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An Analysis of Customer Services Provided by Non-Banking Financial Companies

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INTRODUCTION

NON-BANKING FINANCIAL COMPANIES

A non-banking financial company is a company registered under the companies act 1956 of India and engaged in the business of loans and advances, acquisition of shares, stocks, bonds, debentures securities issued by government or local authority or other securities like marketable nature, leasing, hire purchase, insurance business, chit business but does not include any institution whose principal business is that of agricultural activity, industrial activity, sale or purchase or construction of immovable property.

In India NBFCs fill important gaps in the financial structure of India's economy and have come to play an important role in the agriculture as well as industrial development of the economy. In recent years most of these companies have no surplus funds to lend and they are in fact search of funds which they obtain partly by accepting deposits from the public, therefore these companies accept deposits from the public in large and small amounts and almost offer a higher rate of interest than that provided by banks.

CUSTOMER SERVICES PROVIDED BY NON-BANKING FINANCIAL COMPANIES

NBFCs offer most sorts of banking services such as loans and credit facilities, private education funding, retirement planning, trading in money markets, underwriting stocks and shares, TFCs and other obligations. These institutions also provide wealth management such as managing portfolios of stocks and shares, discounting services etc. Eg; discounting on instruments and advice on mergers and acquisition activities. The number of non-banking financial companies has expanded greatly in the last several years as venture capital companies, retail and banking companies have entered the lending business. Non banking financial institution also frequently supports investments in property and prepare feasibility market or industry studies for companies.

However, they are typically not allowed to take deposits from public and have to find other means of funding their operations such as issuing debt instruments.

STATEMENT OF THE PROBLEM.

The role of NBFCs as effective financial intermediaries has been well recognized as they have inherent ability to take quicker decisions, assume greater risks and customize their services and changes more according to the needs of clients. Non-banking financial companies are fast emerging as an

important segment of Indian financial system. It is a heterogeneous group of institutions performing financial intermediation in a variety of ways like accepting deposits, making loans and advances, leasing, hire purchase etc. They raise funds from the public directly or indirectly and lend them to ultimate spenders. They advance loans to the various wholesale and retail traders, small scale industries and self-employed persons. Gradually they are being recognized as complementary to the banking sector due to the attractive rate of return on deposits, flexibility and timeliness in meeting the credit needs of specific sectors etc. In this context the objective of this study is to evaluate various services provided by the NBFCs and compare with them that of services provided by banking sector.

OBJECTIVES

1. To evaluate the customer services provided by Non-Banking Financial Companies.
2. To find whether services provided by NBFCs are complementary to that of regular banking services.
3. To know about the level of satisfaction customers perceived from the services provided by NBFCs.
4. To analyze the reasons for customer's preference to NBFCs to that of regular banking sector.

HYPOTHESIS

1. There is no significant difference between services by NBFCs to that of regular banking sector.
2. There is no significant difference in the level of satisfaction of customers regarding various services provided by NBFCs.

NEED AND SIGNIFICANCE OF STUDY

Customer satisfaction is one of the most important outcomes in the marketing literature. NBFCs need to evolve a suitable strategy to maximize customer satisfaction by catering to their needs. As the customer needs change over time, NBFCs need to modify the existing offerings, create financial products with different attributes and develop altogether new financial products. The needs and significance of the present study are to evaluate the various services provided by NBFCs.

METHODOLOGY OF THE STUDY

The data used for the study were collected from both the primary and secondary sources. The secondary data required for the study were collected from various books and other published and unpublished sources.

Primary data were collected from Mallappally Taluk of Muthoot Finance based on Random sampling method.

SCOPE OF THE STUDY

Scope of the study is confined to the various customer services provided by NBFCs with special reference to Muthoot Finance.

LIMITATIONS OF THE STUDY

1. Respondents are unable to answer the questionnaire due to lack of time.

REVIEW OF LITERATURE

1. Basu, (1961), in his paper "Non-Banking Financial Intermediaries and Monetary Policy" explains that in India, the NBFC comprises a variety of institutions, which are defined under section 45 I (a) of the Reserve Bank of India Act, 1934. The author has discussed about the nature of activities of the NBFCs. The paper also describes the types, monetary policies and regulatory measures of NBFC.

2. Kantawala, (1997), in his study "Financial Performance of Non-Banking Finance Companies in India", examined the performance of non-banking financial companies for the period from 1985-86 to 1994-95. Based on secondary data collected from different RBI bulletins regarding financial and investment companies, the study concluded that there was a significant difference in the profitability ratios, leverage ratios, and liquidity ratios of various categories of NBFCs. When two categories were compared, the selected ratios were not statistically different from each other in majority of the cases.

3. Bhargavi, (2004) in his study on "A Study on Performance of NBFCs Engaged in Leasing Business with Special Reference to Sundaram Finance Ltd., Chennai" found that all the sample companies had performed well except Tata Finance Ltd. Though these companies had faced recession during the period 2000-01, they had revived their performance in the subsequent period. After that, the companies had recorded better performance because they had diversified their activities. The study showed a decline in the performance of leasing companies. The main reasons that can be held responsible for the downfall of leasing industry was that capital-intensive industry which required huge plants and machineries were badly hit by recession during the period 2000-01. The other reason was that companies had started to organise funds through loan and capital issues for the purpose of procuring assets.

4. Rani, (2008) in his thesis "Impact of Financial Sector Reforms on Nonbanking Financial Companies" studied about the comprehensive legislations recommended by Narasimham Committee II which empowered RBI with extensive powers to manage over the performance and existence of NBFCs. The study found that the growth rate of NBFC in respect of deposits continued to rise till the year 1997, but declined after 1998 as the regulatory framework in 1998 came as a source of extreme control to the real and genuine players in the market. However, it has been identified in the study that the main source of NBFCs had always been the acceptance of deposits.

5. Hari Krishnan, (2008) in his thesis "Receivable Management in Nonbanking Finance Companies with special reference to vehicle financing" identified the key issues and problems in managing the receivable in respect of null hypothesis was accepted for only three ratios, indicating thereby that there was no significant difference. From this, it can be inferred that the ratios for all categories of NBFC different from each other vehicle financing of NBFCs. For this purpose, the number of NBFCs and their deposits were taken for the period from 1971 to 2007. The data were collected from the secondary sources. From the study, it was found that about 50 percent of the borrowers made repayment, 6.7 percent was defaulters from the very first instalment, and average cheque return was about 20 percent. Hardly 7 percent of them only contacted financiers by making alternate arrangements and it was seen that even a sizeable percentage of cheques of alternate payment made had bounced. About 3 percent of borrowers did not pay even a single instalment and 12 percent did not pay even 25 percent of loan availed by them. This proved that there were problems in the repaying behaviour of borrowers and it was concluded that the repaying behaviour of borrowers was not satisfactory.

6. Bala and De (2009) in their paper entitled "NBFCs: A Major Show" showed that the NBFCs under study had developed significantly and were even able to spread the financing activities considering the financing need throughout the country without having adequate security. NBFCs could reach the unorganized segments of society with their ability to provide innovative financial services. The NBFCs played a vital role in disbursing credit to the rural sector, thus preventing the concentration of credit risk in banks. The study also showed that in urban areas, NBFCs were also paying attention to non-salaried individuals, traders, transporters and stock brokers who were neglected by the banks.

THEORITICAL BACKGROUND

MEANING

Non-Banking Financial Companies are fast emerging as an important segment of Indian financial system. It is a heterogeneous group of institution performing financial intermediation in a variety of ways like accepting deposits, making loans and advances, leasing, hire purchase etc. They raise funds from the public directly or indirectly and lend them to ultimate customers. They advance loans to various wholesale and

retail traders, small scale industries and self-employed persons. Thus, they have broadened and diversified that range of products and services offered by a financial sector. Gradually they are being recolonized as complementary to the banking sector due to their customer-oriented services, simplified procedures, attractive rate or return on deposits, flexibility and timeliness in meeting the credit needs of specific sectors etc.

DEFINITION

A Non-Banking Financial Company is a company registered under the companies act 1956 if India and engaged in the business of loans and advances, acquisition of shares, stock, bonds, debentures, securitization issued by government or local authority or other securities like marketable nature, leasing, hire purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activities, industrial activities, sale or purchase or construction of immovable property.

The working and operations of NBFCs are regulated by the Reserve Bank of India within the framework of the Reserve Bank of India Act 1934 (chapter IIIB) and the directions issued by it under the act. As per the RBI Act a NBFC is defined as;

- i) A financial institution which is a company
- ii) A non-banking institution which is a company and which has its principal business and receiving of deposits under any scheme of arrangement or in any other manner or lending in any manner.
- iii) Such other non-banking institution or class of such institutions as the bank may with the previous approval of the central Government and by notification in the official Gazette, specify.

Under the act, it is mandatory for a NBFC to get itself registered with the RBI as a deposit taking company, this registration authorizes it to conduct its business as an NBFC. For the registration with the RBI, a company incorporated under the companies act 1956 and desirous of commencing business of non-banking financial company should have a minimum net owned fund of Rs 25 lakhs. The term NOF means owned funds (paid up capital and free reserves minus accumulated losses, deferred revenue expenditure and other intangible assets) less;

- i) Investment in shares of subsidiaries or companies in the same group
- ii) Investment in shares of subsidiaries or companies in the same group or all other NBFCs;
- iii) The book value of debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries or companies in the same group in excess of 10% of the owned funds.

NBFCs are categorized a) in terms of the type of liabilities into Deposit and Non-Deposit accepting NBFCs, b) non deposit taking NBFCs by their size into systemically important and other non-deposit holding companies (NBFC-NDSI and NBFC-ND) and c) by the kind of activity they conduct. Within this broad categorization the different types of NBFCs are as follows:

I. Asset Finance Company (AFC) : An AFC is a company which is a financial institution carrying on as its principal business the financing of physical assets supporting productive/economic activity, such as automobiles, tractors, lathe machines, generator sets, earth moving and material handling equipment's, moving on own power and general purpose industrial machines. Principal business for this purpose is defined as aggregate of financing real/physical assets supporting economic activity and income arising therefrom is not less than 60% of its total assets and total income respectively.

II. Investment Company (IC): IC means any company which is a financial institution carrying on as its principal business the acquisition of securities,

III. Loan Company (LC): LC means any company which is a financial institution carrying on as its principal business the providing of finance whether by making loans or advances or otherwise for any activity other than its own but does not include an Asset Finance Company.

IV. Infrastructure Finance Company (IFC): IFC is a non-banking finance company a) which deploys at least 75 per cent of its total assets in infrastructure loans, b) has a minimum Net Owned Funds of ₹ 300 crore, c) has a minimum credit rating of 'A' or equivalent d) and a CRAR of 15%.

V. Systemically Important Core Investment Company (CIC-ND-SI): CIC-ND-SI is an NBFC carrying on the business of acquisition of shares and securities which satisfies the following conditions:-

(a) it holds not less than 90% of its Total Assets in the form of investment in equity shares, preference shares, debt or loans in group companies;

(b) its investments in the equity shares (including instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue) in group companies constitutes not less than 60% of its Total Assets;

(c) it does not trade in its investments in shares, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment;

(d) it does not carry on any other financial activity referred to in Section 45I(c) and 45I(f) of the RBI act, 1934 except investment in bank deposits, money market instruments, government securities, loans to and investments in debt issuances of group companies or guarantees issued on behalf of group companies.

(e) Its asset size is ₹ 100 crore or above and

(f) It accepts public funds

VI. Infrastructure Debt Fund: Non- Banking Financial Company (IDF-NBFC): IDF-NBFC is a company registered as NBFC to facilitate the flow of long-term debt into infrastructure projects. IDF-NBFC raise resources through issue of Rupee or Dollar denominated bonds of minimum 5-year maturity. Only Infrastructure Finance Companies (IFC) can sponsor IDF-NBFCs.

VII. Non-Banking Financial Company - Micro Finance Institution (NBFC-MFI): NBFC-MFI is a non-deposit taking NBFC having not less than 85% of its assets in the nature of qualifying assets which satisfy the following criteria:

a. loan disbursed by an NBFC-MFI to a borrower with a rural household annual income not exceeding ₹ 1,00,000 or urban and semi-urban household income not exceeding ₹ 1,60,000;

b. loan amount does not exceed ₹ 50,000 in the first cycle and ₹ 1,00,000 in subsequent cycles;

c. total indebtedness of the borrower does not exceed ₹ 1,00,000;

d. tenure of the loan not to be less than 24 months for loan amount in excess of ₹ 15,000 with prepayment without penalty;

e. loan to be extended without collateral;

f. aggregate amount of loans, given for income generation, is not less than 50 per cent of the total loans given by the MFIs;

g. loan is repayable on weekly, fortnightly or monthly instalments at the choice of the borrower

VIII. Non-Banking Financial Company – Factors (NBFC-Factors): NBFC-Factor is a non-deposit taking NBFC engaged in the principal business of factoring. The financial assets in the factoring business should constitute at least 50 percent of its total assets and its income derived from factoring business should not be less than 50 percent of its gross income.

IX. Mortgage Guarantee Companies (MGC) - MGC are financial institutions for which at least 90% of the business turnover is mortgage guarantee business or at least 90% of the gross income is from mortgage guarantee business and net owned fund is ₹ 100 crore.

X. NBFC- Non-Operative Financial Holding Company (NOFHC) is financial institution through which promoter / promoter groups will be permitted to set up a new bank .It's a wholly-owned Non-Operative Financial Holding Company (NOFHC) which The term 'deposit' is defined under Section 45 I(bb) of the RBI Act, 1934. 'Deposit' includes and shall be deemed always to have included any receipt of money by way of deposit or loan or in any other form but does not include:

- i. amount raised by way of share capital, or contributed as capital by partners of a firm;
- ii. amount received from a scheduled bank, a co-operative bank, a banking company, Development bank, State Financial Corporation, IDBI or any other institution specified by RBI;
- iii. amount received in ordinary course of business by way of security deposit, dealership deposit, earnest money, advance against orders for goods, properties or services;
- iv. amount received by a registered money lender other than a body corporate;
- v. amount received by way of subscriptions in respect of a 'Chit'.

Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 defines a 'public deposit' as a 'deposit' as defined under Section 45 I(bb) of the RBI Act, 1934 and further excludes the following:

- a. amount received from the Central/ State Government or any other source where repayment is guaranteed by Central/ State Government or any amount received from local authority or foreign government or any foreign citizen/ authority/ person;
- b. any amount received from financial institutions specified by RBI for this purpose;
- c. any amount received by a company from any other company;
- d. amount received by way of subscriptions to shares, stock, bonds or debentures pending allotment or by way of calls in advance if such amount is not repayable to the members under the articles of association of the company;
- e. amount received from directors of a company or from its shareholders by private company or by a private company which has become a public company;
- f. amount raised by issue of bonds or debentures secured by mortgage of any immovable property or other asset of the company subject to conditions;
- fa. any amount raised by issuance of non-convertible debentures with a maturity more than one year and having the minimum subscription per investor at ₹ 1 crore and above, provided it is in accordance with the guidelines issued by the Bank.
- g. the amount brought in by the promoters by way of unsecured loan;
- h. amount received from a mutual fund;
- i. any amount received as hybrid debt or subordinated debt;
- j. amount received from a relative of the director of an NBFC;
- k. any amount received by issuance of Commercial Paper.
- l. any amount received by a systemically important non-deposit taking non-banking financial company by issuance of 'perpetual debt instruments'
- m. any amount raised by the issue of infrastructure bonds by an Infrastructure Finance Company

Thus, the directions exclude from the definition of public deposit, amount raised from certain set of informed lenders who can make independent decision. will hold the bank as well as all other financial services companies regulated by RBI or other financial sector regulators, to the extent permissible under the applicable regulatory prescriptions.

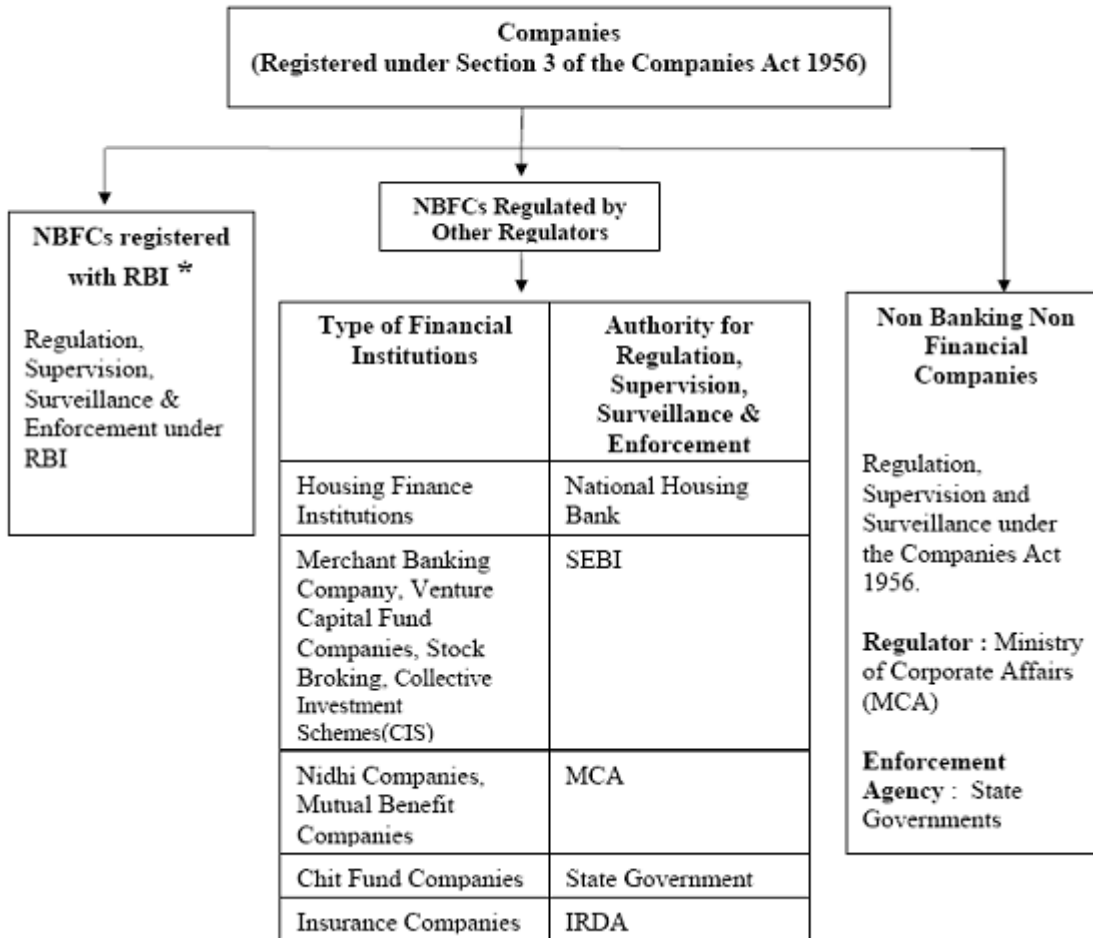
Some of the important regulations relating to acceptance of deposits by NBFCs are as under:

- i. The NBFCs are allowed to accept/renew public deposits for a minimum period of 12 months and maximum period of 60 months. They cannot accept deposits repayable on demand.
- ii. NBFCs cannot offer interest rates higher than the ceiling rate prescribed by RBI from time to time. The present ceiling is 12.5 per cent per annum. The interest may be paid or compounded at rests not shorter than monthly rests.
- iii. NBFCs cannot offer gifts/incentives or any other additional benefit to the depositors.
- iv. NBFCs should have minimum investment grade credit rating.

- v. The deposits with NBFCs are not insured.
- vi. The repayment of deposits by NBFCs is not guaranteed by RBI.
- vii. **ANNEX-I**

CHART - I

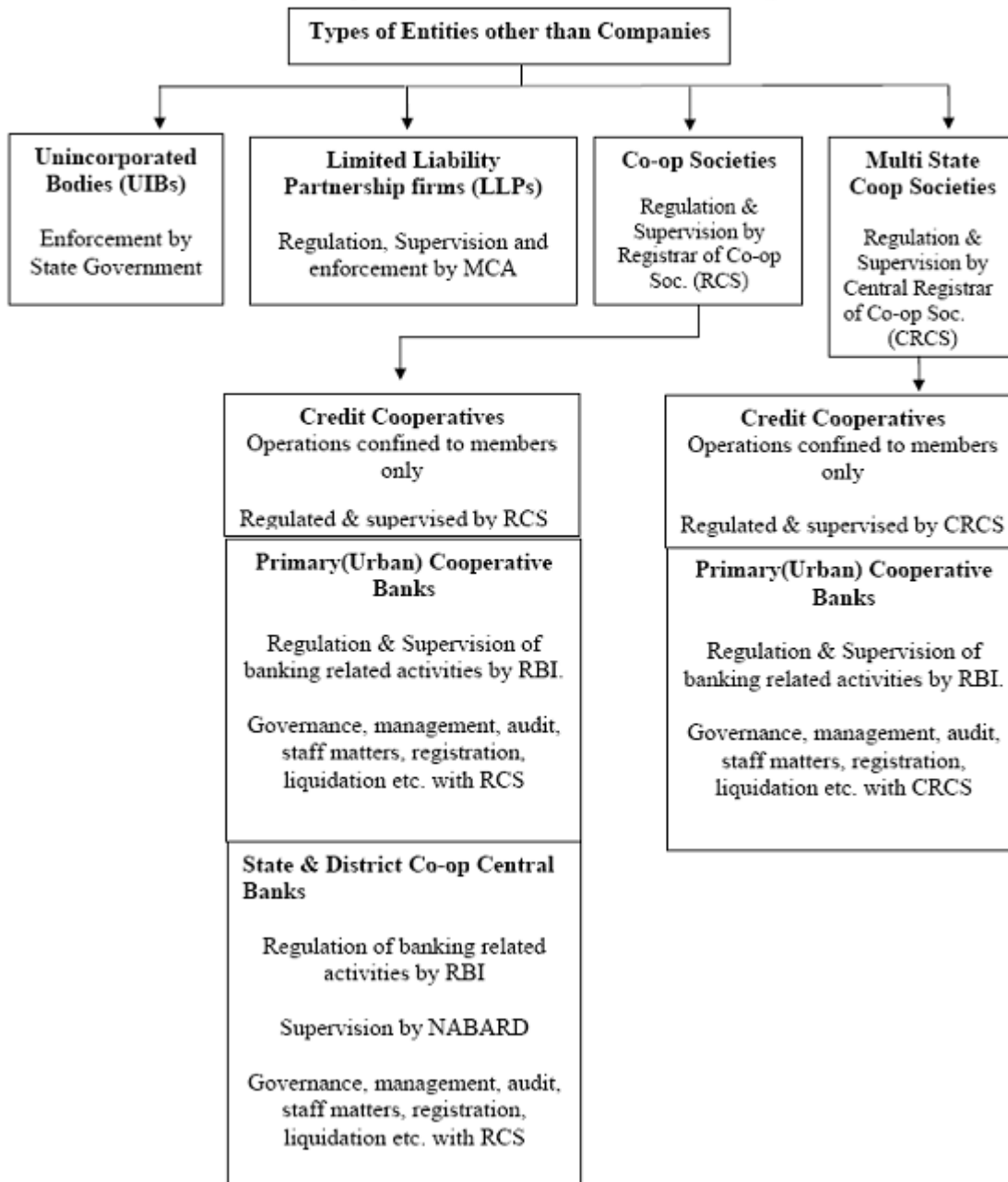
Overview of Regulators of Non-Banking Companies



ANNEX-II

CHART II

Overview of Regulators of Entities other than Companies



Types of NBFCs in India

Different types of NBFCs are as follows:

Investment and Credit Company (ICC)

Merging three categories of NBFCs viz asset finance companies (AFC), Loan companies (LC), Investment companies (IC) into a new category called NBFC - ICC.

CIRCULAR: RBI/2018-19/130 DNBR (PD) CC No. 097/03.10.001/2018-19 dated 22 February 2019

ICC means any company which is a financial institution carrying on as its principal business asset financing, the providing of finance whether by making loan and advances or otherwise for any activity other than its own and the acquisition of securities ; and is not any other category of NBFC as defined by RBI in any of its master directions.

Infrastructure Finance Company (IFC)

Infrastructure finance companies deploys a minimum of three-fourths of their total assets in infrastructure loans. The net owned funds are more than 3 billion and a minimum crediting rating of 'A' and the Capital to Risk-Weighted Assets Ratio is 15%.

Infrastructure Debt Fund: Non- Banking Financial Company (IDF-NBFC)

IDF-NBFC is a company registered as NBFC to facilitate the flow of long-term debt into infrastructure projects. IDF-NBFC raise resources through Multiple-Currency bonds of minimum 5-year maturity. Only Infrastructure Finance Companies (IFC) can sponsor IDF-NBFCs.

NBFC-Factors

NBFC Factors has principle business of factoring. Factoring is a financial transaction and a type of debtor finance

Gold Loan NBFCs in India

Over the years, gold loan NBFCs witnessed an upsurge in Indian financial market, owing mainly to the recent period of appreciation in gold price and consequent increase in the demand for gold loan by all sections of society, especially the poor and middle class to make ends meet. Though there are many NBFCs offering gold loans in India, about 95 per cent of the gold loan business is handled by three Kerala based companies, viz., Muthoot Finance, Malappuram Finance and Muthoot Fincorp. Growth of gold loan NBFCs eventuating from various factors including Asset Under Management (AUM), number of branches, and also the number of customers etc. Growth of gold loan NBFCs occurred both in terms of the size of their balance sheet and their physical presence that compelled to increase their dependence on public funds including bank finance and non-convertible debentures. Aggressive structuring of gold loans resulting from the uncomplicated, undemanding and fast process of documentation along with the higher Loan to Value (LTV) ratio include some of the major factors that augment the growth of Gold loan NBFCs.^[4]

Residuary Non-Banking Companies (RNBCs)

Residuary Non-Banking Company is a class of NBFC which is a company and has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner and not being Investment, Asset Financing, Loan Company. These companies are required to maintain investments as per directions of RBI, in addition to liquid assets.

Account Aggregators (AA)

Account Aggregators are a new class of NBFC instituted by the RBI in 2016. An account aggregator NBFC takes the business of account aggregation for a fee or otherwise. The NBFC once registered with the RBI, should only provide account aggregation and data to financial institutions based on customer consent. The actual mechanism should follow the consent architecture laid down by the RBI.^[5]

The account aggregators are expected to make loan applications easier for users by providing data access to financial institutions.^[6] RBI has given operating licences to four account aggregators and in-

Difference between NBFCs & Banks

NBFCs perform functions similar to that of banks but there are a few differences-

- NBFCs provide banking services to people without holding a Bank licence,
- An NBFC cannot accept Demand Deposits,
- An NBFC is not a part of the payment and settlement system
- An NBFC cannot issue Cheques drawn on itself
- Deposit insurance facilities is not available for NBFC depositors, unlike banks
- An NBFC is not required to maintain Reserve Ratios (CRR, SLR etc.)
- An NBFC cannot indulge primarily in agricultural or industrial activities or sale-purchase, construction of immovable property
- Foreign Investment allowed up to 100 %
- An NBFC accompanies working in Financial Body and Money handling

principle approvals to three NBFC account aggregators.

TESTING OF HYPOTHESIS

Tool Used; Chi Square Test

The stastical test in which the test stastic follows a χ^2 *distribution* is called χ^2 test. therefore, χ^2 test is a statistical test which tests significance difference between observed frequencies and the corresponding theoretical frequencies of a distribution without any assumption about the distribution of the population. χ^2 test

is one of the simplest and most widely used non parametric tests in stastical work. This test was developed by prof. Karl Pearson in 1900.

Steps for the χ^2 the test of goodness of fit.

- 1.H0; There is goodness of fit between observed and expected frequencies.
- 2.compute the test stastic $\chi^2 = (O-E)^2/E$ where O stands for observed frequencies and E stands for expected frequencies.
- 3.degree of freedom; n-r-1 where r is the number of independent constraints to be satisfied by the frequencies.
- 4.obtain the table value of χ^2 for the degree of freedom and for the desired level of significance.
- 5.if the calculated value is less than the table value, we conclude that there is goodness of fit.

H0; There is no significance difference between the level of satisfaction of the customers regarding various services provided by NBFCs.

services	Excellent	Very good	good	satisfactory	Non satisfactory	total
Deposit	6	3	2	1	1	13
Loan	8	10	2	2	2	24
Money transfer	1	1	1	1	1	5
Other services	2	3	1	1	1	8

Tool used chi square test

O	E	(O-E) ²	(O-E) ² /E
13	12.5	.25	.02
24	12.5	132.5	10.58
5	12.5	56.25	4.5
8	12.5	20.25	1.62
TOTAL			16.72

- viii. $\chi^2 = (O-E)^2/E = 16.72$
- ix. Degree of freedom = n-r-1
- x. = 4-0-1=3
- xi. Table value at .05 level of significance = 7.815
- xii. Since calculated value is more than the table value, we reject H0
- xiii. There is significant difference in the level of satisfaction of the customers regarding various services provided by NBFCs.

- xiv. **H0; There is no significant difference between the services provided by NBFCs to that of regular banking services.**

O	E	(O-E) ²	(O-E) ² /E
14	25	121	4.84
31	25	36	1.44
			TOTAL =6.28

- xv. $\chi^2 = 6.28$
 xvi. Degree of freedom = n-r-1
 xvii. = 2-0-1=1
 xviii. Table value at .05 level of significance = 3.841
 xix. Since calculated value is greater than table value, we reject H0.
 xx. There is significant difference between services provided by NBFCs to that of regular banking services.

xxi. FINDINGS, RECOMMENDATIONS AND SUGGESTIONS

xxii. FINDINGS

- xxiii. In order to have an assessment of customer service provided by NBFCs, 50 customers were interviewed for study. An attempt was made to supply the awareness of respondents towards services provided by NBFCs and also evaluated the level of satisfaction they perceived from services provided by NBFCs. The study also aimed to evaluate whether services provided by NBFCs are complementary to that of regular banking sector. Major findings of the study are;
- xxv. 1. sex wise analysis of sample respondents revealed that among 50 respondents 46% constituting male and 54% constituting female.
- xxvi. 2. education wise classification of respondents revealed that among 50 respondents 28% have sslc qualification, 16% have plus two classification, 32% have degree education and 16% have post graduate education and 8% have education below sslc.
- xxvii. 3. occupation wise classification of respondents revealed that among 50 respondents, 24% are salaried, 32% are business people and 44% belongs to other categories. They are common people.
- xxviii. 4. service wise classification of respondents revealed that among 50 participants 26% are customers of deposit services, 48% customers of gold loan, 10% are customers of money transfer services,
- xxix. 5. preference wise classification of respondents revealed that among 50 respondents 8% prefer services because of proximity to residence, 18% prefer because of popularity, 20% prefer because of personal relationship with staff, 24% prefer because of personal request and 26% prefer because of high rate of interest on deposits.
- xxx. 6. an evaluation of customer services revealed that among 50 respondents 28% are of the opinion that quality of customer services are excellent, 42% are of the opinion that the quality is very good, 10% are of the opinion that the quality is good, 10% are of the opinion that the quality is satisfactory and remaining is not satisfied with the quality of services.
- xxxi. 7. among 50 respondents 38% are of the opinion that the customer services provided by nbfc are complementary to that of regular banking services and 62% are of the opinion that the services provided by nbfc are not complementary to that of regular banking services

xxxii. SUGGESTIONS AND RECOMMENDATION

- xxxiv. 1. Employees must be given proper motivation and training in dealing with all categories of customers without discrimination.
- xxxv. 2. a further simplification of procedures and avoidance of unnecessary paper work will enhance customer satisfaction in future.

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