
2004-05	0.1560	0.1288	0.1920	0.1556	0.2914	0.2688	0.2377	0.3167	0.2000	0.1949	2.142	0.214	0.004
2005-06	0.1546	0.1480	0.1267	0.0750	0.2271	0.2817	0.2481	0.2362	0.2036	0.1458	1.847	0.185	0.004
2006-07	0.2223	0.1886	0.1683	0.1456	0.2995	0.2935	0.2386	0.2612	0.1720	0.1982	2.188	0.219	0.003
2007-08	0.2250	0.2193	0.2100	0.0567	0.2050	0.2137	0.2149	0.2371	0.2533	0.1829	2.018	0.202	0.003
2008-09	0.2368	0.1242	0.1175	0.1478	0.3555	0.1083	0.2746	0.2125	0.2200	0.1908	1.988	0.199	0.006
2009-10	0.3514	0.1633	0.9067	0.1500	0.2435	0.7030	0.3311	0.3844	0.4979	0.2221	3.953	0.395	0.060
2010-11	0.3461	0.2318	0.7200	0.1600	0.1768	0.4633	0.4271	0.4261	0.5046	0.2677	3.724	0.372	0.030
2011-12	0.3957	0.3462	0.3141	0.6568	0.6963	0.4858	0.4724	0.5893	0.2893	0.3517	4.598	0.460	0.021
2012-13	0.3415	0.3526	0.3500	0.7036	0.3127	0.9068	0.4599	0.4515	0.4004	0.3919	4.671	0.467	0.036
2013-14	0.4616	0.3083	0.7425	0.2842	0.6148	0.7694	0.4912	0.7464	0.6383	0.4432	5.500	0.550	0.032
2014-15	0.4155	0.5486	0.4300	0.4900	0.6750	0.6154	0.4660	0.5791	0.3561	0.4576	5.033	0.503	0.010
2015-16	0.4224	0.4949	0.2607	0.4867	0.5533	0.9088	0.7283	0.5347	0.3383	0.4985	5.227	0.523	0.034
2016-17	0.4397	0.5456	0.5263	1.1050	0.5568	0.6489	0.5781	1.8072	0.4923	0.5441	7.244	0.724	0.179
Sum	4.961	4.437	5.961	5.160	6.953	8.237	6.117	7.992	5.816	4.949			
Average	0.236	0.211	0.284	0.246	0.331	0.392	0.291	0.381	0.277	0.236			
Variance	0.020	0.027	0.061	0.080	0.036	0.070	0.035	0.146	0.031	0.023			

Two-way ANOVA					
Source of Variation	SS	df	MS	F	P-value
Rows	7.10238	20	0.355119	18.53874	9.99E-34
Columns	0.725311	9	0.08059	4.207148	5.91E-05
Error	3.447992	180	0.019156		
Total	11.27568	209			

Source; Published Annual Reports of Karnataka State Financial Corporation, Bangalore.

Table 5: Industries-wise Loan sanctioned by KSFC for Per Unit of Medium Scale Industries (Rs. in lakhs)

Year	Food	Textile	Paper	Rubber	Chemicals	Basic Metal	Metal	Machinery	Transport Equipment	Other Industries	Sum	Average	Variance
1996-97	0.05	0.02	0.10	0.06	0.11	0.25	0.08	0.13	0.15	0.05	1.00	0.10	0.004
1997-98	0.07	0.04	0.11	0.09	0.18	0.26	0.08	0.12	0.14	0.07	1.16	0.12	0.004
1998-99	0.07	0.07	0.11	0.05	0.18	0.25	0.09	0.11	0.11	0.08	1.12	0.11	0.004
1999-00	0.09	0.07	0.09	0.08	0.19	0.16	0.07	0.09	0.13	0.10	1.07	0.11	0.002
2000-01	0.08	0.11	0.12	0.10	0.31	0.30	0.12	0.11	0.13	0.13	1.51	0.15	0.007
2001-02	0.11	0.07	0.07	0.08	0.33	0.33	0.16	0.20	0.18	0.19	1.72	0.17	0.009
2002-03	0.15	0.14	0.17	0.08	0.62	0.32	0.22	0.23	0.15	0.22	2.30	0.23	0.023
2003-04	0.17	0.17	2.44	0.64	0.82	0.44	0.26	0.44	0.33	0.29	6.00	0.60	0.460
2004-05	0.17	0.14	0.19	0.16	0.28	0.76	0.24	0.49	0.18	0.22	2.83	0.28	0.038
2005-06	0.17	0.17	0.13	0.08	0.29	0.28	0.28	0.26	0.19	0.18	2.03	0.20	0.005
2006-07	0.23	0.20	0.17	0.14	0.36	0.29	0.30	0.40	0.36	0.24	2.69	0.27	0.008
2007-08	0.22	0.22	0.21	0.06	0.40	0.25	0.24	0.28	0.23	0.25	2.36	0.24	0.007
2008-09	0.24	0.12	0.12	0.15	0.36	0.11	0.27	0.24	0.26	0.24	2.11	0.21	0.007
2009-10	0.36	0.29	0.79	0.80	0.34	0.70	0.33	0.46	0.33	0.26	4.66	0.47	0.045
2010-11	0.34	0.23	0.72	0.16	0.18	0.46	0.42	0.43	0.35	0.30	3.59	0.36	0.027
2011-12	0.41	0.35	0.31	0.91	1.16	0.49	0.47	0.59	0.29	0.37	5.35	0.54	0.081
2012-13	0.34	0.40	3.49	0.70	0.31	0.91	0.50	0.50	0.40	0.44	7.99	0.80	0.927
2013-14	0.49	0.31	0.74	0.28	0.61	1.17	0.52	0.72	0.61	0.45	5.90	0.59	0.065
2014-15	0.42	0.55	0.43	0.49	0.68	0.62	0.47	0.58	0.36	0.45	5.03	0.50	0.010
2015-16	0.42	0.49	0.26	0.49	0.55	0.91	0.73	0.53	0.34	0.50	5.23	0.52	0.034
2016-17	0.44	0.55	0.53	1.11	0.56	0.65	0.58	1.81	0.49	0.54	7.24	0.72	0.179
Sum	5.038	4.709	11.297	6.702	8.815	9.903	6.422	8.721	5.707	5.573			
Average	0.240	0.224	0.538	0.319	0.420	0.472	0.306	0.415	0.272	0.265			
Variance	0.021	0.027	0.730	0.108	0.064	0.081	0.034	0.137	0.018	0.021			

Two-way ANOVA					
Source of Variation	SS	df	MS	F	P-value
Rows	9.461581	20	0.473079	5.550407	5.87
Columns	2.168928	9	0.2827443	2.827443	2.36
Error	15.34198	180	0.0852		
Total	26.97249	209			

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Table 6: Scheme-wise Loan sanctioned by KSFC for per unit of Small and Medium Enterprises (Rs. in lakhs)

Year	Single Window	Nursing	Sc	ST	OBC	Minorities	Women Entrepreneurs	Sum	Average	Variance
1996-97	0.05496	0.07610	0.00839	0.01106	0.00837	0.03082	0.02725	0.2170	0.0310	0.0007
1997-98	0.06788	0.10139	0.01353	0.01345	0.01228	0.02738	0.03498	0.2709	0.0387	0.0011
1998-99	0.07508	0.14805	0.02112	0.02405	0.02620	0.04062	0.05603	0.3912	0.0559	0.0020
1999-00	0.06752	0.12680	0.02592	0.03130	0.04092	0.05962	0.08275	0.4348	0.0621	0.0012
2000-01	0.06792	0.34421	0.04824	0.03118	0.04000	0.05634	0.14085	0.7287	0.1041	0.0125
2001-02	0.06504	0.25000	0.06073	0.04182	0.08867	0.13831	0.18691	0.8315	0.1188	0.0059
2002-03	0.12190	0.14000	0.05394	0.06250	0.07714	0.12791	0.22691	0.8103	0.1158	0.0035
2003-04	0.07410	0.11500	0.06077	0.09143	0.07667	0.28388	0.27660	0.9785	0.1398	0.0095
2004-05	0.11333	1.50000	0.10000	0.09176	0.18088	0.16024	0.31790	2.4641	0.3520	0.2622
2005-06	0.06846	0.83625	0.13304	0.11750	0.14116	0.13639	0.21968	1.6525	0.2361	0.0720
2006-07	0.07701	1.48000	0.12000	0.30400	0.20341	0.21603	0.34103	2.7415	0.3916	0.2390
2007-08	0.10675	0.37792	0.16500	0.17143	0.15943	0.26971	0.33243	1.5827	0.2261	0.0103
2008-09	0.10511	0.26545	0.18582	0.13000	0.17286	0.30119	0.36120	1.5216	0.2174	0.0089
2009-10	0.16379	0.49700	0.22738	0.21706	0.24370	0.23550	0.43629	2.0207	0.2887	0.0158
2010-11	0.18739	1.03353	0.32527	0.37762	0.24256	0.31514	0.48867	2.9702	0.4243	0.0814
2011-12	0.22211	0.91941	0.26269	0.24280	0.32784	0.36121	0.57276	2.9088	0.4155	0.0633
2012-13	0.18948	0.88700	0.32416	0.29634	0.82486	0.39489	0.75045	3.6672	0.5239	0.0823
2013-14	0.28024	1.18815	0.38447	0.33397	0.68657	0.50971	0.74466	4.1278	0.5897	0.1002
2014-15	0.25635	1.03588	0.39959	0.41500	0.76308	0.69979	0.76857	4.3383	0.6198	0.0741
2015-16	0.28028	0.36083	0.40052	0.35744	0.38238	0.63296	0.80654	3.2210	0.4601	0.0354
2016-17	0.30241	0.63808	0.54387	0.48710	0.51294	0.69072	0.88213	4.0573	0.5796	0.0331
Sum	2.9471	12.3211	3.8645	3.8488	5.2119	5.6884	8.0546	41.9364		
Average	0.1403	0.5867	0.1840	0.1833	0.2482	0.2709	0.3836			
Variance	0.0070	0.2181	0.0251	0.0229	0.0624	0.0454	0.0753			
Two-Way ANOVA										
Source of Variation	SS	df	MS	F	P-value	F-crit				
Rows	4.982087	19	0.262215	8.435662	2.96E-14	1.6785				
Columns	3.13902	6	0.52317	16.83078	7.77E-14	2.1791				
Error	3.543589	114	0.031084							
Total	11.6647	139								

Source; Published Annual Reports of Karnataka State Financial Corporation, Bangalore.

Conclusion

KSFC has failed in its objective of balanced development, as most of the sanctions have been made only to a few districts of Karnataka and a small share of the total amount sanctioned has gone to the backward districts. Moreover, the percentage share of arrears is increasing and recovery ratio is decreasing year-by-year.

However, KSFC has helped to promote industrial development in Karnataka State. The focus is on agro-processing and hotels and restaurants. i.e., service sector which are the growing sectors in State. But it is observed that KSFC is more engaged in advancing loan than extending technical support to industries in the State. The support in the field of market studies and product identification is also essential as the entrepreneurs in the district lack knowledge about these crucial issues. There is also a need to carry out further research studies intensively in analyzing the various factors affecting industrial growth in the State which may help to develop an appropriate strategy to promote industrial development in the State.

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