PREFACE

In India increasing attention is being paid to the regional dimensions in planning particularly since the beginning of the Third Five Year Plan, though sectoral approach to planning dominated the scene right from the beginning of the First Five Year Plan in 1950-51. Apart from the problem of securing regionally balanced development and bringing the backward regions on par with advanced regions, there is also a growing realisation that an approach to planning should have conscious regional perspective. In this sense regional planning should answer clearly identified needs of regions and take into account their growth potential and natural resources. Such a plan also becomes immediately meaningful to the people of concerned regions as it stimulates greater participation on their part and at the same time avoids agitations against alleged neglect of economically backward regions.

In the context of such regional planning for development, the doctrine of decentralisation can be fully and usefully applied in the sphere of finance by planning and organising the monetary structure of the country on a regional basis so as to meet the financial requirements and mobilise the savings of each region. The money market provides the necessary mechanism for achieving these objectives and speeding up capital formation.
Karnataka is a land of vast resources and potentialities which have remained unexploited. In the interest of the State and her people it becomes necessary that a full fledged regional money market be established here to remove the hurdles and to help the people to achieve all round progress. The object of the present work is to study the potentialities of Bangalore as the nucleus of a full - fledged money market for the State of Karnataka.

There were difficulties in obtaining information and collecting statistical data, as is common in all regional studies. The data pertaining to economic activities either of Karnataka or of Bangalore is not published by any agency, and the constituents of the money market generally regard such information as confidential. Therefore, published statistics available in the publications of the Reserve Bank of India, other financial journals and statistics published by the Bureau of Economics and Statistics, Government of Karnataka are made use of. However, this has been supplemented by information collected through personal enquiries wherever possible.

The whole work has been divided into eleven chapters. Introduction (Chapter i) A Study of Hinter land (Chapter ii), The Constituents of the Money Market (Chapter iii), The Financial Flow (Chapter iv) followed by a study of Portfolio Policy(Chapter v)
The later chapters include the role of the Reserve Bank of India (Chapter vi) The Interest Rate Structure (Chapter vii), The Bankers' Clearing House (Chapter viii), followed by a study of Specialised Markets (Chapter ix), and the Specialised Agencies (Chapter x), The Final Chapter (xi) gives Findings and Recommendations.

I have made use of Karnatak University, Library, Dharwad, Bombay University Library Bombay, Reserve Bank of India Library Bombay, Economic Research Department of Syndicate Bank, Manipal, Canara Bank Library, Bangalore. I am indebted to the authorities of these institutions for the kind help and courtesy that they extended during my visit.

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