

IMPACT OF SUPPLY CHAIN FINANCE ON HOME APPLIANCE INDUSTRIES IN KERALA

MAHESH M.S.

RESEARCH SCHOLAR

DEPARTMENT OF COMMERCE, UOK, KARIAVATTOM

Abstract:

The home appliance business is carrying out its operation with fast moving trend in most of the time. Fast moving consumer goods need frequent transaction with customers. They must to keep a good EOQ system of making demand on product for satisfying the needs of the customers. This study attempts to evaluate the impact of the supply chain finance on home appliance industry. The access and use of supply chain finance to home appliance business in Kerala with primary data. As an industry, which need high amount working capital to meet their day to day operating cost and other financial obligation with the suppliers or manufactures of the products. Here the supply chain finance helps the home appliance business to carry forward the daily transaction with its suppliers of the product. And get an option from the financial institutions of delayed payment, and the financial institution makes prompt payment to the supplier. Therefore it's good to all kind of business concerns especially industry like home appliance industry.

Keywords: - Home appliance, Supply Chain Finance

I. INTRODUCTION

The home appliance industry is one of the greatest customer oriented business units. The product they deal with spread out their range in the market. The business needs finance to carry forward the business activities in right manner but the lack of finance become a hurdle in that situation. Home appliance market reached Rs 2.05 trillion in 2017 in Kerala. The trend leads to an increase at a 9 per cent CAGR to reach Rs 3.15 trillion in 2022. Urban area markets account for the major share (65%) of total revenues in the consumer durables sector in Kerala, because the increased rate of purchasing the durable goods day by day.

Most of the banking institutions provide them some kind financial services for the well operations. The good cooperation with financial institution helps the industry to use the innovative financial facility with low rate of interest.

II. STATEMENT OF THE PROBLEM

Home appliance industry is one of the major business entities in Kerala. Customers are attracted toward the industry to cover up their homes with durable goods. Sometime the industry wants to make high amount of demand on products from the supplier or manufactures. But all the buying must have prompt payment too. However, some of the manufactures of the product give credit

facility when making bulk purchase.

If there is some amount of credit purchase, at peak time of economy they don't get any kind of financial facility. Home appliance retailer has no amount for making the prompt payment. Here the banking units provide an innovative financial facility to home appliance industry for making the credit purchase and facilitate the prompt payment. The facilities from the financial institution help the home appliance industry to work properly. Hence the current study look into understand the applicability of supply chain finance to home appliance industry in Kerala.

III. OBJECTIVES

The objectives of the paper are to assess the knowledge of supply chain finance practices of home appliance industry in Kerala. However, this paper highlights on the following areas

1. To study the supply chain finance practices of home appliance industry in Kerala.

IV. METHODOLOGY

The study is conducted as "Exploratory" in nature. It reflects the belief that this is a valid approach to theory development in a field where there is presently insufficient accepted theory to guide the research available in different journals and magazines are also referred for compilation of this paper. All data are compiled from articles, books and internet. The study conducted in three region; south, centre and north. Data were collected from Home appliance industries utilizes the facility of supply chain finance from financial institution.

SUPPLY CHAIN FINANCING PRACTICES FOR HOME APPLIANCE INDUSTRY IN KRALA

Supply chain finance (SCF) is an innovative way of financing for the enterprises, especially in case of Home Appliance industry. SCF refers to a set of business and financing processes that link the various parties in a transaction; the buyer, seller, and the bank, to improve business efficiency and lower financing costs through risk transference. Banks see SCF as a viable option for improved risk management in financing with a wide range of clients. SCF model is built around trade financing transactions and not companies. Technology is a key enabler with platform providers joining the trend with various financial entities and other organizations that are looking to participate in this growing area of business financing. Financing difficulty of Home Appliance industry has become a common predicament for the development of small and medium-sized enterprises in Kerala.

This Chapter analyses the supply chain financing practices of Home Appliance industry in Kerala. The analysis has been made by taking the opinion of the Home Appliance industry

only from Kerala. Before the analysis, a brief profile of the sample Home Appliance industry is given.

1.1 Profile of Home Appliance industry

For analyzing the profile of Home Appliance industry, variables viz. Nature of activities, Financial Institutions, Name of the Financial Institution, Status of the Respondents, No. of Years of Existence and capital outlay are used.

(i) Nature of Activities

For the study, nature of activities among Home Appliance industry is an important element and analyzed the data in accordance with it. Of the 383 units selected, 190 (49.61%) are engaged in manufacturing activities, 166 (43.34%) in trading activities and 27 (7.05 %) in service activities (Table 1.1).

(ii) Financial Institutions

For conducting the study, the sector of financial institution from which the Home Appliance industry utilizes the scf is an important element. Of the 383 unit the respondents selected from public sector bank are, 313 (81.72%) of total respondent and the respondents selected from private sector bank are, 70 (18.28%) of total respondents (Table 1.1).

(iii) Name of the Financial Institution

The study give importance to five financial institutions as it included as respondents for the study. A total of five financial institutions were selected for the study, on the basis of which provides the facility of supply chain finance to Home Appliance industry. Of the 383 units selected, 238 (62.14%) respondents selected from State Bank of India, 66 (17.23%) respondents selected from Canara Bank, 10 (2.61%) respondents selected from Bank of Baroda are from public sector bank. 35 (9.14%) respondents selected from IndusInd bank and 34 (8.88 %) respondents selected from Federal bank are from private sector bank (Table 1.1).

(iv) Status of the Respondents

For the study, data collected from the Home Appliance industry officials for getting clarity about using of scf from financial institution. Of the 383 units selected, 332 (86.68 %) respondents selected are Proprietors, 27 (7.05 %) respondents selected are Partners and 24 (6.27 %) respondents selected are Directors of total respondents (Table 1.1).

(v) No. of Years of Existence

For the study, existence of officials in the Home Appliance industry is an important one for getting the information in more clarity. Of the 383 units selected, 28 (7.31%) respondents have less than 5 years of existence and 197 (51.44%) respondents have five to ten years of existence and 158 (41.25%) respondents only have ten to fifteen years of existence in this field (Table 1.1)

(vi) Capital out Lay

For the study, criteria for selecting the Home Appliance industry were used for the well running of the research work. Of the 383 units selected, 251 respondents selected from Home Appliance industry have 1-5 crores capital outlay which constituted (65.54%) of total respondent and 132 respondents selected from Home Appliance industry have 5-10 crores capital outlay which constituted (34.46%) of total respondent (Table 1.1).

Table 1. 1: Distribution of Home Appliance industry by their Characteristics

Characteristics		n	%
Nature of activities	Manufacturing	190	49.61
	Trading	166	43.34
	Service	27	7.05
Financial institution for supply chain financing	Public sector bank	313	81.72
	Private sector bank	70	18.28
Name of the financial institution	SBI	238	62.14
	Canara	66	17.23
	IndusInd	35	9.14
	Federal	34	8.88
	Bank of Baroda	10	2.61
Status of the respondent	Proprietor	332	86.68
	Partner	27	7.05
	Director	24	6.27
No. of years of existence	Less than 5 years	28	7.31
	Five to Ten years	197	51.44
	Ten to Fifteen years	158	41.25
Capital outlay (Rs. In crore)	'1- 5	251	65.54
	'5 -10	132	34.46
	Total	383	100.00

Source: Primary data.

1.2 Supply Chain Financing Practices of Home Appliance industry in Kerala.

Supply chain finance is an innovative financial source to the business groups especially to the industries like Home Appliance industry. However the Home Appliance industry confronts a primary problem, that is lack of finance and all other problems are secondary. The supply chain financial (SFC) facility to Home Appliance industry is an important innovative services started by the nationalized banks. It solves the primary problem of these kinds of Home Appliance industry in Kerala. In Kerala the manufacturing, trading and service enterprises are covering the industrial sector of the state. The buyer/dealer finance scheme from supply chain finance is

helpful to the above mentioned industries. The Home Appliance industry, suppliers of product to the Home Appliance industry and the financial institution are the three persons which meant as three tire structure in SCF.

The financial institution facilitates the Home Appliance industry to make the transaction with prompt payment by using supply chain finance scheme facility. The Home Appliance industry get the choice of delayed payments with Banks and Home Appliance industry can make the prompt payments to supplies with invoice in online. The users of this scheme of finance agreed that they are good with it and can't make any transaction without it in this time. Now all the buying transactions are done by the Home Appliance industry with the supply chain finance facility.

1.1.1 Awareness of Home Appliance Industry about all the Schemes of Supply Chain Financing

The supply chain financing scheme facilitates by financial institution mainly in two manners. The officials of the Home Appliance industry need to have clear cut awareness about the scheme they utilize in order to use it. The status of awareness about the scf scheme by the officials of Home Appliance industry is an important one. Without clear awareness about the scf scheme the beneficiary can't go ahead with this scheme of finance. For the study, data collected from officials of Home Appliance industry from region and from sector for getting more accuracy in information.

Table 1. 2: Distribution of Home Appliance Industry with Respect to Status of Awareness on Scheme of Supply Chin Finance by Region and Sector

Status of Awareness		Region			Sector		Total
		South	Centre	North	Public	Private	
Yes	n	125	164	82	304	67	371
	%	96.90	98.20	94.25	97.12	95.71	96.87
No	n	4	3	5	9	3	12
	%	3.10	1.80	5.75	2.88	4.29	3.13
Total	N	129	167	87	313	70	383
	%	100.00	100.00	100.00	100.00	100.00	100.00

Source: Primary data

Table 1.2 present the status of awareness of Home Appliance industry on all the schemes of supply chain financing schemes regards to region and sector. Of the 383 Home Appliance industry, 164 (98.20%) of respondent opinioned that a large majority of the Home Appliance industry are aware of all the schemes of scf in the centre region as compared to all other region. 125 (96.90%) majorities of the Home Appliance industry are aware of all the schemes of the financing in the south region it come as intermediate level comparing to three regions. 82 (94.25%) of the Home Appliance industry are aware of all the schemes of scf in the north region

as it comes as least region compared to three region. Sector wise analyses also found that, of 383 Home Appliance industry, 304 (97.12%) of respondents are aware of all the schemes of scf in public sector banks and 67 (95.71%) of respondent of Home Appliance industry are aware of all the schemes of scf in private sector (Table 1.2).

1.1.2 Level of Awareness

Similar to the awareness of all the scheme of scf, the level of awareness of SME about scf from financial institution was taken for the study. Regarding the level of awareness of Home Appliance industry on supply chain financing schemes of banks in Kerala, the analysis reveals that Out of 383, 111 (66.47%) are Fully aware of all the schemes of the financing in the centre region as compared with all other region and 55 (63.22%) are fully aware in the north region which is least number in three region.

Table 1. 3: Distribution of Home Appliance industry with respect to Level of Awareness about the Scheme of Supply Chain Finance by Region and Sector

Level of Awareness		Region			Sector		Total
		South	Centre	North	Public	Private	
Fully aware	n	83	111	55	203	46	249
	%	64.34	66.47	63.22	64.86	65.71	65.01
Partially aware	n	46	56	32	110	24	134
	%	35.66	33.53	36.78	35.14	34.29	34.99
Total	n	129	167	87	313	70	383
	%	100.00	100.00	100.00	100.00	100.00	100.00
Chi-square		0.304			0.019		
Sig.		0.859			0.892		

Source: Primary data.

And 56 (33.53%) are partially aware of all the scheme of supply chain finance in centre region. 32 (36.78%) of respondent are partially aware of all the scheme of supply chain finance in north region. The fully aware and partially aware are intermediate level at south region. Sector wise analyses also find that of the 383 respondents, 203 (64.86%) of respondents of Home Appliance industry are fully aware and receive scf scheme from public sector bank. 46 (65.71%) of respondent are fully aware and receive scf scheme from private sector bank. And 110 (35.14%) are partially aware of all the scheme of supply chain finance and they receive scf scheme from public sector bank. 24 (34.29%) of respondent are partially aware of all the scheme of supply chain finance and they receive scf scheme from private sector banks. Applied Chi square test to get goodness of fitness with two categorical variable namely region and sector. The test value is less than ($p < 0.05$) as it is (0.019), therefore there is a difference in two categories but the value of significance is ($p > 0.05$) as its value is (0.892) which means that there is no significant difference between region and sector (Table 1.3).

1.1.3 Source of Awareness

Similar to the level of awareness, source of awareness was an important element for the study. The region and sector used to study in getting full understanding about from where the Home Appliance industry got awareness about supply chain finance from financial institution in Kerala. For getting the accurate details used rank for collecting data.

Home Appliance industry on source of awareness of supply chain finance reveals that Seminar conducted by bank is the most important technique which ranked as 1st. Meeting with Bank Officials comes as second choice of campaigning technique received as it ranked as 2nd. Directorate of Industries and Commerce (DIC) ranked 3rd position and comes as third choice. Campaigning through Friends ranked as 4th and holds fourth choice. Social media ranked as 5th position and it comes as fifth choice. Newspaper holds 6th choice as it ranked sixth position. Television holds 7th least choice and it ranked as seventh position of campaigning which received by the Home Appliance industry. The Spearman's rho ranking from region shows that there is no significant difference on source of awareness by Home Appliance industry on scheme of supply chain finance between centre region and north region as the value of Spearman's rho is 0.964 and it is highest value. There is slight difference on source of awareness about scf when compare centre region with south region and north region with south region as the values of Spearman's rho ranking is 0.679 and 0.643.

Table 1. 4: Rank given by Home Appliance industry on Source of Awareness on Scheme of Supply Chain Finance

Source of Awareness	Region			Sector		Total
	South	Centre	North	Public	Private	
Friends	7	4	4	4	6	4
DIC	3	3	3	3	3	3
Television	6	6	5	7	4	7
News papers	5	5	6	6	5	6
Meeting with Bank Officials	2	2	2	2	2	2
Seminar	1	1	1	1	1	1
Social Media	4	7	7	5	7	5
Spearman's rho	Centre	0.679		0.964*		
	North	0.643				
	Private				0.679	

Source: Primary data.

The Spearman's rho ranking regards with sector shows that there is slight difference on source of awareness by Home Appliance industry on scheme of supply chain finance between public and private sector banks as the value of Spearman's rho is (0.679) (Table 1.4).

1.1.4 Level of Awareness of Home Appliance industry on the Terms and Conditions about SCF.

The officials of Home Appliance industry should aware about all the terms and conditions of scf scheme for availing it. The financial institution compulsorily provides classes to imparting the

information about terms and condition of scf scheme to Home Appliance industry. For the purpose, the level of understanding should study for well understanding of problem and getting more clarity about the level of awareness about the terms and conditions.

Table 1. 5 : Distribution of Home Appliance industry by Their State on Terms and Condition about scf from Financial Institution

Are you Aware of all the Terms and Conditions of financing under SCF scheme		
	n	%
Fully aware	380	99.22
Partially aware	3	0.78
Moderately aware	0	0.00
Not aware	0	0.00
Not at all aware	0	0.00
Total	383	100.00

Source: Primary data.

The level of awareness of Home Appliance industry on the terms and condition about supply chain finance by Home Appliance industry reveals that of the 383 respondents, 380 respondents selected from Home Appliance industry which constituted (99.22%) of total respondents are fully aware about supply chain finance and 3 respondents selected from the Home Appliance industry which constituted (0.78%) of total respondent are partially aware (Table 1.5).

1.1.5 Type of Collaterals under SCF

For availing loan fund, the beneficiaries need to produce collateral security to financial institutions. Here the Home Appliance industry compulsorily to produce some of their valid collateral for availing SCF scheme to maintain credibility with financial institutions. The study look into it for getting knowledge about the type of collateral offered from Home Appliance industry.

Table 1. 6 : Distribution of Home Appliance industry by their state on securities offered for the loan.

If yes, please state the securities offered for the loan		
	n	%
Land & Building	379	98.96
Bank guarantee	0	0.00
Stock/inventory	0	0.00
Others (specify)	4	1.04

Source: Primary data

The securities offered by Home Appliance industry for loan reveals that the 379 respondent out of 383 are offers collateral securities for availing scf scheme from financial institutions which constitutes 98.96% of total respondent. Only 4 out of 383 respondents not offer securities for availing scf which constitutes 1.04% of total respondents (Table 1.6).

Table 1. 7: Distribution of Home Appliance industry by their level of agreement on assessment criteria for loan in general

		Very low	Low	Neutral	High	Very high	Mean	SD	T	Sig.
Percentage of discount	n	0	0	0	320	63	4.16	0.37	61.4	0.000
	%	0.00	0.00	0.00	83.55	16.45				
Repayment period	n	0	0	0	376	7	4.02	0.13	148.6	0.000
	%	0.00	0.00	0.00	98.17	1.83				
No. of instalments	n	0	0	0	194	189	4.49	0.50	58.4	0.000
	%	0.00	0.00	0.00	50.65	49.35				
Security for the loan	n	0	0	14	204	165	4.39	0.56	48.8	0.000
	%	0.00	0.00	3.66	53.26	43.08				
Access to the bank	n	0	0	13	225	145	4.34	0.54	48.5	0.000
	%	0.00	0.00	3.39	58.75	37.86				
Nearness to the bank	n	0	0	58	293	32	3.93	0.48	38.0	0.000
	%	0.00	0.00	15.14	76.50	8.36				
Time taken for disbursing loan	n	0	0	94	279	10	3.78	0.47	32.3	0.000
	%	0.00	0.00	24.54	72.85	2.61				
Easiness in loan procedure	n	7	0	53	175	148	4.19	0.81	28.9	0.000
	%	1.83	0.00	13.84	45.69	38.64				
Processing fee	n	275	36	0	72	0	1.66	1.16	-22.6	0.000
	%	71.80	9.40	0.00	18.80	0.00				

Source: Primary data.

From the table it can be seen that of the 383 respondent, 194 (50.65%) of Home Appliance industry highly agreed that No. of installments is a criterion for loan in general and 189 (49.35%) very highly agreed to it. The mean score agreement of Home Appliance industry in this regard is 4.49 which is significantly higher than the mean of the response scale namely 3.00

as the significance level of one sample t test is less than 0.05. From the result it can be inferred that the Home Appliance industry generally agrees that No. of installments is a one of the assessment criterion. According to the opinion of other important assessment criterion for of Home Appliance industry is the Security for the loan as it has got the second highest means score of 4.39. Here 204 (53.26%) of Home Appliance industry highly agreed that Security for the loan is an assessment criterion of Home Appliance industry for getting loan in general and 165 (43.08%) very highly agreed to it. The opinion of Home Appliance industry of the other important criterion for assessment of Home Appliance industry for availing loan in general is the Access to the bank as it has got the third highest mean score of 4.34. There can be seen that 225 (58.75%) of Home Appliance industry highly agreed that Access to the bank is a criterion for assessment of Home Appliance industry for loan in general and 145 (37.86%) very highly agreed to it. It is from the opinion of Home Appliance industry the other important criterion for assessment of Home Appliance industry is the Easiness in loan procedure as it has got the fourth highest mean score of 4.19. Here 175 (45.69%) of Home Appliance industry highly agreed that Easiness in loan procedure is a criterion for assessment of Home Appliance industry for loan in general and 148 (38.64%) very highly agreed to it. According to the opinion of Home Appliance industry that the Processing fee is the least important criterion for assessment of Home Appliance industry as it has got the very lowest mean score of 1.66. Here 72 (18.80%) of Home Appliance industry highly agreed that Processing fee is not an important criterion for assessment of Home Appliance industry for sanctioning loan and nobody very highly agreed to it. From the opinion of Home Appliance industry the other least important criterion for assessment of Home Appliance industry is the Time taken to disbursing loan as it has got the second lowest mean score of 3.78. Here 279 (72.85%) of Home Appliance industry highly agreed that Time taken to disbursing loan is a least criterion for assessment of Home Appliance industry for sanctioning loan and only 10 (2.61%) of respondents were very highly agreed to it. It is from the opinion of financial institution the other least important criterion for assessment of Home Appliance industry is the Nearness to the bank as it has got the third lowest mean score of 3.93. Here 293 (76.50%) of financial institution highly agreed that Nearness to the bank is not an important criterion for assessment of Home Appliance industry for sanctioning loan and only 32 (8.36%) very highly agreed to it (Table 1.7).

Table 1. 8 : Mean Score Given by Home Appliance industry on Extent of Assessment Criteria for Loan in General by Region

	South		Centre		North		ANOVA	
	Mean	SD	Mean	SD	Mean	SD	F	Sig.
Percentage of discount	4.15	0.36	4.17	0.37	4.18	0.39	0.263	0.769
Repayment period	4.02	0.12	4.01	0.08	4.05	0.21	2.606	0.075
No. of instalments	4.48	0.50	4.49	0.50	4.53	0.50	0.281	0.755

Security for the loan	4.36	0.59	4.41	0.55	4.40	0.54	0.288	0.750
Access to the bank	4.29	0.55	4.38	0.54	4.37	0.53	1.114	0.329
Nearness to the bank	3.95	0.47	3.90	0.47	3.97	0.52	0.542	0.582
Time taken for disbursing loan	3.81	0.46	3.73	0.47	3.83	0.49	1.689	0.186
Easiness in loan procedure	4.20	0.79	4.22	0.74	4.14	0.95	0.273	0.761
Processing fee	1.62	1.13	1.70	1.20	1.63	1.16	0.200	0.819

Source: Primary data.

Table 1.8 presents the mean score by Home Appliance industry on extent of assessment criteria for loan in general by region. From the table it can be seen that there is no significant variation in the extent of all assessment criteria of Home Appliance industry with respect to region as the significance levels of F value relate to ANOVA are greater than 0.05. The result indicates that the extent of all assessment criteria of Home Appliance industry for loan in general is significantly identical in all regions of Kerala (Table 1.8).

Table 1. 9: Mean Score Given by Home Appliance industry on Extent of Assessment Criteria of Home Appliance industry for Loan in General by Sector.

	Public		Private		t	Sig.
	Mean	SD	Mean	SD		
Percentage of discount	4.18	0.38	4.11	0.32	1.253	0.211
Repayment period	4.02	0.13	4.03	0.17	-0.710	0.478
No. of installments	4.50	0.50	4.46	0.50	0.671	0.503
Security for the loan	4.36	0.56	4.53	0.53	-2.234	0.026
Access to the bank	4.34	0.55	4.36	0.51	-0.213	0.832
Nearness to the bank	3.92	0.49	3.99	0.43	-1.032	0.303
Time taken for disbursing loan	3.77	0.48	3.81	0.46	-0.657	0.512
Easiness in loan procedure	4.19	0.80	4.21	0.83	-0.241	0.810
Processing fee	1.66	1.15	1.67	1.24	-0.107	0.915

Source: Primary data.

Table 1.9 mean score of Home Appliance industry on extent of assessment criteria of Home Appliance industry for loan in general by sector. From the above table it can be seen that the significant level of Security for the loan is higher in private sector banks compared to public sector banks. The mean score value of Security for the loan in private sector banks is 4.53 and in public sector 4.36 which mean that the Security for the loan has significant variation in public sector banks and private sector banks. From the table it can be seen that there is no significant variation in the extent of all assessment criteria of Home Appliance industry except Security for the loan (Table 1.9).

TESTING OF FIRST HYPOTHESIS

H₀: There is no significant difference in the perceptions of Home Appliance industry and Financial Institutions about the practices for providing of supply chain financing.

H₁: There is no significant difference in the perceptions of Home Appliance industry and Financial Institutions about the practices for providing of supply chain financing.

Here tested the gap of assessment criteria of Financial Institution and Home Appliance industry for in loan in general. From the table it can be seen that **there is no significant variation in the assessment criteria of Financial Institution , therefore accept the second hypothesis and Home Appliance industry as the significance levels relate to Kolmogorov-Smirnov Z are greater than 0.05. Here the significance value is 0.979 as the result from Kolmogorov-Smirnov Z test regards with Bank and Home Appliance industry.** The result indicates that extent of all assessment criteria for loan in general are significantly identical in Financial Institution and Home Appliance industry of Kerala (Table 1.10).

Table 1. 10: Assessment Criteria for Loan in General by Bank and Home Appliance industry

Assessment Criteria	Bank (A)	Home Appliance industry (B)	Gap (A-B)
Percentage of discount	4.67	4.16	0.51
Repayment period	4.37	4.02	0.35
No. of installment	4.41	4.49	-0.08
Security for the loan	4.16	4.39	-0.23
Access to the bank	4.04	4.34	-0.30
Nearness to the bank	3.96	3.93	0.03
Time taken to disbursing loan	3.69	3.78	-0.09
Easiness in loan procedure	3.76	4.19	-0.43
Processing fee	3.56	1.66	1.90
Kolmogorov-Smirnov Z	0.471		
Sig.	0.979		

Source: Primary data

Kolmogorov-Smirnov Z

V. CONCLUSION

The supply chain finance is the innovative finance for industries of different kind. The home appliance business needs this mode of finance on credit terms, means a chance of delayed payment. An option of delayed payment provides by the financial institution to buyer of the

product from authorized suppliers. The authorized financial institution makes the prompt payment on time. Here the home appliance industry sends an invoice with quantity and specification of product to suppliers or manufacturer. At the same time send a copy to bank. The supplier receives and accepts the invoice from the buyer, the acceptance copy sends to both buyer and the bank. The bank realizes the invoice as good in condition and term. They credit the amount in the account of the suppliers and give an option to buyer a delayed payment.

This is innovative and technology based financing, very transparent, clarity trust worthy the all will satisfy the stake holders of this scheme of finance. The supply chain finance scheme help the all kind of business unit from the problem of lack of long and short term finance.

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