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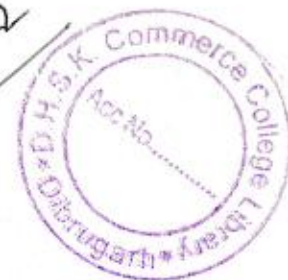
A PEER REVIEWED RESEARCH JOURNAL IN COMMERCE AND ALLIED SUBJECTS OF
D.H.S.K. COMERCE COLLEGE, DIBRUGARH

Joydev Gogoi Prasenjit Gogoi	Rural Entrepreneurs and their challenges: A case study in Barbarua Gaon Panchayat area under Barbarua Development Block of Dibrugarh District, Assam
Tanka Prasad Upadhyaya	E-Banking in India: Challenges and Opportunities
Pankaj Sahu Merry Borgohain	Usage of Over-the-Top (OTT) services among the students of Dibrugarh-Pre and Post Lockdown Investigation
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Editor : Tulika Mattack



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**RURAL ENTREPRENEURS AND THEIR CHALLENGES:
A CASE STUDY IN BARBARUA GAON PANCHAYAT
AREA UNDER BARBARUA DEVELOPMENT BLOCK OF
DIBRUGARH DISTRICT, ASSAM**

Joydev Gogoi*
Prasenjit Gogoi**

Abstract

India is a country of villages, and nearly 70 percent national population lives in rural areas. For the growth of the Indian economy, rural entrepreneurs have to play a significant role. Only impressive growth and development of rural entrepreneurship can change India's scenario of the rural economy. Rural entrepreneurs can easily start their ventures with little capital and local resources in their native place. Government and some NGOs also support the growth and development of rural entrepreneurship. Though there are different opportunities for developing entrepreneurship in rural areas, rural entrepreneurs face some challenges. In this study, an attempt has been made to know the challenges of rural entrepreneurs in the Barbarua Gaon Panchayat area under the Dibrugarh district of Assam. This paper also partly deals with the socio-economic conditions and different entrepreneurial activities of the entrepreneurs in the study area.

Keywords: *Entrepreneur, entrepreneurship, opportunities, challenges, socio-economic, economic activities, gaon panchayat.*

Introduction

India is a land of rural areas. More than 70 percent of the total population of India lives in rural areas. The socio-economic condition of the rural population is not sound, and most still live below the poverty line. The government of India has been taking various initiatives to uplift the socio-economic conditions of rural Indian since its independence. Rural entrepreneurship plays a significant role in the development of rural India, but it is not so easy in a developing country like ours. Entrepreneurship development in rural areas must bring about an equitable distribution of income and wealth, raise people's productive capacity, and increase the number of participants in rural development. However, the level of participation in different entrepreneurial activities is growing in rural areas. This position of

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rural entrepreneurs is reflected in their increasing proportion in the overall product manufacturing, exports, human resources employment, technical innovations, promotion of entrepreneurial skills, and human resource development. Due to the development of science and technology all over the globe, rural entrepreneurs greatly benefit, leading to more production and distribution of different goods and services in rural and urban areas. Nowadays, the promotion of rural entrepreneurship is one of the primary objectives of various government plans and policies.

There are different opportunities and challenges for rural entrepreneurs in India. Despite various options for developing rural entrepreneurship in India, some factors influence the development process. To know such challenges of rural entrepreneurs, there is a need for research or in-depth study in this field so that such challenges can be converted into opportunities for rural entrepreneurs. Generally, socio-economic conditions, information, knowledge, motivation, and training influence entrepreneurship development. Inadequate credit facilities, use of obsolete machinery and equipment, poor product quality, inadequate infrastructure, and competition with urban enterprises are common issues among rural entrepreneurs in India. One of the major problems of rural entrepreneurship is the lack of awareness about the different entrepreneurial activities and their importance in rural entrepreneurship development. Rural youths are also not interested in developing entrepreneurship as their career due to a lack of good examples of successful entrepreneurs in rural areas. Rural youths generally want to join government jobs for their livelihood. They are not interested in taking the risk in their life. In Assam, the social system also regards the salaried person more than self-employed or entrepreneurs. Family members, friends, and the support system of our society do not support or encourage the rural youth to establish an enterprise or become self-employed. Most of the rural entrepreneurs of Assam face some common issues like - lack of vision, wrong selection of economic activity, lack of continuity, poor self-confidence, financial constraints, family issues, lack of technical know-how, lack of training and extension services, management problems, lack of quality control, high cost of production and distribution, lack of communication, lack of market information, lack of storage and warehouse, lack of promotional strategy, lack of transport, shortage of electricity supply, illiteracy, afraid of failures and criticism, lack of training and experience, limited purchasing power and competition from urban entrepreneurs, etc. Due to low education and ignorance, rural entrepreneurs in India find it extremely difficult to comply with various legal formalities in obtaining licenses.

Review of literature

Many works have already been done on the challenges of rural entrepreneurs in different parts of India. But it is observed that minimal work has been done on the challenges and opportunities of rural entrepreneurs in Assam and other north-eastern states. It is also observed that the opportunities and challenges of rural entrepreneurs are almost similar in different parts of the country. However, the literature has been reviewed to find out the research gap.

Rural entrepreneurs face competition from the urban market, lack of family support, market-related issues, and lack of transportation facilities and resources (Hemalatha C.et.al, 2022). Lack of support & services in a rural environment, especially in developing countries like India, Illiteracy, economic crisis, inadequate skills, and intangible skills are too risks and challenges for entrepreneurs to promote

jobs or businesses in the rural sector (Saravanakumar V, 2021). Rural entrepreneur confronts different challenges like product marketing, budgetary conveniences, and other essential luxuries, i.e., accessibility of power, water supply, and transport offices. (Padam B, 2018). Marketing of products is a major challenge for rural entrepreneurs. Lack of proper education, insufficient technical and conceptual ability, non-availability of water supply, intermittent electricity, poor transport facilities, and limited financial amenities are other challenges for rural entrepreneurs (Deepa S.R, 2021). Challenges related to finance, education, technical and conceptual ability, marketing of products, water supply, electricity, and transport facilities (Jayadatta S, 2017). Challenges of rural entrepreneurs are the commercialism of products, various primary amenities like water, the convenience of electricity, transport facilities, required energy, and financial amenities (Ashwinkumar A. Patel, et al., 2019).

Shortage of finance and raw materials are the main problems rural entrepreneurs face. Most rural entrepreneurs face peculiar issues like illiteracy, fear of risk, lack of training and experience, limited purchasing power, and competition from urban entrepreneurs (Sandeep Saxena, 2012). Productivity, efficiency, Economic growth, Technology, Transformational insecurity, and policy effects rural entrepreneurship. Family challenges, social challenges, Technological challenges, and policy challenges affect Rural Entrepreneurship in India (Manpreet Kau, et al., 2015). Inadequate finance, inadequate marketing, restricted mobility, lack of managerial skills, technical experience, lack of modernization, work-family imbalance, lack of awareness, lack of skilled manpower, inadequate supply of power, an insufficient supply of inputs, cutthroat competition, inflation and reducing subsidies are the fourteen problems that have an adverse impact over the growth of rural entrepreneurship in Jalandhar (Surinder Sharma, 2017). Due to lack of education, most rural people are unaware of technological development, marketing, etc. Shortage of finance and raw materials are the main problems rural entrepreneurs face. Most rural entrepreneurs face peculiar issues like illiteracy, fear of risk, lack of training and experience, limited purchasing power, and competition from urban entrepreneurs (Sandeep Saxena, 2012). Poor road networks, social unrest, low financial support, corruption, and market size challenges rural entrepreneurship, while employment creation, reduced migration, and poverty alleviation are benefits (Samson A. Adewumi, 2020). Enterprising individuals or a group of people should be capable of using the government policies and schemes for the betterment of rural entrepreneurs (J. V. Joshi, 2012). Rural entrepreneurs need various qualities to become successful entrepreneurs (V. Indhumathi, et al., 2021). Challenges of entrepreneurial activities in rural India and the problems the rural entrepreneurs face in setting up an enterprise in rural areas (Monika Sharma, et al., 2013). The future success of the rural economy is inextricably linked to the capacity of rural entrepreneurs to innovate and identify new business opportunities that create jobs and income in rural areas. Rural entrepreneurs face many problems due to the non-availability of primary amenities in rural areas (C. Sasikala, 2019). The literature review found that no work has been done on the challenges of rural entrepreneurs in the Barbarua Gaon Panchayat area under the Dibrugarh district of Assam. So, this work attempts to bridge the research gap in rural entrepreneurship.

Objectives of the Study

After the literature review, an attempt has been made to conduct micro-level research on "Rural Entrepreneurs and their challenges in Barbarua Gaon Panchayat area under Barbarua Development Block of Dibrugarh district, Assam." In this connection, the following objectives are framed:

1. To understand the socio-economic conditions of rural entrepreneurs in the Barbarua Gaon Panchayat area of Dibrugarh District.
2. To study the entrepreneurial activities of the entrepreneurs in the selected study area.
3. To know various challenges of rural entrepreneurs in the Barbarua Gaon Panchayat area under the Dibrugarh district of Assam.

Methodology

The study is mainly descriptive, which studies the socio-economic condition, entrepreneurial activities, and various challenges of rural entrepreneurs in Barbarua Gaon Panchayat area under Dibrugarh district of Assam. Required data for this study has been collected from primary and secondary sources. Primary data have been collected from 243 respondents with the help of an interview schedule. All the entrepreneurs of the GP area are interviewed for the collecting of the required data. Secondary data have been collected from DIC office, Block Development Office, Journals and periodicals, News Papers, Books, and websites. The information and data collected for this study are analysed with the help of descriptive statistics. Finally, based on that information and data, a conclusion is drawn to fulfil the objectives of this study.

Scope of the Study

The study covers all the socio-economic issues of the rural entrepreneurs in the study area. It gives a clear picture of the various economic activities of the rural entrepreneurs who fall under the GP area. The study mainly studies various challenges of rural entrepreneurs in the Barbarua GP area. Based on the findings, some suggestions have been forwarded to overcome the difficulties of rural entrepreneurs in the study area.

A Profile of the Study Area

The study covers a Gaon Panchayat(GP) area under Dibrugarh District, i.e., Barbarua (GP). It is one of the most advanced GP areas among the thirteen GPs under the Barbarua Development Block. The GP area is located by the side of National Highway 37. It is located 13 km south-west side of the district headquarters. The area of this GP is about 5 square km. It has sufficient infrastructure like - transport and communication, electricity, health, and education facilities. The panchayat area covers an area of 11 villages and three tea estates. People of this area are farmers, tea garden workers, government service holders, and businessmen.

Limitation of the Study

The non-availability of sufficient information and data from the respondents is a limitation of this study. It is a micro-level study that studies only a portion of the total rural entrepreneurs of the Dibrugarh District.

Some conceptual aspects

Entrepreneur:

Entrepreneur refers to a person. A person who is a creator of something is called an entrepreneur. In the real sense, one person who is also a planner, organiser, decision-maker, initiator, motivator, risk-taker, coordinator, communicator, and controller of an enterprise is an entrepreneur. So, it can be said that an entrepreneur possesses different qualities in the management and control of an enterprise. Above all, an entrepreneur has some dreams and visions to achieve something in his/her life.

An entrepreneur is one of the essential segments of economic growth. An entrepreneur is a person who is responsible for setting up a business or an enterprise. He/she has the ability and skill for innovation and looks for high achievements. He/she is a catalytic change agent and works for people's good. An entrepreneur creates new greenfield projects that create wealth, open employment opportunities, and foster other sectors. Thus, the entrepreneur may be considered the engine of economic growth, job creation, and prosperity.

Entrepreneurship:

The concept of entrepreneurship is a complex phenomenon. Broadly, it relates to the entrepreneur, his vision, and its implementation. In an organisation, the key player is the entrepreneur. Entrepreneurship refers to a process of action that an entrepreneur (person) undertakes to establish his/her enterprise. It is a creative and innovative response to the environment. Thus, entrepreneurship is a cycle of actions to further the entrepreneur's interests. One of the entrepreneurship qualities is discovering an investment opportunity and organizing an enterprise. It involves taking risks and making the necessary investment under uncertainty and innovating, planning, and making decisions to increase production in agriculture, industry, and other economic activities.

Entrepreneurship is a composite skill resulting from many qualities and traits. These include imagination, the readiness to take risks, and the ability to bring together and use the other factors of production, capital, labour, land, and intangible factors such as mobilizing scientific and technological advances. It introduces a critical element of dynamism into an economic system.

Entrepreneurship is an entrepreneur's creation, something different or new in its nature and characteristics. Entrepreneurship is also continuous planning, organising, decision making, initiating, motivating, risk-taking, coordinating, and controlling. It commenced with the development and coordination of entrepreneurial functions. It is not just a job or career; it is a lifestyle.

Business:

Business means 'being busy' performing some economic activities to earn profits or gains. It implies an entrepreneurial activity engaged in the sale, exchange, production, and distribution of goods and services to satisfy human wants, needs, desires, etc., systematically and regularly to earn profits. It refers to the human activity carried on with the object of making a profit. Business is a human, lawful and economic activity. The term includes industry, trade, and aids to trade (transport, banking, insurance, warehousing, communication, etc.). The business's main features are—a utility creation, dealing with goods and services, continuous activity,

predetermined goals or objectives, economic activities, earning profits, risk and uncertainty, entrepreneurial training, etc.

Rural Entrepreneurship:

Rural entrepreneurship is a process of performing different activities of a rural entrepreneur, which brings in overall change through innovation, and new ideas for the maximum social good in rural areas. The process includes agriculture, agricultural-related activities, small business, village industries, rural artisans, and rural arts. It may be considered the engine of economic development in rural areas. In rural areas, except agricultural labourers all are rural entrepreneurs with differences.

Analysis and discussion of the study

In the Dibrugarh district, there are seven development blocks. They are Barbarua, Lahowal, Khowang, Jaipur, Tengakhat, Panitola and Tingkhag. Under these Blocks of the Dibrugarh district, the people's economy is mainly based on agriculture. The increasing population rate is a burning problem in rural areas in the district, creating an unemployment problem. Low literature level is the main barrier to rural youth employment in government and other establishments. To overcome these problems, rural youths have to face lots of problems in their day-to-day life. Some young people have started business activities in different fields for their economic empowerment and livelihood. Such entrepreneurial activities generate employment opportunities for educated and uneducated people in rural areas. From the field survey and interviews with different district entrepreneurs, it is found that rural entrepreneurs are very successful in earning profit from their business activities. It is observed that the numbers of rural entrepreneurs in different Development Blocks or Panchayats of the Dibrugarh district are not equal in terms of numbers and investment. The number of rural entrepreneurs in other GP areas is 200 to 300. But their economic and allied activities are almost the same. Due to the same climatic conditions, nature of people, customs and traditions, economic conditions, religion, and other socio-economic conditions, there is no difference in entrepreneurial activities in rural areas of the district. Though rural entrepreneurship successfully increases profits, increases the amount of investment, and generates employment opportunities, they face many problems like - financial, managerial, technical, marketing, communication and transportation, warehousing, training, motivation, etc.

At present, there are more than 2,000 entrepreneurs under Barbarua Development Block area. They play a vital role in the economic development of rural areas under the block. Under the Barbarua GP area, 243 entrepreneurs run enterprises in different fields. The number of entrepreneurs in Barbarua GP is more than in other panchayats of Barbarua Development Block. It is due to the construction work of Brahmaputra Cracker and Polymer Limited (BCPL) near the study area, and Barbarua Bazar is situated in the GP area. Before the construction work of BCPL, there were only 60 entrepreneurs in the study area. It shows that 183(305%) rural entrepreneurs have increased in the last five years. This mega project indirectly induces the rural youth to start different entrepreneurial activities. Rural entrepreneurs contribute to micro industrialization, employment generation, and balanced economic development in the study area. Participation in the Self-Help Groups movement is also a bold step for the rural entrepreneur in rural people's

socio-economic change and development. The major traditional entrepreneurial activities in the GP area are weaving, knitting, cutting, embroidery, pottery, black smithy, steel fabrication, bakery, gold smithy, village carpentry, bamboo and cane works, rice mill, wood carpentry, etc. But these days, some of these industries cannot survive in the market due to keen competition with machine-made goods of large enterprises, lack of marketing facilities, poor infrastructure facilities, changes in the behaviour of consumers, etc. Therefore, entrepreneurs perform other entrepreneurial activities to fulfil society's needs and gain a better income.

Table - I
Entrepreneurial activities and the number of entrepreneurs

Sl no	Entrepreneurial activities	Total entrepreneurs	Percentage	Rank
1	Agriculture (Tea Garden and vegetables)	10	4.12	8.5
2	Piggery	12	4.94	6
3	Goat farming	06	2.47	14.5
4	Poultry	09	3.70	10.5
5	Fishery	05	2.06	17.5
6	Weaving, Knitting, cutting and embroidery	12	4.94	6
7	Grocery Shop	30	12.35	1
8	Cloth store	08	3.29	12
9	Goldsmith	03	1.24	24.5
10	Barber	05	2.06	17.5
11	Restaurant	13	5.35	4
12	Pharmacy	03	1.24	24.5
13	Hawkers of fish	10	4.12	8.5
14	Hawkers of vegetables	23	9.47	3
15	Stationery shops	12	4.94	6
16	Books Stall	03	1.24	24.5
17	Bakery	02	0.82	29
18	Electronic durables	03	1.24	24.5
19	Computer and xerox centre	02	0.82	29
20	Tent house	03	1.24	24.5
21	Hawkers of fruits	03	1.24	24.5
22	Fast food centre	04	1.65	20
23	Wine shop	02	0.82	29
24	Wooden Furniture	04	1.65	20
25	Steel fabrication centre	06	2.47	14.5
26	Dhaba	04	1.65	20
27	Rice mill	09	3.70	10.5
28	Three-wheelers and four-wheelers operator	25	10.29	2
29	Cycle, motorcycle and car repairing centre	06	2.47	14.5
30	Hardware store	06	2.47	14.5
	Total	243	100.00	

Source: Fieldwork.

The table - I shows the actual picture of different economic activities of rural entrepreneurs in the Barbarua GP area. In the study area, it is found that the entrepreneurs are involved in various business activities, mainly traditional. They are - grocery shop, stationery shop, cycle repairing centre, radio and TV retailing and repairing centre, hardware stores, hair cutting centre, restaurant, pan shop, books stall, three-wheelers and four wheelers operator, hawkers of vegetables, fruits and fish, piggery, goat farming, fishery, etc. The highest numbers of entrepreneurs have their grocery shop, and it is followed by three/four-wheeler operators. On the other hand, computer and xerox centre, tent house, steel fabrication centre, three/four-wheeler operators, etc., are some new entrepreneurial activities in the study area.

Table - II
Capital investment in entrepreneurial activities

Investment in entrepreneurial activities (in Rs.)	No. of entrepreneurs	Percentage	Rank
Below 50,000	65	26.75	1
50,000 - 1,00,000	49	20.16	2
1,00,000 - 1,50,000	46	18.93	3
1,50,000 - 2,00,000	42	17.28	4
2,00,000 - 2,50,000	24	9.88	5
2,50,000 and above	17	7.00	6
Total	243	100	

Source: Fieldwork.

The above table - II shows the investment of rural entrepreneurs in the GP area. The highest numbers of rural entrepreneurs fall in the capital investment level below Rs.50,000/- and the number is 65(26.75%). It is found that there are 17(7%) entrepreneurs whose capital investment is above 2,50,000/-. The numbers of entrepreneurs are also shown in the table based on rank. It indicates that the acquisition of the majority of entrepreneurs is below Rs.50,000/- .

Table -III
Monthly income of entrepreneurs

Monthly Income (in Rs.)	No of entrepreneurs	Percentage	Rank
Below 5,000	15	06.17	6
5,000 - 10,000	33	13.58	4
10,000 - 15,000	68	27.98	1
15,000 - 20,000	57	23.46	2
20,000 - 25,000	46	18.93	3
25,000 - above	24	09.88	5
Total	243	100.00	

Source: Fieldwork.

Entrepreneurs of restaurants, grocery shops, and steel fabrications earn more monthly income. In the case of the monthly income of the entrepreneur, it is found that the highest number of entrepreneurs, i.e., 68(27.98%) fall in the monthly income group of Rs.10,000 to Rs.15,000. There are 24(9.88%) entrepreneurs in the study area with an Income of Rs.25,000 and above per month. The monthly income of the entrepreneurs is shown in table - III.

Only 48 (19.75%) entrepreneurs in the study area have received loans from various commercial banks and other financial institutions. Table - IV shows the multiple sources of capital of the entrepreneurs. Most entrepreneurs borrow loans from self-help groups for their entrepreneurial activities. Family members and own savings are also some other sources of capital for the entrepreneurs in the study area.

Table - IV
Source of Capital of the entrepreneurs

Source of capital	No of entrepreneurs	Percentage	Rank
Banks and financial institutions	48	19.75	4
Self-help Groups	78	32.10	1
Family members	65	26.75	2
Own savings	52	21.40	3
Total	243	100	

Source: Fieldwork.

From the study, it is obtained that most entrepreneurs are not highly educated. The majority of the entrepreneurs are HS passes, and this number is 96(39.51%). Out of 243 rural entrepreneurs, only 16(6.58%) entrepreneurs are graduates, and 1 (.41%) entrepreneur is post graduate. So, the level of education creates a major problem in developing rural entrepreneurship. Table - V shows the level of educational qualification of the entrepreneurs.

Table - V
Educational Qualification of the entrepreneurs

Level of education	No of entrepreneurs	Percentage	Rank
Below HSLC	45	18.52	3
HSLC passed	96	39.51	1
HS passed	85	34.98	2
Graduate	16	6.58	4
Post graduate	01	0.41	5
Total	243	100	

Source: Fieldwork.

Training and development programmes are very significant for the development of rural entrepreneurship. A total of 67 entrepreneurs have participated in various training programmes in different times. These training programmes were organised by Block Development Office and District Industries and Commerce Centre (DICC). Most training programmes are mushroom cultivation, goat farming, fishery, beekeeping, weaving, book-keeping, small business management, etc. The study found that the participation of rural entrepreneurs in various training programmes is abysmal.

Table - VI
Participation in training programmes

Organisers	No of participants	Nature of training
Block Development Office	64	Agro-based Farming, Book-keeping, weaving and small business management.
DICC	3	Agro-based industries
Total	67	

Source: Fieldwork.

Rural entrepreneurs in the study area face different challenges in their day-to-day business operations. Some of them are internal, and some are external. Mainly external challenges influence the rural entrepreneurs in the process of development.

Table - VII
Challenges of rural entrepreneurs in Barbarua GP area

Challenges	No of entrepreneurs	Percentage	Rank
Family related	18	87.24	4
Socio-cultural	16	65.02	6
Financial	106	93.00	1
Knowledge and awareness	9	77.78	9
Education and training	17	68.72	5
Technological	1	18.11	11
Marketing	22	60.49	3
Legal	3	9.47	10
Managerial	12	60.91	8
Competition	15	26.75	7
Risk and uncertainty	24	88.89	2
Total	243	100%	

Source: Fieldwork

Table - VII shows the major challenge of each entrepreneur in the study area. The study found that financial issue is the major challenge for most entrepreneurs in the study area. It is followed by other challenges, i.e., risk and uncertainty, marketing, family-related issues, education and training, socio-cultural issues, competition, managerial, knowledge and awareness, legal and technological. It is observed that the rural entrepreneurs in the study area fail to get sufficient external funds due to the absence of tangible security. The procedure to avail of the loan facility is also very time-consuming and disappoints rural entrepreneurs. Rural entrepreneurs heavily depend on intermediaries to sell their products, who pocket large amounts of profit and exploit rural entrepreneurs.

Suggestions

From the study, it can be suggested that to make the rural entrepreneurs dynamic and effective; the following measures may be adopted:

1. The motivation of rural youth is essential, and the government should change the mindset of rural youth. The government should play a facilitator role and improve access to finance by encouraging more banks and other financial institutions.
2. Financial education is very important for rural entrepreneurs. The financial institutions and banks that provide finances to entrepreneurs must create special finance cells to provide easy finance to rural entrepreneurs. Such finance cells should regularly monitor the financial management system of the entrepreneurs and need to provide training on financial management.
3. The rural entrepreneurs should be provided finance at concessional interest rates and on easy repayment basils. The cumbersome formalities should be avoided in sanctioning the loans to rural entrepreneurs.

4. Proper education and training are essential for the development of entrepreneurship. It enables the rural entrepreneurs to undertake the venture successfully as it imparts the required skills to run the enterprise.
5. Presently the economically weaker entrepreneurs of the society are offered such training facilities under Prime Minister's Rozgar Yojna (PMRY). Lions Clubs, Rotary Clubs, and other voluntary organizations can also arrange training programmes for rural entrepreneurs to stimulate, counsel, and assist.
6. Proper encouragement and assistance should be provided to rural entrepreneurs for setting up marketing co-operatives. These co-operatives shall help the entrepreneurs get the inputs at a reasonable rate and help sell their products at more profitable prices.
7. Rural infrastructural facilities should be developed. Common production-cum-marketing centres should be set up with modern infrastructural facilities.

However, regular joint efforts of the government, NGOs, financial institutions, and social systems can only help the rural entrepreneurs face various challenges.

Conclusion

The study found that the Entrepreneurship development process in the Barbarua Gaon Panchayat area of Dibrugarh District is very encouraging. It plays a very significant role in changing the economic condition of entrepreneurs. Entrepreneurs also contribute to employment generation, industrialization, and removal of poverty in the study area. Entrepreneurs are economically sound, and their living condition is better than other rural people. Traditional business activities are the primary economic activities or schemes for most entrepreneurs. Out of the total entrepreneurs, 6.17% (15) are women entrepreneurs.

The general bottlenecks in the development of rural entrepreneurship in Barbarua GP area are - lack of vision, poor selection of economic activity, lack of continuity, financial constraints, lack of technical know-how, lack of training and extension services, management problems, lack of quality control, high cost of production due to high input cost, lack of communication, lack of market information, lack of storage and warehouse, obsolete and primitive technology, lack of promotional strategy, shortage of electricity supply, etc.

The study shows that rural entrepreneurship cannot be developed without sufficient training in financial management, business planning, organising, co-ordinating, and controlling. Therefore, instead of just schemes (financial and developmental) as the incentive for entrepreneurship development, intensive training must be provided to the rural youth. At the same time, such training and development programmes should be a regular practice. Different studies also found that rural entrepreneurship is the answer to the removal of rural poverty in India. Therefore, there should be more stress on integrated entrepreneurship development programs which may cover the entire unemployed youth of rural areas. Finally, the rural youth need to be motivated to take up entrepreneurship as a career with training and sustaining support systems.

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E-BANKING IN INDIA: CHALLENGES AND OPPORTUNITIES

Tanka Prasad Upadhyaya*

Abstract

The Banking plays a vital role in the development of a country and so a strong banking sector can be termed as lifeline of an economy. Hence, it is not wrong to state that present and future of an economy entirely depends upon the success and development of banking industry of that economy. In the present era of information and technology an economy cannot accomplish the target of sustainable development by following traditional banking system. Therefore, it has become obligatory for developing country like India to augment automation in banking industry. The transformation from traditional banking started from use of automatic teller machine (ATM), electronic fund transfer (EFT) and direct bill payment. The innovatory online banking is being accepted by the customers with increasing financial awareness and education. E-Banking is a route of banking services and products through electronic channels such as telephone, internet, mobile phones etc. Nowadays, many people are moving towards e-banking as buy its use it become easy for customers to manage their account from a place and at any time and this charge very nominal cost. It is not wrong to say that e-banking is one of the most popular and latest technological wonder in field of banking which has given a banking sector a new dimension for development. E-banking has helped the banking business in several innovative ways but the biggest advantage that it has imparted to this sector in developing countries especially country like India is related to improving customer relations. In India e-banking was introduce w.e.f. 1991 immediately after the recommendations of Narsimham Committee. The beginning of IT in banking sector of India made banking more reliable and sophisticated, now because of e-banking the remote areas of India are also connected to all banks branches even though they are in metropolitan cities. For that reason Indian banks are in desperate need to do innovation and provide Indian consumers a world class internet banking capability. The present paper mostly focused on the need of innovation in India in field of e-banking and also attempts to put light on the available benefits, opportunities and current challenges faced by banking sector to improve E-banking in India

Keywords: *E-banking, internet, electronic payment, challenges, opportunities.*

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INTRODUCTION:

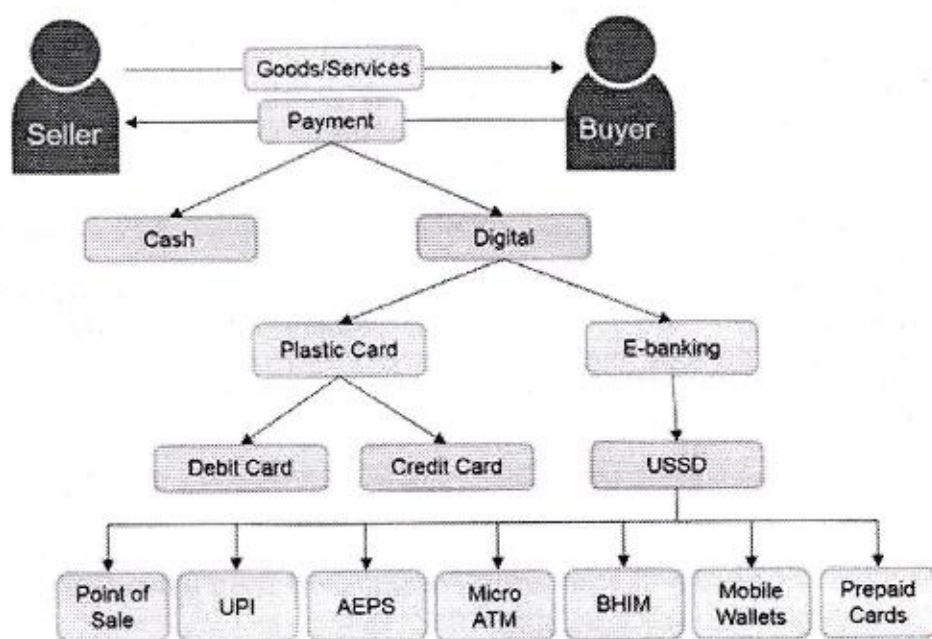
Technology has reduced everything to a click of a button and people can transfer money from one account to another account without standing in long queues for hours. There are various options available to people ranging from debit cards, credit cards, e-wallets, internet banking, and mobile banking and so on which have replaced the traditional methods of transactions. Earlier the payment through electronic mode was restricted to making huge and lump sum payments for large value transactions and cheques were the main instruments of transactions for a long time before technical innovations took place. Presently even petty payments become easier through e-banking making it more convenient for users to settle their payments. The adoption of e-banking services by customers enables banks to get returns on their investment and provide them with a competitive environment.

Modernization in Indian banking sector was started since 1991 with introduction of liberalization, privatization and globalization processes and consequently E-Banking came into existence. This Information Technology revamps the entire banking sector. E-banking radically and rapidly changed the way of client banking, banks started providing diverse services related to cash deposits, cash withdrawals, money transfer that to through electronic means. Due to this IT revolution the number of electronic transactions have increased day by day and world has emerged as a cyber world where each and everyone is connected through internet. E-Banking made the mobility of foreign capital and investment possible which turned world into global market and this market is growing so rapidly that it has almost eliminated the effect of national boundaries. This IT innovation in banking sector in form of E-banking has introduced new business paradigm all over the world including in our country.

Since, E-banking can be accessed by any individual who has registered for online banking at the bank, having an active bank account or any financial institution, in past three decades the operational efficiency of Indian banks has increased to several times. As of now, the time taken by banks in executing different transaction has been reduced; with this advancement competition among banks has also increased. All banks are trying to use as much as latest technological innovations so as to aid its customers. One of the main features in this aspect is innovation banking or e-banking, which a lot of banks are currently providing in India. Internet Banking or E-Banking refers to a system that permits individual customers to perform various banking activities from different sites such as their offices, home and other locations via internet based safe networks. Through Internet or online banking system, traditional banks enable their customers to perform all routine transactions, such as account transfers, balance inquiries, bill payments and stop-payment requests, and some even offer online loan & advances and credit card facilities. Internet banking is a web-based service that enables the banks authorized customers to access their account information. It permits the customers to log on to the banks website with the help of bank's issued identification and personal identification number (PIN). The banking system verifies the user and provides access to the requested services, the range of products and service offered by each bank on the internet differs widely in their content. The popular services provided by E-banking are ATMs, tele-banking, internet banking, mobile banking, anywhere and anytime banking etc. Technology adoption in banks has shifted banking more of a capital intensive, fixed cost industry from a labour intensive, variable cost industry. The concept of e-banking is till date evolving, it still involves lot of innovation that is taking place every day.

E-Banking: The Concept:

E-banking refers to a banking arrangement, with which the customer can perform various transactions over the internet, which is end-to-end encrypted, i.e. it is completely safe and secure. E-banking promotes paperless/cashless transactions. Electronic banking is defined as "Delivery of bank's services to a customer at his office or home by using Electronic technology can be termed as Electronic Banking." Finland was the first country in the world who took a lead in E-banking. In India, ICICI bank was the first bank that initiated E-banking as early as 1997 under the brand name "Infinity". Online Banking or E-based banking is also known as Cyber banking, home banking, and virtual banking and includes various banking activities that can be conducted from anywhere. E-banking allows customers to do financial transactions on a secured website operated by the institution, which can be a retail bank, virtual bank, credit union, building society, it also includes RTGS, NEFT, ECS, Credit cards and debit cards, Cheque truncation, ATM, Tele banking, Internet banking and Mobile banking. According to Daniel, electronic banking can be simply defined as the delivery of bank's information and services by banks to customers via different delivery platforms that can be used with different terminal devices such as a personal computer and a mobile phone with browser or desktop software, telephone or digital television

**E-Banking process****REVIEW OF LITERATURE:**

In the area of E-banking and e-commerce, the following concise review of literature has been carried out by various researchers.

The study by Maiyaki and Mokhtas (2010) found in their research study that there is no direct relation in between population statistics and choice of banks and it was also established that statistically there is a significant relationship between age of the customer and selection of banks.

According to Selvam and Nanjappa (2011), in their study, observed customers' awareness and satisfaction level about e-banking of ICICI bank on the basis of vital statistics amongst the E-banking users and the study described that college students have more awareness level as compares to other groups of population.

The study of Selvam and Nanjappa found that awareness level of income group above 10,000 per month was high as compared to other income groups and it was revealed that it also depend on the size of family. Gender is also one of the decisive issues for the acceptance of internet banking.

Gupta & Mishra (2012) observed the new emerging trends of E-banking in Indian banking business. The study found that there are numerous challenges faced by banking system in E-banking area and there are many opportunities available with the banks and the study concluded with the findings that banking sector will need to master a new business model by establishing management and customer services. It also recommended that banks should contribute intensive efforts to render better services to their customers.

Chavan (2013) explained the benefits and challenges of Internet banking in an emerging economy and his study found that online banking is now replacing the traditional banking practice. It showed that online banking has a lot of advantages which attach value to customers satisfaction in terms of better quality of service offerings and as well as it enable the banks gain advantage over the competitors and other participants. This study has also argued about some challenges in an emerging economy.

Trivedi & Patel (2014) investigated the problems faced by customers while using e-banking facilities in India and they observed that majority of the customers know about the e-banking services offered by their banks. The study observes that there is a significant difference amongst different problems identified while using e-banking services and some problems affect more and some problems affect less in use of banking services.

Haq & Khan (2015) analyzed the challenges and opportunities in the Indian Banking system and their study showed that only 28 per cent banking clients were using internet banking after evaluating the population characteristics. This study found that there was no significant relationship in between age and use of cyber banking and also depicted that there is no relation in between gender and the adoption of internet banking. It observed that qualification in terms of education and income of the respondents were playing the role in the acceptance of online banking. The study suggested that it is the need of hour to increase financial literacy of the e-banking users through various programs which should be run by banks, financial institutions, regulators and government to increase the awareness of internet banking.

Ansari, Seharish J. & Khan, Nisar A. (2017) have analyzed the progress and challenges of e-banking in India from 2011 to 2016, also throwing some light on the status of retail electronic payments in the post-demonetization period. Their study shows that the number of internet users has increased from 2,231,957,359 to 3,424,971,237 in 2016, which is around 53.45% increase during the period. Also, the penetration of internet as a ratio of population has increased from 31.8 % in 2011 to 46.1% in 2016. There has been a continuous increase in the number of debit card and credit card users. The number of transactions through credit card increased at a CAGR of 22.25% whereas the number of transactions through debit cards increased at a CAGR of 12.33% during the period of study. Post demonetization

i.e., from November 2016 to May 2017, RTGS (real time gross settlement), NEFT (national electronic fund transfer) and UPI (unified payments interface) increased at a CAGR of 4.72%, 1.95% and 60.50% respectively. Mobile banking declined continuously. Their study also mentions the challenge of increasing number of internet users and the requirement of banks to be able to meet out the expectations of these tech savvy people

OBJECTIVES OF THE STUDY

The main objectives of this study are

1. To understand the benefits of e-banking in Indian economy.
2. To study the existing financial innovations in e- banking in India.
3. To study the various challenges faced by e-banking system in India in current scenario.
4. To identify the opportunities available in e-banking in India.

RESEARCH METHODOLOGY:

The present study is descriptive in nature and the secondary data has been used for the study. Secondary data has been collected from RBI (Reserve Bank of India) bulletin, annual reports of RBI and, Report on trend and progress of banking in India, various reputed journals, newspapers and websites of RBI and banks.

CURRENT SCENARIO OF E- BANKING IN INDIA

In the present Indian banking system, Electronic Banking has emerged as an essential part of day to day banking business. The scheme of e- banking is newest origin in India. Traditional model of banking i.e. branch based banking was widespread till 1990s, and after that non-branch banking services began. IT Act, 2000, was enacted by government of India with effect from the 17th October 2000. A Committee was assigned to study various aspects of Internet banking and the committee had paid enough consideration on three most important areas of Internet banking such as security issues, legal issues and regulatory issues. Reserve Bank of India has accepted these recommendations and guiding principles of working committee and accordingly plans and guidelines were issued to banks to make use of internet banking in India

NEED AND BENEFITS OF E-BANKING

Banking system has witnessed many innovations in last three decade and one of the main among them is e- banking. The introduction of e-banking was the consequence of information and technological revolution. These IT revolutions have changed the total working system of banking sector as e- banking gave birth to new type of financial services which was created by the intersection of tradition retail financial services with the help of internet. E-banking provides provision of performing basic banking services or transaction through web. These services comprise of the following:

- Checking of balance in savings and other accounts
- Operation of accounts
- Consumer loans and mortgage financing
- Credit and debit cards
- Private banking services etc.

Introduction and use of e- banking has made the banking services very convenient, expedient and time saving. The key focus of e- banking is to provide a customer with convenient and secure methods of doing online financial transactions like automatic deposits, automatic bill payments from their bank account, getting online loan and many more. The procedure used in e- banking is very simple and transparent as in this system, bank customers simply contact their branch and put their user id and password at their bank's web site to get full access to their account where customers just need to have a secure web browser. This way of online banking requires the use of internet browsers that support 128-bit encryption, which protects consumers by scrambling all their personal information transmitted between a consumer's computer and the bank. This eventually leads towards improved customer satisfaction and safe banking.

Present Financial Innovations in E- Banking Indian Banking Sector:

Introduction of innovation of banking sector gave birth to new product design, various methods of doing online financial transaction and various electronic systems. All this gave a very popular name to today's banking system which is innovative banking. Innovations in banking mainly stresses on customer convenience and customer satisfaction. The main reason behind bringing innovation in current banking system was to provide customer with better services with help of technology and in this race of technology development internet served as the foundation stone for innovation banking. After the introduction of internet in banking system a drastic changes were observed like higher efficiency, control of operations, reduction in cost because of replacement of paper based and labour intensive methods by automated processes lead to higher productivity and profitability. The need of innovations in financial sector was felt due to the different challenges that were prevailing in the traditional banking system and after the introduction of innovation in banking products and services these challenges were defeated and this entirely changed the banking philosophy. Following is the list various innovation that took place in E-Banking system in India.

Automated Teller Machines (ATM): ATM or automated teller machine is an electronic computerized telecommunications device that allows customers to complete financial transaction like cash withdrawals or cash deposit by using their ATM cards/ mobile phones and report of the account's balance can also be received that too without the aid of any bank branch representative or teller which is self service solution.

Tele Banking: It is a facility which enables customers to make use of banking services, such as oral payment instructions, account movements, raising loans, etc, over the telephone rather than by personal visit. This service facilitates the bank's customer to perform a range of financial transactions over the telephone, without visiting any bank branch or automated teller machine. Besides the timing of Telephone banking is much longer than branch timing, and majority of the financial institutions offer 24-hour service for their customers. One of the key benefits of telephone banking is that it has minimized the transactions handling cost by reducing the need for customers to visit a bank branch for non-cash withdrawal and deposit transactions.

The various types of financial transactions which customers may transact through their telephone banking are:-

- Electronic bill payments
- list of latest transactions
- obtain account balances
- Funds transfers between a customers' or even in another's accounts etc.

Smart Card: A smart card is a physical card that has an embedded integrated chip that acts as a security token. Smart cards are typically the same size as a driver's license or credit card and can be made out of metal or plastic. A smart card is also known chip card, or integrated circuit card (ICC) it is a pocket sized plastic card that has embedded in form of computer chip. The microprocessor is under a contact pad on one side of the card. Think of the microprocessor as replacing the usual magnetic stripe present on a credit card or debit card. The microprocessor on the smart card is there for security. The host computer and card reader actually "talk" to the microprocessor. The microprocessor enforces access to the data on the card. The chips in these cards are capable of many kinds of transactions like cash withdrawal, deposit and balance inquire etc.

Debit Card: A debit card is a payment card that can be used in place of cash to make purchases. Debit cards are also known as a bank card or check cards and these cards look like credit cards or ATM (automated teller machine) cards it is a plastic payment card that can be used instead of cash when making purchases but operate like cash or a personal check. But still Debit cards are different from credit cards as credit card is a way to "pay later," but debit card is a way to "pay now." When a customer uses a debit card his/her money is quickly deducted from their account. Thus, by use of debit card the money comes directly from the user's bank account when a transaction is being performed.

E-Cheque: E-Cheques are the latest innovation happened in field of e- banking system. It is a new payment method that facilitates those customers who do not possess credit or debit card as a back- up payment method. In e- cheque method, payment is made directly from customer's bank account where a customer can only send an e-cheque if their bank account is the only payment method attached to your bank account. But if customer has a back-up payment method he/she will not be able to send e-Cheques.

Direct Deposit: A *direct deposit* (or direct credit), in banking, is a deposit of money by a payer directly into a payee's bank account. It refers to deposit of money by a payer directly into a payee's bank account. Direct deposits are most use in the payment of salaries and wages and other type bill payment directly in other's accounts. Direct deposits are most commonly done by means of electronic funds transfers effected using online, mobile, and telephone banking systems but can also be performed by the physical deposit of money into the payee's bank account.

Electronic Bill Payment: Electronic bill is a type of e- banking innovation that allowing a customer of a financial institution or bank to transfer money through financial transaction or credit card account to the creditor or vendor such as a public utility, department store or an individual to be credited against a specific account.

These payments are done electronically in the form of direct deposit through a national payment system, operated by the banks or in conjunction with the government. Paying *electricity bill online* is the most helpful option now a day's used by almost all customers.

Electronic Check Conversion: Electronic check conversion is a procedure in which cheque is used as a source of information, information like check number, account number, and the number that identifies customer's financial institution. The information is then used to make a one-time electronic payment from customer accountan electronic fund transfer.

Cash Value Stored: This system refers to payments card which have a monetary value stored on the card itself, not in an external account maintained by a financial institution. Stored-value cards are different from debit cards as in credit cards the credit limit is set by the issuer but it is not in cash value stored as in this money is on deposit with the issuer. Another difference between stored-value cards and debit and credit cards is that debit and credit cards are generally issued in the name of individual account holders but stored-value cards may be anonymous, as in the case of gift cards. Stored-value cards are prepaid money cards and may be disposed when the value is used, or the card value may be topped up.

INITIATIVES TAKEN BY THE GOVERNMENT OF INDIA FOR DEVELOPING E-BANKING:

In order to promote, support and encourage the applications of E-Banking, many initiatives have been taken by RBI and Indian Government, which are mentioned below:

- ❖ IT ACT 2000 was enacted on October 17, 2000 which give emphasis on giving legal recognition to electronic transactions and supplementary means of electronic commerce.
- ❖ Constant and usual analysis of E-Banking legal requirements by RBI, so as to make sure that financial solidarity of nation may not be influenced by E-Banking challenges.
- ❖ Vision Document 2011-17, which was structured by Dr. K.C. Chakrabarty Committee including members from IIM, IDRBT, IIT and Reserve, which presents an analytical road map i.e. strategy to enhance the relevance of Information Technology in the banking sector [RBI (2011), "IT Vision of Reserve Bank of India 2011-2017"]
- ❖ In order to make payment system more safe and sound by RBI, banks has been directed to make its safety feature stronger in e-banking. It was admitted by RBI that applying alternate channels of payments like Mobile Banking, ATMs involves an extra responsibility of Banks to guarantee safe, protected & secure transactions. (RBI Annual Report (2013).
- ❖ RBI allowed National Payments Corporation of India (NPCI) to elevate the number of mobile banking services and increase the IMPS (Immediate Payment Service) channels like ATMs, internet, mobile etc. Besides this, efforts are being made by NPCI to take more mobile network operators with the intention that mobile banking services can be made accessible through a common platform. (RBI Annual Report (2013).
- ❖ The Basel Committee on Banking Supervision's (2001) has enlightened risk management strategies for electronic banking. They primarily spotlight the

extension and tailoring the existing risk-management plan to the electronic banking structure.

THE CHALLENGES ASSOCIATED TO E-BANKING IN INDIAN FINANCIAL SET-UP ARE DISCUSSED BELOW:

- **Privacy/ Confidentiality risk:** Risk of revelation of not to be disclosed or confidential information & alarm of identity theft is one of the main reasons that restrain the consumers while opting for electronic banking services. This is being believed by large no. of consumers, that by adopting internet banking services, their identity would be at threat. According to the research, (Andrews S and Shen A., 2000) consumers' worry related to their privacy in the way that bank may march into their confidentiality by using their information for marketing and other consequential purposes without agreement of consumers.
- **Security Risk:** Security issues and other related aspects has become one of the key concerns for Banking sector (Prema C, 2011). Large proportion of customers resists adopting e-banking facilities considering safety and security concerns (Kuisma T, Laukkanen T and Hiltunen M). According to the IMAI Report (2006), 43% of internet users are still not accepting the use of internet banking in India because of security risks. As such, it is a primary challenge for banks to convince the consumers on this aspect, which may further lift up the online banking usage.
- **The Trust Issue:** Trust or reliance is the major obstruction to electronic banking for most of the customers. Traditional banking is often used by customers because of lack of conviction in the online bank transactions. They have a mindset that there is a risk in online banking transaction leading to different frauds and scams (Ingle A and Pardeshi R, 2012). While using online banking services by the consumers, there always remains a doubt or question in their minds regarding the successful completion of that transaction till the time a confirmation message is received.
- **Understanding of Customer about e-banking:** Customers understanding regarding e-banking is still at less important side in Indian context. Banks are unable to advertise entire information about the use, benefits and facility of online banking. Therefore, one of the most ranked hurdles in the expansion of electronic banking is the less alertness of new technologies among customers. (Karimzadeh M and Alam D, 2012).
- **Low Internet diffusion in India:** The online banking channel has altered over the years. E-Banking use in India has raised from 1% in 2006 to 7% in 2011 while in North America in the year 2011, 60 percent of the times essential transactions in banks were executed through online channels, (Infosys Report, 2012). So, it can be declared that understanding and availability of internet is still a one of the critical confronts that exists in Indian context. According to the report of IMAI 2006, about 22% of internet users are not aware about how to transfer funds online. Thus, the penetration of internet customer and knowledge related to internet are the major Challenges.
- **Poor Infrastructure:** Internet Banking needs consistent support of efficient and competent infrastructure for effective implementation and expanded geographical reach. E- Banking has been restrained to expand itself to semi urban and rural areas due to poor and insufficient Infrastructural facilities in terms of indecent set up, electric connection, poor satellite and internet and broadband connectivity.
- **Operating Conditions:** India is a country of numerous cultures and multiple languages (National Conference Proceedings, 2014), but this makes operating

methodology for online banking little difficult as displaying instructions or guidelines in different languages is a cumbersome task. However, technology has found out a solution to this, but, Illiterate people are still not covered under this solution and also ATMs can't guarantee identical operating levels from all people resulting in high wear & tear.

- **Technological Illiteracy:** In case of Mobile Banking, the technical rules and regulations are not understandable by many of the mobile users in lower class and consequently, they find them difficult to operate. Consumers usually purchase handsets in consideration to their budget and those handsets sometimes offer the features which are unsupportive as far as Mobile Banking is concerned and this becomes a limitation in the execution of e-banking.
- **Training the Employees:** Trainings provided to bank employees is an easier task in case of private sector banks, as they have young dynamic computer literate employees, while in case of public sector banks, training the employees is a complex task as present staff is comparatively lesser computer literate. In spite of this fact, they have been able to do influentially well after functioning on it for over a decade now.
- **Customer Education:** E-banking facilities were being made available to customers from early days in case of private banks. However, in case of old public sector banks, it is quite difficult to persuade their customers regarding the utility of this program. Imparting education among customers formally with respect to e-banking is a difficult task. Considering this, banks opted for providing monetary inducements like a free debit card, free net banking facilities, providing constant and timely information to customers regarding Monthly Statement of their accounts on E- Mail, etc., to switch customers to these rising services of banking.
- **Restricted Business:** One more challenge for e-banking is that all the banking transactions cannot be done online or through other electronic mediums; for few services like deposits and withdrawals, one has to approach banks physically. Although, it has been observed that some of the banks have automated their method and their customers (front end) but still numerous follow traditional process (back end). This in a way confines the customers due to limited awareness and technical hurdles.
- **Cost of Technology:** Initial cost of investment is high in terms of cost of personal computers and other equipments required performing the electronic banking transactions. The cost of maintenance and safeguarding of all these devices like modems, routers, entire IT set up is also large. At the same time,
- **Handling Technology:** Acquiring the perfect technology, deploying it optimally, and then leveraging it to the maximum extent is essential to achieve and maintain high service and efficiency standards while remaining cost-effective and delivering sustainable returns to shareholders. Early adopters of technology acquire significant competitive advances Managing technology is, therefore, a key challenge for the Indian banking sector.

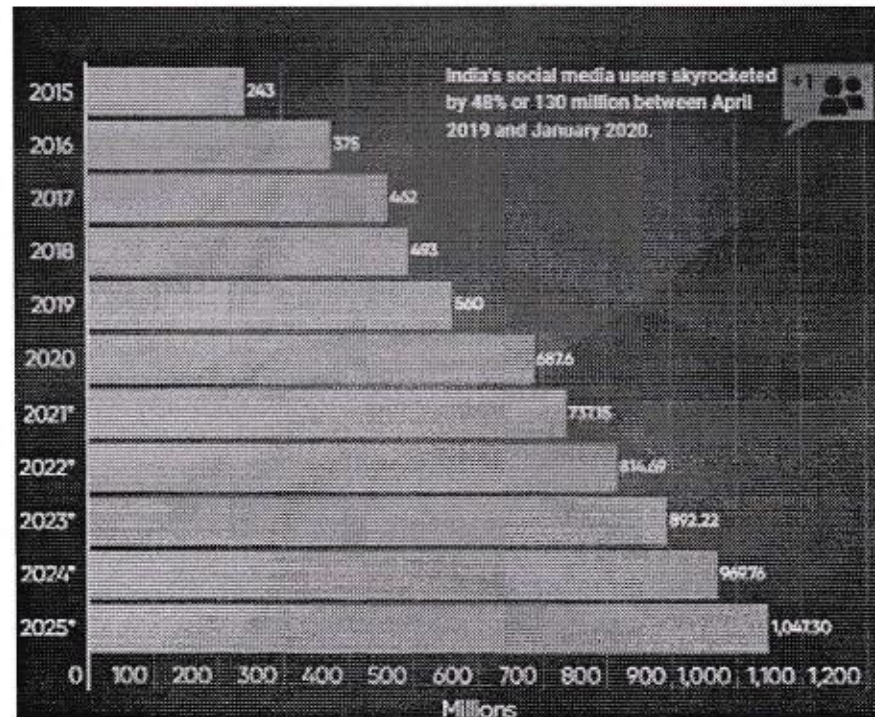
OPPORTUNITIES RELATED TO INTERNET BANKING:

Although there exist numerous challenged in E-banking in India, one can't at the same time, ignore the numerous opportunities available for development of E-Banking in Indian context, and these are discussed below:

A. **Increasing number of Internet Users & Computer Literacy:** Success of E-Banking principally is related to the fact that people must have acquaintance about

internet technology, so that internet banking services can be smoothly implemented. Thus, it is observed that increasing no. of internet users in India can be a very grand opportunity and this must be utilized to the greatest extent by influencing additional internet users to use online banking services. There were 658.0 million internet users in India in January 2022. India's internet penetration rate stood at 47.0 percent of the total population at the start of 2022. Kepios analysis indicates that internet users in India increased by 34 million (+5.4 percent) between 2021 and 2022.

Forecast of Internet users in India until 2025 (in millions)



Source: Analytic Inside

B. Untouched Rural Markets: India's untapped and untouched market for banking sector extends to 75% of the total population of India, which is considered a vast scope for development of E-Banking in coming dys. All the urban areas have bank branches and banking services but only little number of big villages has the banks. Therefore, e-banking must expand its geographical reach in remaining all villages as large proportion of Indians still living in rural areas.

C. Initiatives taken by government agencies for financial literacy and awareness: Internet Banking and inclusive growth is highly affected by financial literacy. Usage of Internet Banking and traditional Banking among customers is determined by their education level (Servon L J and Kaestner R, 2008). RBI, SEBI, IRDA, Government authorities such as RBI, SEBI, Banks and various other financial institutions like mutual funds, insurance companies have taken several initiatives for promoting financial literacy and encouraging the use of internet banking. Many topics on e-banking and its services have been included in school curriculum with

the purpose of making students aware about as to how to use it. Awareness and information to home makers, managers and retired people is also imparted to increase the usage of electronic banking. (RBI Report (2012b).

D. Competitive Gain to Banks: The carrying out of e-banking is profitable for banks as it minimizes costs to the banks, improves the efficiency and accuracy in customer relations, and expand the geographical reach of the bank (D'Silva B, D'Silva S, and Bhuptai R S, 2010) etc. Therefore, competitive gain to Banks because of e-banking provides opportunities to the banks to deal with their e-banking business in an effective way.

E. Opportunities for Customers: In Indian perspective, opportunity for e-banking is huge in terms of its increased use by customers. Widespread banking consumers are greatly affected by the progression of internet banking services. Customers can manage and control their account from office or home, and can also shell out bills using net banking. Usage of credit/debit card has also increased. Thus, by the exploring e-banking services, consumers can access to their banking needs throughout 24X7.

CONCLUSION:

The concept of E-Banking has got consideration in Indian context with the passage of time. E-Banking facilities and services have been successfully implemented by almost all public and private sector banks as it is profitable for both banks and customers. The role of information technologies has been excellent in endorsement and execution of e-banking. Many financial innovations like ATMs, credit cards, RTGS, debit cards, mobile banking etc. have completely transformed the face of Indian banking system. However, still there is a need to have more innovative solutions as even now also e-banking is faces many challenges such as risks concerning security, privacy, trust factor, lack of knowledge among consumers in relation to e-banking, unsupportive and obstructive infrastructure, low level of computer literacy among existing staff, etc are acting as obstruction in the implementation of e-banking. It is expected that with the increasing demand for a digital experience from millennials, a substantial transformation in the entire e-banking system is going to happen.

The Government of India and various government agencies are making attempt to make e-banking more safe, secure, and reliable with the convenience of digital channels. Most of the customers are visiting branches less often and they use online and mobile technology for their banking needs more often. Online and mobile banking are rapidly growing and most of the people of India using e-banking for their transactions and make them stand with the current scenario of the country.

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USAGE OF OVER-THE-TOP (OTT) SERVICES AMONG THE STUDENTS OF DIBRUGARH-PRE AND POST LOCKDOWN INVESTIGATION

Pankaj Sahu*
Merry Borgohain**

Abstract

Entertainment has always been playing a vital role in our lives. Until couple of years back television was considered as the at home entertainment. But with the start of digital era and availability of cheaper data plans, watching television with the help of cables, satellite channels and dish has been promoted to Over-the-Top (OTT) platforms. People, now can watch their desired contents anywhere anytime in their smart phones with only an internet connection. Especially after the announcement of lockdown and the younger generation with smart devices in their control were at the best place to deal with the online platforms. This induced the researcher to investigate the younger generation's usage of the OTT services during pre and post the lockdown period. Therefore, the study observed the awareness level and the usage pattern of the OTT among the students.

Keywords: *Over-The-Top, Young Generation, Lockdowns*

Introduction:

Entertainment has always been playing a vital role in our lives. Entertaining one by watching television is one of the most followed activities. Television plays a crucial role in day to day lives from entertaining ourselves to updating ourselves with all the news across the world. In this era of science watching television seating in front of a screen has been shifted to smart gadgets like laptop and mobile phones with access to OTT Platforms. Over the top (OTT) media is the platform that provides services directly through internet. Over the top media services has led behind the cumbersome process of cable, broadcast and platforms of satellite television. In India the OTT platform has created a strong viewership eventually. People in India is shifting from seating in front of the television changing channels to watch their desired contents anywhere anytime in their smart phones with just an internet connection.

The covid19 battle is still going on across the country. The pandemic has flipped the country upside down, taking lives of people, isolating ourselves in the homes

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and many more restrictions in our daily lives. No doubt it is already known how much harm it caused to the world but from another aspect where people did not stop raising hope for a better tomorrow has kept busy oneself with all the stuffs they would love to do. Watching television is one of the most favourable practice in the families and it is been since long back where families seat together and enjoy the movies, shows etc. In this era of internet facilities watching television with the help of cables, satellite channels and dish has been shifted to Over the top platforms where people can watch their desired contents anywhere anytime in their smart phones with only an internet connection. As in this pandemic, lockdown was imposed and everyone except the frontline workers has to isolate themselves for a long time, people started watching more of such contents in the OTT platforms to keep themselves entertained. Although OTT platform evolved long years back but gradually it was in the process of growing among the mass but Covid19 proved to be a golden weapon to grab more and more viewers. OTT media services provided with movies, series and many other contents with better quality. In this context, it is observed that the younger generation are more prone to adopt the technological changes than any other age groups. Further, the younger generations, students of colleges and universities, being the one with smart devices in their control and with the adequate internet data for online classes, stands at the priority to consider for the present study. Hence the study aims to study the usage pattern of the younger generation considering the students.

The model depicts the major advantages of OTT Services

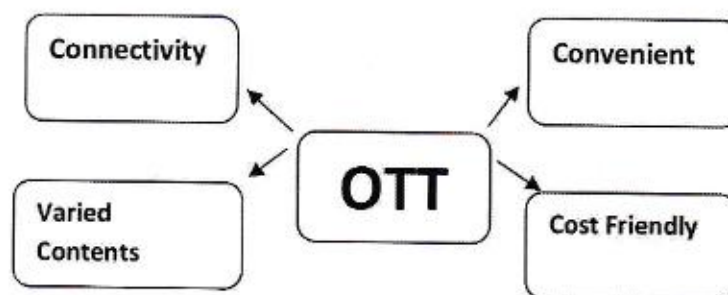


Fig. a

Review of literature

Dasgupta, S. and Grover, P. (2019) tried to analyse the adoption factors of Over the Top services among the millennial consumers. The Innovation Adoption Model (AIETA Model) i.e. Awareness, Interest, Evaluation, Trial, Adoption was taken into consideration to come up to an outcome by coming across an in-depth interview with the consumers. The researcher found four major reasons to adopt Over the Top platform by the millennial consumers over the traditional platform: Convenience, Mobility, Content and Cost. It has been concluded that the OTT platform has made a great place among the millennial consumers and found the perception of consumers to be more favourable in regards to OTT contents than those of traditional television. The consumers are attracted more towards the contents those are not available in common in both the platform so the OTT service providers are to be innovative enough to create differentiating contents. The services providers are hugely dependent on the paying subscribers to maintain a smooth streamline of revenue

hence, there is a great need to work on cutting the clutter. Patel, K.M. et.al. (2020), tried to study the factors of sudden increase in OTT channels viewership during lockdown period in India and to highlight the major challenges for the owners of cinema halls due to consumers changing habits of entertaining oneself in India. Through survey method data was collected and found various reasons for the growth of OTT services during the lockdown period and factors like time spent on watching OTT contents, channels subscribed, opting for OTT platform over television, convenience of OTT based content, increase viewing of OTT contents during lockdown, threatening to the cinema halls etc. It was found that there are specific reasons for growth of OTT platforms only in India as the youth have very less patience to wait for a movie in air or television and OTT contents are showcased directly through internet which has tremendously grown the viewers during lockdown. Smartphone penetration, International collaborations, cost effectiveness and access liberty are major features for the particular growth. Nijhwana, S.G. and Dahiya, S. (2020) tried to study the vital role played by the pandemic to capture a bigger customer range of OTT media. It was found that post covid the screen time increased, growing contents on OTT is a major source to grow the platform, content choice and time convenience is another weapon to grab viewers, Netflix, Youtube, Amazonprime and Hotstar are found to be the top four preferred OTT platforms, but also the terms of cost too has a significance amongst the viewers as using OTT platforms has to bear additional costs, the viewers concern regarding high subscription charges, low internet speed, no censorship etc. are few aspects to be considered despite growing of OTT platforms. It was concluded that Covid19 has been proved to be a turning point for the OTT media as being confined inside the home to a limited choice where OTT provides conveniently entertaining source in wider form has been a stress reliever to many. The researcher suggested various future scopes to carry the study. Kumari, T. (2020) tried to study the OTT consumption pattern of the consumers and the factors contributing success of OTT services. It was found that the post lockdown the numbers of subscribers have increased with Netflix, Amazon Prime and Hotstar as the most emerging OTT platforms. The consumers are satisfied with the factors related to cost, ease, convenience, quality and contents available in the platforms. Being an independent industry with an innovation has been able to create a better room amongst the viewers and leading a bright future of OTT media service providers of India. Singha, H. (2020) explores the aspect of video streaming contents on OTT platforms. It studied the need for content regulation on screen media specifically on online mode. Real life cases have been discussed related to Indian scenario. It was found that India failed to upgrade regulation as per up gradation in technology, Censorship on unethical video contents. The contents censored on traditional could be showcased on OTT due to policy gap. The morality and public decency are not static in nature. The author has forwarded suggestions regarding code of ethics to be adopted and self-regulated models to be encouraged by the government. It has been concluded that through censorship exists everywhere but by loosening grip on audio visual contents can help the true essence of the right to freedom of speech and expression. The viewers should have the right to choose the content and rather than making issues on the negative aspects should make concern on the message the contents wants to deliver. Saini, N. (2020) tried to analyze the increasing preference of OTT platform during lockdown, its reasons and implications amongst the youth. It was found that there is tremendous increase in OTT viewership during lockdown and the future of OTT is better than TV but at present it was found that

despite of advantages in OTT regarding variability, quality and convenience, the people are stuck to TV also and common response was because of the package prices, as the OTT package prices are on higher side and viewership among the youth as are students do not spare much time on content watching but have to bear a high price. Overall, the OTT has a leading wave as the smart gadgets are an integral part of human life which has given a high shot to enjoy contents on any screen anywhere.

Objectives of the study:

1. To study the awareness level on OTT services and its usage.
2. To study the association between gender and subscription of OTT
2. To compare the watching habits of the male and female respondents.

Research Hypothesis:

The study have been carried out with the following hypothesis:

- Ho1: There is no significant association of gender and subscription of OTT application
Ho2. The watching habits of the males and females are identically distributed.

Importance of the study

The study holds a great significance at this present era of technology. The shift from watching television with cable channels to dish TV to OTT media has gradually changed the viewpoint of the mass regarding the entertainment taste and exploring the world through the screen of smart gadgets. The OTT platforms have eventually created a good room amongst the mass of India and are growing gradually. People have adopted the habit of surfing their favourite contents sitting anywhere, anytime they wish to. The particular study would give us the picture of the state of OTT media adoption amongst the people and the growth it had due to lockdown during the pandemic period. The pandemic has bought a positive wave for the OTT media service providers and people also had been enjoying and utilizing their times as their desire. The pre lockdown and post lockdown watching OTT media behaviour would give us a clear understanding of the increase in number of viewers and growth of OTT platforms. Thus, conducting study of such application media services, which have a great influence amongst the masses and are creating great challenge for watching together in cinema halls is of utmost need.

Methodology of the study

Instrument for collection of data: The primary data has been collected through structured questionnaire by using Google Forms.

Sampling method and technique and sample size: Snowball sampling is the non-probability sampling method that has been adopted in this aspect. The questions related to their awareness, subscription, applications they prefer, the time span of watching OTT contents prior lockdown and post lockdown, benefits over traditional television and the issues regarding OTT media services has been recorded. The OTT contents viewers are considered as the respondents for the particular study. For the study, only the students of Dibrugarh University have been considered. The reason for selecting the university students as the respondents was primarily because students generally tend to adapt the technological changes quickly as compared to others and the university students with smart devices in their control that too with adequate internet data balances for online education stands as best. Further for the study, 150 students was selected through snowball sampling method but out of 150 only 102 responses were received and were accepted for the study.

Reliability test:**RELIABILITY STATISTICS**

Cronbach's Alpha	N of Items
.733	21

A reliability test was done. The reliability statistics was found to be adequate as it is more than .7, which is considered as adequate.

Analysis and Discussion:

TABLE 1:
AWARENESS ON OTT SERVICES

	Frequency	Percent
YES	102	100
NO	0	0
Total	102	100.0

Observation: It is observed from table 1 that there prevails a sound awareness amongst the respondent regarding OTT Apps services. Out of 102 respondents 102 respondents admits their awareness regarding OTT services.

TABLE 2:
SUBSCRIPTION STATUS OF OTT APPLICATIONS

	Frequency	Percent
YES	96	94.1
NO	6	5.9
Total	102	100.0

Observations: From table 2 representation it could be ascertained that the majority (94.1%, table 2) of the respondents being aware of the OTT Apps services has availed subscription of their personal choices.

TABLE 3:
NUMBER OF OTT APPLICATIONS SUBSCRIBED

	FREQUENCY	PERCENT
ONE	33	32.4
TWO	27	26.5
THREE	22	21.6
FOUR	9	8.8
MORE THAN 4	5	4.9
NOT SUBSCRIBED	6	5.9
TOTAL	102	100.0

Observations: From the above table representation it could be ascertained that at least 1 OTT Apps is subscribed by the majority of the respondent (33) followed by minimum of 2 Apps by 27 respondents followed by 3 Apps by 22 respondents, 4 Apps by 9 respondents and subscription of more than 4 Apps by 5 of the respondents.

TABLE 4:
SUBSCRIPTION PREFERENCE OF OTT APPLICATIONS

	FREQUENCY	PERCENT
NETFLIX	59	57.8%
DISNEY HOTSTAR	13	12.7%
AMAZON PRIME VIDEO	18	17.6%
VOOT	4	3.9%
ZEE5	2	2.0%
NOT SUBSCRIBED	6	5.9%
TOTAL	102	100.0%

Observations: Amongst a few Apps asked to the respondent Netflix hits the top subscription with 59 respondents, Amazon Prime Video by 18 respondents, DisneyHotstar by 13 respondents, Voot by 4 respondents, Zee5 by 2 respondents.

TABLE 5:
TIME SPEND WATCHING OTT CONTENTS PRE & POST LOCKDOWN

TIME SPEND	PRE LOCKDOWN	POST LOCKDOWN
LESS THAN AN HOUR	27.45%	16.7%
1 HOUR - 2 HOURS	34.3%	30.4%
2 HOURS - 3 HOURS	16.7%	23.5%
3 HOURS - 4 HOURS	9.8%	10.8%
MORE THAN 4 HOURS	5.9%	12.75%
NOT SUBSCRIBED	5.9%	5.9%
TOTAL	100.0	100.0

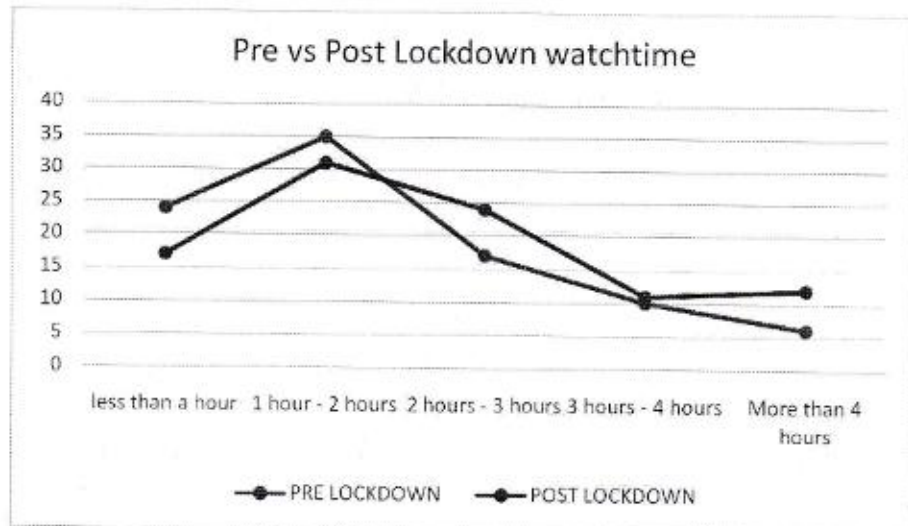


Fig. 1 (a)

Observation: Prior to the lockdown the watching time of OTT contents is about 1-2 hours amongst 34.3% respondents followed by less than an hour amongst 27.45% respondents, 2-3 hours amongst 16.7% respondents, 3-4 hours amongst 9.8% respondents and 5.9% respondents spend more than 4 hours watching OTT contents. Post Lockdown the watch time revealed a significant increase among the respondents. 30.4% respondents watching period was 1-2 hours (decrease), 23.5% respondents for 2-3 hours (increase, pre lockdown stats 16.7%), 16.7% respondents for less than an hour (decrease, pre lockdown stats 27.45%), 10.8% respondents for 3-4 hours (increase), 12.75% respondents for more than 4 hours in a day (increase). It indicated an increase in the watch time post lockdown {table 5, fig. 1(a)}

TABLE 7:
ENGAGEMENT TIME PREFERENCE WITH OTT ENTERTAINMENT

	Frequency	Percent
MORNING	4	3.9%
AFTERNOON	19	18.6%
EVENING	18	17.64%
NIGHT	55	53.9%
NOT Subscribed	6	5.9%
TOTAL	102	100%

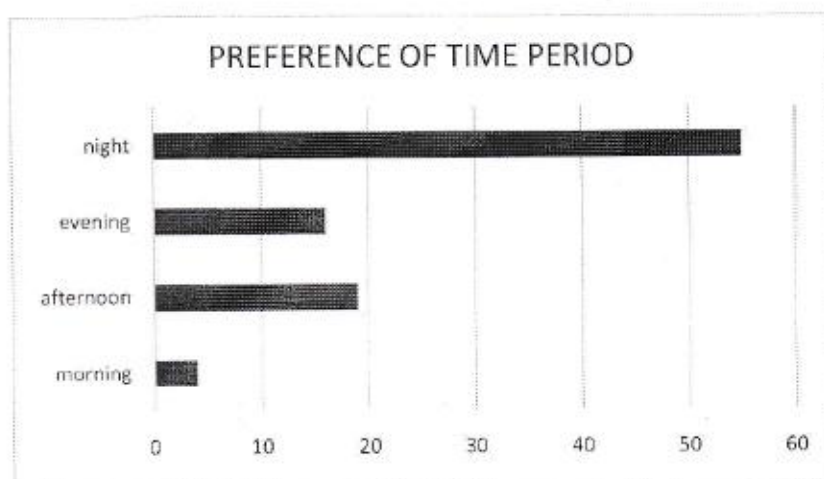


Fig. 1(b)

Observation: The night time is considered to be most preferable time to enjoy the contents in OTT services (55), followed by afternoon (19) and evening (16) and least in the morning time (4).

BENEFITS ENJOYED THROUGH OTT

PARAMETERS	Frequency	Percent
CHEAPER	5	4.9%
BETTER QUALITY	19	18.6%
ENJOYING ONE'S OWN COMPANY	36	35.3%
AVAILABILITY OF BETTER CONTENT	36	35.3%
NOT APPLICABLE	6	5.9%

TABLE 9:

PROBLEMS FACED IN OTT

PARAMETERS	FREQUENCY	PERCENT
COSTLY	15	14.7%
NETWORK ISSUES	18	17.6%
HIGH DATA CONSUMPTION	38	37.3%
LACK OF CONTENT AVAILABILITY	3	2.9%
OFFERING A POOR USER EXPERIENCE	5	4.9%
NONE	17	16.7%
NOT APPLICABLE	6	5.9%

Observations: Providing with some probable problems of OTT services it can be observed from the above table that high data consumption raises the major issues amongst all the other issues. 38 respondents face high data consumption issues, network issues by 18 respondents, 15 respondents stated to be costly services, 17

respondents faces none of such issues, 5 respondents states that OTT Apps provides a poor user experience and 3 respondents are having problem of content availability.

TABLE 10:
PREFERENCE OF OTT VS TELEVISION

Preferences	BEFORE LOCKDOWN	AFTER LOCKDOWN	Percentage Change
TV	67	25	31.37%
OTT	35	77	50.98%
Total	102	102	

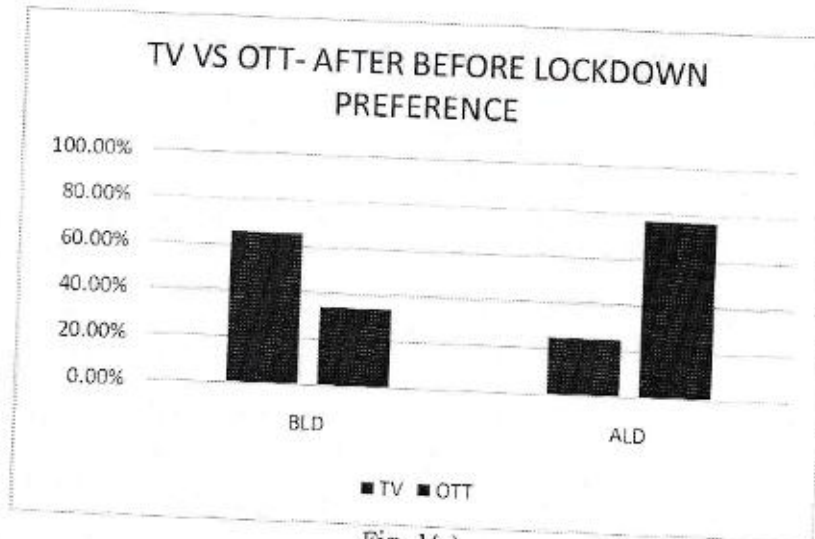


Fig. 1(c)

Observation: A significant change in the preference of OTT over TV have been observed post-lockdown. The pre lockdown preference of OTT was mere 35 which had increased to 77 post lockdown with a significant 50.98% change in the preference post lockdown.

Testing of Hypothesis (Ho1)

Chi square test is use to test the first hypothesis as it is the most commonly used non parametric statistical tool to test the association between two groups.

TABLE: 11
ASSOCIATION OF GENDER VS SUBSCRIPTION OF OTT APPLICATION

		Number of OTT Applications subscribed					Total
		1	2	3	4	More than 4	
Gender	Male	15	18	11	3	2	49
	Female	16	17	11	6	3	53
Total		31	35	22	9	5	102

Source: Field Stud

Table 11 (a) Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	1.106 ^a	4	.893

Observations: The p value > 0.05 indicated that there is an association between the gender and the number of OTT applications subscribed, rejecting the null hypothesis.

Testing of Hypothesis (Ho2): Two sample KS test is used to test the hypothesis as the two-sample K-S test is one of the most useful and general nonparametric methods for comparing two samples.

Ho2. The watching habits of the males and females are identically distributed.

TABLE 12:
ASSOCIATION OF GENDER AND WATCHING TIME

FREQUENCIES			
	GENDER	N	
HOW MUCH TIME DO YOU SPEND WATCHING OTT CONTENTS POST LOCKDOWN?	MALE		49
	FEMALE		53
	TOTAL		102

Table: 12 (a) Test Statistics ^a			
		How much time do you spend watching OTT contents Post lockdown?	
Most Extreme Differences	Absolute		.125
	Positive		.125
	Negative		.000
Kolmogorov-Smirnov Z			.631
Asymp. Sig. (2-tailed)			.820

a. Grouping Variable: Gender

Observation: The value of the two sample KS test is .631 with the corresponding p value 0.82, as the p value is > 0.05 , so there is no evidence against the null hypothesis. Thus we can conclude that the watch time of the male and female viewers are identically distributed.

Findings:

- The awareness level of the respondents were found to be sound enough and majority has subscribed to different OTT Apps according to their taste of contents and requirement of Apps.
- Netflix was found to be the most preferable OTT Apps.
- Comparing the watching habits of the contents of the respondents before lockdown and during lockdown has a significant impact on the growth of OTT Apps. Post lockdown the usage of OTT Apps has increased significantly amongst the young generation.
- Problems regarding OTT Apps that were observed by the respondents are costly, network issues, high data consumption, lack of content availability, offering a poor user experience and the majority admitted the problem of high data consumption which is quite obvious as the contents are provided with better picture quality which in return consumes higher data.
- The respondents were having a good satisfaction level using OTT Apps.
- As the both television and OTT Apps are considered to be their source of enjoyment but the respondents preferred OTT Apps over Television.
- The study revealed that the gender have some sorts of association with the number of the applications subscribed.
- The study revealed that the watch time of the male and female are identically distributed.

Conclusion:

With the change in the technology, the preference on sources of entertainment is also changing constantly. The introduction of OTT platforms have also changed the entertainment industry completely. After China, India is the second largest market for the OTT service providers. In 2022 India contributed to over \$2673 million to the global OTT market revenue. This indicate the immense popularity of the OTT services in India. The study supported the increase use of OTT platforms among the young generations. Some of the vital aspect as revealed in the study for such an increase are mainly the easy accessibility with good quality contents at a lower price. With the tremendous increase in the usage of OTT services, it is expected that the market for the OTT service providers will open lot of opportunities for broadcasters and the viewers by providing services and experiences like never before.

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FLORICULTURE AS A MODEL FOR EMPLOYMENT AND INCOME OPPORTUNITY-A STUDY

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Abstract

The flower industries in India includes blossoms, for example, Rose, Tuberose, Gladiolus, Anthurium, Carnations, Marigold etc. This industry might have promising opportunities for self employment as well as creating jobs for others. Among various micro industries, flower enterprises have been bearing significant part in the country's economy in terms of opening job opportunities. As a part of horticulture this kind of farming develops scientific mentality among people and enables them to take flower or blossom in the economic journey of new millennium. The contribution of blossom industries to India's total export was recorded as Rs. 556.87 crores/ 76.85 USD Millions in 2019-20. As the government recognized floriculture as sun rising business and hence concurred it 100 percent export status. Attributable to consistent expansion popularity of bloom gardening has been identified as profitable exchange of Agriculture. Consequently, commercial flower enterprises have arisen as high-tech movement occurring under controlled climatic circumstances inside greenhouse. Horticulture has been recognized as a fast-growing industry in our country. From the product point of view modern flower industries are becoming significant component of the economy. The advancement of modern and exchange strategies prepared for improvement of commodity situated production of cut blossoms. The new seed strategy had as of now made it plausible to import establishing material of worldwide assortments. It has been observed that business gardening has higher potential per unit region than the vast majority of the field crops and is subsequently a worthwhile business. Indian gardening industry has been moving from customary blossoms to cut blossoms for export purposes. The trend of modern economy has shown the flower cultivators a new path for growing or setting up more commercially export concentrated units under controlled climatic circumstances. This paper is an attempt to study the economic prospects of floriculture in our economy. 50 numbers of entrepreneurs from Dibrugarh town and nearside area were taken as sample for the study and personally interviewed with the help of questionnaire and findings were collected for drawing the inferences. The field survey of the paper was done in the month of October 2019.

Keywords: Floriculture, global market, National Horticulture Board, export, employment, greenhouse etc.)

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Introduction

Floriculture or blossom cultivating, as it is famously called, is a discipline of Horticulture, and is the investigation of developing and showcasing blossoms and foliage plants. Horticulture incorporates development of blooming and fancy plants for deals or for use as unrefined components in surface level and fragrance businesses and drug area. The individual related with this field is called floriculturists. In India, floriculture industry includes bloom exchange, production of nursery plants and pruned plants, seed and bulb creation, miniature proliferation and extraction of medicinal balms. However the yearly homegrown interest for the blossoms is developing at a pace of more than 25% and global interest at around Rs 90,000 crore India's portion in worldwide market of blossoms is unimportant. India has a blossoming future, taking everything into account. Karnataka is the innovator in gardening, representing 75% of India's total bloom production. The state has the most noteworthy region under current cut blossoms, and 40 bloom developing and export units. The master panel set up by Govt. of India for advancement of product based gardening units has distinguished Bangalore, Pune, New Delhi and Hyderabad as the significant regions appropriate for such movement particularly for cut blossoms. APEDA (Agricultural and Processed Food Products Export Development Authority) is the enrolling expert for such units.

Floriculture offers a wide scope of opportunities to women in terms of employment, income generation, empowerment and above all it can make themselves self-sufficient. Floriculture has arisen as a significant agribusiness, giving work opportunities and business venture in semi urban and rural regions. Large number of women in urban or rural areas are engaged in growing flowers for own satisfaction and home decoration only, that can have countless opportunities for the women to increase their income if they practice it by taking modernization of floriculture business. During the last decade there has been a push on commodity of cut blossoms, particularly roses. The export surplus has found its direction into the nearby market impacting individuals in urban areas to buy and involve blossoms in their regular routines. Marketing of cut blossoms is currently at the beginning phase of growth and development. Marketing of farming and Horticulture produce has forever been an issue of concern in India. Floriculture in India is being seen as a high growth industry.

As per a report of National Horticulture Board (NHB), the total region under floriculture crops in 2019-20 was assessed around 190.7 thousand hectares which is second biggest on the planet and simply close to China however under cut blossoms it is just 600 hectares. Production of flowers was assessed to be 970.4 MT of loose flowers and 53417.5 million (quantities) of cut flowers in 2019-20. The floriculture contribution to the national export is just 0.06% of the total national export 83.04%. The following table shows the flower exports over the years.

Table-1 showing floriculture export

2017-18		2018-19		2019-20	
Quantity in MT	Value in lakh	Quantity in MT	Value in lakh	Quantity in MT	Value in lakh
42545.28	65269.73	36240.71	34014.42	30798.34	36881.41

Source: DGCIS Annual Reports

Employment Generation Potential in Floriculture

Floriculture is a labour-intensive activity, wage payment forming roughly one third of the cost of production. Accessibility of skilled labor supply, inter alia, gives India significant similar benefits in the global trade of floriculture. In light of data for other nonindustrial nations, it is assessed that gardening can possibly produce direct work for around 20 laborers. The indirect employment generation in the wide production chain covering plastic, paper, container, amble, agrosynthetics, transport and other administrations' is in a 1:2 proportion. It demonstrates, that even an unassuming floriculture project can create millions of jobs, predominately for young women. A National Thrust Program 'A Million Jobs for Women consistently' needs be figured out. One of the huge idiosyncrasies of the gardening business' work design is the huge incorporation 'of women as a result of their manual abilities, capacities as far as intrinsic fine and created stylish sense and delicacy as is obvious from watch production and style industry. The portion of women workers is around 7% of the total labor force in floriculture. Overall, women are engaged with production, harvesting and post harvesting exercises including packaging, while men perform exercises connected to pre production, maintenance of nurseries, water system and fumigation since these include difficult work and health and security contemplations. Engagement of more women in the gardening is justified as the normal consensus is that gardening is like kid care where women guarantee the obligation regarding the whole course of development. The entrepreneurs of blossom industry consider it useful to draw in women with the exception of their dread from pregnancies, which must be paid for by them. The business open doors in this field are just about as fluctuated as the idea of work itself. There are ample opportunities to engage oneself in this sector as farm supervisor, production specialists and project coordinators etc. Experimental work, innovation and training are a few different avenues for getting job in this field. The marketing of nurseries and cut flowers may open avenues for employment and business for some entrepreneurs in this field. Besides one can work as consultant, landscape architect etc with proper training. One can also work as entrepreneur and offer employment to others.

Area of the study

This paper depends on a contextual investigation led on some floriculture entrepreneurs in Dibrugarh district of Assam. Samples were taken both from the urban and semi-urban places.

Objectives

- This paper has been developed with the consideration of the following objectives-
1. To study the socio-economic and working situation of the floriculturists in Dibrugarh.
 2. To study the employment opportunities opened in this entrepreneurial sector.
 3. To assess the opportunities for income in floriculture business.

Methodology

This paper is essentially a distinct kind and further more experimental. Both primary and secondary information were utilized for fostering this paper. Primary information was gathered through a survey conducted on 50 numbers of floriculturists of Dibrugarh municipality area. The sample respondents were personally interviewed through a meeting plan and their reaction were gathered and made being used for

making the writing out of the paper. In addition, secondary information was gathered from different secondary sources like articles, books, reports and web. Basic measurable instruments like tables, proportion and rate were utilized for the examination and understanding of gathered information.

Findings of the study

The following table shows the growth scenario of flower nursery over the most recent 10 years in Dibrugarh town. Out of 50 number of floriculturists for the review, 36% of them began doing this business during the year 2016-2018. After the year 2018, 24% units (bloom nursery) were laid out.

Table-2: Establishment of the sample flower nursery

Serial No	Period of establishment	No of nurseries established	Percentage
1	April, 2010 - March, 2012	4	8
2	2012-2014	6	12
3	2014-2016	10	20
4	2016-2018	18	36
5	After 2018	12	24
	Total	50	100

Source: Field Survey

Individual Factors

The individual variables like age, education, conjugal status and so on have important bearing

on the capacity for independent work in gardening business.

Age: The table shows the age level of the floriculturist -

Table-3: Age group of floriculturists

Serial No	Age group	No of respondent	Percentage to total
1	Below 20	3	6%
2	20-25	7	14%
3	25-30	11	22%
4	30-35	17	34%
5	35-40	11	22%
6	40-45	1	2%
7	Above 45	nil	nil
	Total	50	100%

Source: Field Survey

From the Table-3, it is seen that 34% (limit) of respondent began their business in the age bunch between 30-35 years. 22% are in the age levels of 25-30 and 35-40 years individually. In this manner it is seen that respondents who are in the age of 25-40 years, organize majority of the flower entrepreneurs in the district.

Education

Among the sample respondents 10 are post graduates and a big part of them have gone through the entrepreneurial training organized by Department of Agriculture. A larger part (30) of the respondents is graduate and the rest are undergraduate.

Conjugal Status

Conjugal status is another component that has critical bearing on blossom business. 80% of the respondents are married and it is seen that wedded individuals are viewing this business more in a serious way while comparing with unmarried respondents. Through this entrepreneurial activity individuals can ensure handsome earnings and can run their family easily. Besides, it was also seen that the help from relatives additionally motivates the entrepreneurs to a greater extent. Different specialized and non specialized and different advices are additionally given by the relatives which has become as strength for the development of the flower business.

Motivational factors

Inspiration is exceptionally fundamental for the floriculturist to select self employed work. They might be self spurred, by relatives, spouse, family members, companions and so on. By and large i.e, 81% of the sample respondents are self spurred. This class of business visionaries appreciate full collaboration and backing from their relatives. The Table-4 shows the inspirational elements that rouses and moves to attempt such kind of pioneering exercises.

Table-4: Reasons for undertaking floriculture business

Serial No	Reasons	No of Respondent	Percentage
1	Interest	17	34
2	Occupation	10	20
3	Easy and profitable	10	20
4	Availability of land	6	12
5	Family business	7	14
	Total	50	100

Source: *Field Survey*

From the table-4, it is seen that 34% of respondent have chosen this calling out of their advantage. Around 20% respondent feels that this enterprising work is not difficult to attempt with less encumbrances and beneficial moreover. Another 20% respondents viewed this as the their principle occupation for business, 14% feels that it tends to be dealt with by other relatives so it is advantageous and land accessibility is a one more justification behind which the rest 12% respondents picking this business venture.

Monetary Factors

Finance is the main part of any business. Its quantum relies upon the size of the enterprise. For development of blossom, other water system and green house course of action, works colossal measure of cash at first might be required. Table-5 shows the capital interest in the example nurseries.

Table-5: Size of Capital

Serial No	Capital invested (Rs)	No of respondents	Percentage
1	Below 100000	3	6
2	100000-200000	12	24
3	200001-400000	17	34
4	Above 400000	18	36
	Total	50	100

Source: *Field Survey*

In the table-5, it has been seen that on the normal a bloom nursery can be laid out easily with a measure of Rs.100000 or more than that. The 36% respondents contributed more than Rs.400000 as their underlying capital. 34% began business with a measure of interest in the middle of Rs.200001-400000. The speculation scope of 24% business people is in the middle 100000-200000. The respondents who have contributed Rs.400000 or more, they have embraced sophisticated technique for innovation of flower growth.

Sources of Capital

As displayed in the Table-6, that 44% of the respondents finance their undertakings out of their own assets. Different wellsprings of money are bank credits followed by help from relatives. It shows that intrigued business people can without much of a stretch beginning a nursery with their self money and they need not to take trouble of bank conventions. During the review it was seen that greater part of respondents began their endeavor with their own wellspring of capital and advance from the banks. It was additionally seen that financial offices are not so appropriate in the review region. The monetarily needy individuals deal with loads of issues while beginning this endeavor. Strangely some of them have framed gatherings and undertaking bloom development with the different government awards and makes a difference. Indeed, self improvement gathering idea can carry desires to the destitute individuals for undertaking this sort of business venture.

Table-6: Source of Capital

Serial No	Sources of capital	No of Respondent	Percentage
1	Self	22	44
2	Family members	10	20
3	Bank	18	36
4	Friends and others	---	---
	Total	50	100

Source: *Field Survey*

Monthly Expenditure and Income

The entrepreneurs need to pay money for some general purposes like wages to works, bundling costs, manures costs and so on. Besides a significant sum is likewise expected for buying seeds, plants and for other manor course of action. The following Table-7 shows the monthly expenses of the entrepreneurs-

Table-7: Monthly Expenditure

Serial No	Expenditure (Rs)	No of Respondent	Percentage
1	Below 30000	20	40
2	30000-40000	12	24
3	40001-50000	10	20
4	Above 50000	8	16
	Total	50	100

Source: *Field Survey*

It has been seen from Table-7 that monthly expenses of 40% of the respondents below Rs.30000. There were 24% respondents with month to month consumption between Rs.30000-40000. Around 20% respondents spend in between Rs.40001 to Rs.50000. There are just 16% entrepreneurs who are spending above Rs.50000 p.m. It is eminent that a portion of these respondents are running enormous scope business and giving an assortment of extra services for example, bloom decoration in wedding party, birthday celebration, meetings, initiation function etc.

Table-8 shows the net income structure of the blossom industrialist. From the table it has been seen that 12% respondents have net monthly income not exceeding 25000. There are majority i.e.50% respondents enjoying net earnings in the range between Rs.35001 to Rs.45000 in a month and 24% of them, income fall in the scope of Rs.30000-40000. In fact, 14% of the respondent entrepreneurs can earn above Rs.40000 in a month. Hence, it is mentionable that the income pattern of the respondents is not so bad for unemployed person who runs their business at their home by using their accessible assets, time and other efforts.

Table-8: Monthly Income of entrepreneurs

Serial No	Monthly Income (Rs)	No of Respondent	Percentage
1	Below 25000	6	12
2	25000-35000	12	24
3	35001-45000	25	50
4	Above 45000	7	14
	Total	50	100

Source: *Field Survey*

Marketing factors

Marketing activities may play significant role in any business exercises. Proficiency in showcasing one's administrations is a key element that prompts achievement. It has been seen that the area of the nurseries become the primary advertising strength since individuals like to visit those nurseries which is found close by streets and have space for stopping. In addition, quality assistance and acceptable conduct additionally viewed as best tips for client attraction. The main strategy they use for the most part is the word of mouth advertisement. It implies one satisfied customer will send other client to visit the nursery by giving a decent remark about that. So it relies on the nature of services and the conduct of the entrepreneurs to get the advantages of mouth to mouth advertisement which is nearly cost free. It was seen that the bloom cultivators can't fulfill the need of blossoms locally. Since their production isn't adequate as well as they have not involved innovation for it. Truth be told, most of the flower requirements in Assam are fulfilled by blossoms which are imported from Calcutta, Arunachal Pradesh, Meghalaya and so forth.

Advertisement

Advertisement is a significant and very impacting factor helping in the development of any kind of business related exercises. The response of the entrepreneurs is equally unique in regards to the assistance of advertisement in their business development. The following table (Table-9) shows the quantity of respondents finding support to expand their customers from advertisements and in alternate ways which has been empowering them for the advancement of business of horticulture.

Table-9: Advertisement Media

Serial No	Media	No of Respondents	Percentage
1	Friends	22	44
2	Newspaper	2	4
3	Hoardings	14	28
4	Pamphlets	7	14
5	Local TV channel	5	10
	Total	50	100

Source: *Field Survey*

The 44% of the respondents encountered that their business advancement to a great extent relies upon word of mouth through clients. 28% respondents stated that they could be able to market their blossoms through hoardings, 14% convey flyers for client's fascination and just 10% gives notices through local TV channels. Strangely just 2 respondents prefer to give advertisement through news paper. They have encountered that paper advertisement isn't giving productive outcome to expand their client base. While discussing advertising expenses, it comprises a little portion of the month to month costs of the business entrepreneurs. Table 10 shows the yearly consumption on advertisement of the respondents.

Table-10: Cost of Advertisement p.a.

Serial No	Expenditure (Rs)	No of Respondent	Percentage
1	Below 5000	4	8
2	5000-8000	11	22
3	8000-11000	25	50
4	Above 11000	10	20
	Total	50	100

Source: *Field Survey*

From the above table it is seen that only 8% respondents spent money below Rs.5000 in advertisement purposes. Majority of the sample respondents i.e.,50% spent in advertisement in the range between 8000-11000 in a year. The 20% respondents spend yearly above Rs. 11000 for promotions through various media. It has been seen that the respondents need not to spend much money to get clients since there is still interest for more blossom nursery to serve the clients. In any case, the main necessity is quality work with modern tools and supplies and furthermore more customized services.

Success of business

It was observed during the study as informed by the sample respondents that their flower business is significantly influenced by the various social events like wedding, meetings, birthdays, celebration party, religious events and other festive. The following table shows that 60% respondents were in their opinion that they were more successful, followed by 20% were simple getting success in their business, 16% respondents were highly satisfied with their business success and only 4% respondents informed that they could not able to get opportunity in the business and market of floriculture was not accessible to them because of their farms location was in outskirts of the city. They also informed that they wanted to shift from this sector to another.

Table-11: Self Appraisal about their success

Serial No.	Degree of success	No of Respondent	Percentage
1	Successful	10	20
2	More Successful	30	60
3	Most Successful	8	16
4	Unsuccessful	2	4
Total		50	100

Source: Field Survey

Study on Customers' Satisfaction

An effort was also made to have consensus on the satisfaction level of the customers of flower nurseries. For the purpose, 100 numbers of customers were randomly picked up and their opinions were collected for drawing inferences in the findings of the study. It was seen that working people and housewives constitute a major share of customers of the flower nurseries. Housewives are basically involved in house maintenance, house cleaning and decoration with colorful flowers. As such, they frequently visit the nurseries for buying plants. Working people are financially sound and hence they can afford frequent visit to the nurseries. The respondent customers were highly satisfied with the availability of different plants, cut flowers and seeds which can be sufficiently provided to clients at any time. Moreover, home delivery service by the entrepreneurs had quite good remark on clients' satisfaction level.

Distance factor

Short distance to the nursery is an advantageous variable to motivate clients to make a visit to a nursery. Around 75% of customer respondents wish to visit nurseries within a span of 100 meters and the rest 25% respondents visit the nursery which are arranged at far off from their place of home or working location. The greater part of the clients communicated that they visit a particular nursery due to its affordable charges, individual consideration and agreeable services. It is significantly considerable that a large number of customers are ladies and visit the nursery two times in a month.

Floriculture and Employment Pattern

Floriculture has become as one of the promising business in our country now. Directly or indirectly numbers of people are engaged in such work. Some people are

directly involved as owner of nurseries and some are as workers/laborers etc. The following table shows the employment pattern in flower nurseries in the study area.

Table-12 showing direct and indirect employment

Pattern of Employment	Classification		People Employed
	Owners	Employees and laborers	
Owners(without labour)	16		16
Owner with labour	34	31	65
Total numbers of person employed			81

Source: *Field Survey*

In the above table it is seen that total 81 number of individuals are directly or indirectly employed in this business culture. 16 units are controlled by the actual owner and the rest units utilized works for keeping up with their works. The absolute aberrant business is 31 individuals filling in as works for compensation.

Conclusion

The demand for blossoms (all type-cut bloom, coli bloom, plants, seeds and so on) in Dibrugarh cannot be ignored. As on the grounds that the statics of sales and profit shows that the entrepreneurs are doing large transaction on regular basis. But, because of absence of adequate land and infrastructural facilities the cultivators cannot have the option to produce adequate blossoms, because of which providers need to bring it from different states in particular Calcutta, Arunachal Pradesh, Manipur and so on. It has been seen that more import of blossoms might have unfriendly impact on the financial existence of the brokers and bloom cultivators. For that reason, this paper attempts to feature on the techniques how the growing demand of blossoms can be met by local suppliers through sufficient production. Some of the strategies may be suggested to ensure higher growth of this flower business in the district.

- There is need of improvement in infrastructural facilities for transport of blossoms for trade market, expansion in chilly storage spaces for protecting blossoms.
- Workshops on floricultural entrepreneurship, presentation of new development procedures, an essential union with the travel industry enterprises are to be done.
- Promotion of floricultural items by local and government organizations with designated advertising to new clients (for example government offices, lodgings, vacationers),
- Post-harvest creation, data and the board.
- Genetic improvement of cut bloom assortments should be done.
- Government should arrange for easy term financial facilities so that the interested entrepreneurs can easily take the opportunity of such kind of entrepreneurial work.
- Proper and scientific green house facilities should be provided to the cultivators.
- Special short duration courses should be introduced by the government agencies or by other non government agencies.

- Under DI&CC special training program should be hosted for the flower entrepreneurs specially in regard to marketing and production variety.
- Government orders for flowers should be given to the local flower growers only and that will encourage their business and work motivation as well.
- Appropriate storage arrangement should be ensured at the centre places of the town.

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THE FRANKLIN TEMPLETON MUTUAL FUND FIASCO: AN ANALYSIS

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Abstract

Investors typically perceive debt mutual funds as safe as a bank fixed deposit. That is because the underlying portfolio of debt mutual funds primarily comprises fixed-income securities such as government securities, debentures, corporate bonds, and other money market instruments. They invest their hard-earned money for the short term, including emerging funds in various debt funds. Despite debacles in the Indian debt market, investor confidence is not shaken. However, the sudden decision of Franklin Templeton India (FTI) Mutual Fund to wind up six of its debt schemes has shocked the market and the investor community. At the core of this problem is the drying up of liquidity in the secondary debt market triggered by the COVID-19 epidemic and subsequent lockdowns announced across the country. Studying the events that lead to the debt market crisis and post-crisis management helps us get insights. Findings from this study can help us highlight the risks involved in the debt segment and thereby improve our understanding of the crisis management mechanisms of the mutual fund industry.

Key words: *mutual fund crisis, mutual fund regulations, mutual fund liquidity, liquidity crisis, credit risk funds*

Introduction

Franklin Templeton India (FTI) started its operations in India in 1996 under Templeton Asset Management India Private Limited. The Templeton India Growth Fund, launched in September 1996, is its first scheme. Its parent - Franklin Templeton Investments - was established in 1947, operates in 25 countries, and has 600 professionals. On 23rd April 2020, Franklin Templeton, a premier global investment management organization, announced that it is shutting down its six debt funds that had credit risk. These schemes were Franklin India Ultra Short Bond Fund, Franklin India Short Term Income Fund, Franklin India Credit Risk Fund, Franklin India Low Duration Fund, Franklin India Dynamic Accrual Fund and Franklin India Income Opportunities Fund. The reason cited was the severe market dislocation and illiquidity caused by the Covid-19 pandemic.

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Closing these six debt funds doesn't mean that Franklin Templeton is closing its operations. Franklin still has other stable debt, equity, and hybrid schemes which are fully operational. The investors were neither able to invest in these schemes further nor will be able to withdraw their money already invested in these funds; no purchase, no redemption made in these funds post the cut-off time.

As per Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, 39(2(a)), a scheme of a mutual fund may be wound up, after repaying the amount due to the unit holders in the happening of any event which, in the opinion of the trustees, requires the scheme to be wound up. If the trustees of a mutual fund feel that they need to close the scheme because of market conditions, they can do so.

Those funds were closed, which have direct exposure to higher-yielding, lower-rated credit securities in India that have been most impacted by the ongoing liquidity crisis in the market. The issue starts when the companies where AMC parks the fund deny fulfilling their debt obligation, and the mutual funds face losses. Franklin's issue started with IL&FS when that company first defaulted.

The biggest hit taken by Franklin was when they invested in Vodafone-Idea. When they found out Vodafone-Idea could not pay their debts; they wrote it off. Likewise, Franklin had also parked funds in Yes bank and other similar companies.

Following the Covid-19 outbreak and lockdown, there have been unprecedented levels of redemption in the bond market and significantly reduced liquidity. With no buyers for its securities and a lack of market liquidity, Templeton was faced with no choice but to wind up its schemes.

These schemes were unable to meet redemption pressure. As a fire sale of the papers during these challenging times to return investors' money would result in sharp losses, Franklin has opted to wait for the securities to mature and get money from the issuing companies. But that does not guarantee that unit holders will recover their full money.

Research Objectives

This study proposes the following objectives:

1. To study the series of events that lead to the crisis in the six debt funds of Franklin Templeton Mutual Fund.
2. To investigate the legal issues involved in the closure of the funds.
3. To study regulatory steps taken by the market regulators - the Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI) during the crisis.

Research Methodology

With this paper, the researchers attempted to investigate various aspects related to the operations of Franklin Templeton, reasons for taking up the step of closure, legal issues involved, and the role of regulators in protecting the interest of the investors of those six schemes of Franklin Templeton India and the procedure they will be adopted to return the money parked by the investors.

The analysis in this paper is based on secondary data sources. The data was collected from the articles published in business media, online sources, and the fund house's disclosures and press releases.

A qualitative research method in the form of historical analysis is used. The overall plan is to study past events, interpret the facts, explain the cause of events and relate them to the current mutual fund investment environment.

Need for winding up of schemes

At first, it is important to understand that these are debt schemes. They invest in instruments like corporate bonds and securities, not in stocks. Here, "winding up" means that investors who had put money into those six Franklin Templeton schemes can no longer withdraw their cash based on the value of the underlying assets. Instead, the money is now frozen.

The sustained fall in liquidity and the net value of assets (NAV) in the securities market due to Covid-19 crisis has hit the mutual funds (MFs) market badly. Amidst this fall, global investment giant Franklin Templeton Mutual Fund (Franklin Templeton), one of India's largest Asset Management companies (AMC or Company), announced voluntary winding-up (on April 23rd) of 6 debt funds schemes with erosion of approx. Rs 25,856/- crore as a last resort to preserve the value of unit holders and enable equitable exit for all investors. The Franklin Templeton trustees have decided that no business activity shall be allowed to "create/ cancel/ issue or redeem" any unit within the scheme.

The broad factors which can be listed because of which the Board has no other option but to wind up the six debt schemes were:

- High redemption pressure.
- Mark to market losses resulting in a spike in yields.
- Illiquidity in portfolios.

All the above factors contributed to the liquidity crunch, which the Board considers unlikely to return to normalcy in the near future. The winding of the schemes does not mean that the monies of unit holders are lost; the Board clearly states that the best and possible approach to liquidating the securities is being taken and monies realized are timely disbursed to the unit holders of respective schemes. With the ongoing pandemic lockdowns and uncertainty, the Investment Manager of the schemes did not find it prudent to increase borrowings to deal with immensely increasing redemption pressure.

A consistent investment strategy was followed, which included investing in active below AAA-rated securities. It has been seen that they were able to go through all market situations and provide returns and liquidity in the market. But the severe impact of Covid 19 affected the instruments rated below AAA and led to the collapse of these six debt schemes. The instruments which are rated below AAA category are 13.55% Nufuture Digital (India) Ltd. of Future Group with BWR D rating as on 31st March 2021, 13.00% Rivaaz Trade Ventures Pvt Ltd. of Future Group had a rating of BWR C as on 31st March 2021, 14.15% Future Ideas Co. Ltd. again of Future Group with BWR D rating as on 31st March 2021, etc. BWR (Brickwork Ratings) D signifies instruments are in default or expected to be in default soon, and BWR C represents instruments with a very high risk of default regarding timely servicing of financial obligations.

Unit holders received a request to vote electronically on winding up the funds under regulation 41 of SEBI (Mutual Fund) Regulation 1996 to authorize the Trustees to take steps for winding up the schemes. Accordingly, the unit holders voted in favour of the winding up of the mutual funds, and the results were notified. The fund house monetised its assets and distributed the investment proceeds in compliance with SEBI regulations.

SEBI's Role and Actions:

SEBI released an operational framework to deal with defaulted debt securities posts maturity date/redemption date. The June 24, 2020 circular gives hope that investors (like mutual funds) can sell the debt securities in the open market to recover the money. This circular offers hope to debt securities that went into a frozen state.

Franklin Templeton Mutual Fund case discusses the compliance of an AMC of a mutual fund with regards to the SEBI (Mutual Funds) Regulations, 1996, (Mutual Funds Regulations), leading to the winding up of the six schemes. It also states the internal systems, compliance, risk management practices, inside trading, and method of categorization of schemes by the AMC.

SEBI issued a Show Cause Notice ("SCN") noting the following allegations:

- The debt scheme was inspected as a Credit Risk Fund scheme; however, it was depicted as a duration-based scheme.
- The notice failed to disclose its strategy of investing in high-yield securities.
- The notice incorrectly calculated Macaulay duration, leading to long-duration securities in short duration, thereby running multiple schemes under the same guard.
- The terms and conditions of the investment were unclear to both the issuer and investor.
- The notice failed to follow the Principles of Fair Valuations, thereby failing to reflect the actual value of the securities.
- The notice failed to disclose the change in terms of investment to valuation agencies and credit rating agencies.
- The notice failed to follow proper due diligence and made investments similar to giving loans to issuers.
- The notice without the consent of the Board reduced the role of the Business Risk Management Committee, thereby not ensuring the independence of the risk management function.
- The notice failed to provide any guidance to manage various risks and had not maintained any documentation for investment decisions.
- The notice failed to follow the appropriate policy of pro-rata allotment of partial buy-back to all the schemes. However, it allotted a partial buy-back on a non-pro-rata basis, benefiting investors of one scheme over the other.
- Lastly, the notice failed to maintain high standards of integrity, due diligence, and proper case and exercised unprofessional judgment, thereby violating the Code of Conduct as mentioned under the Fifth Schedule to the Mutual Funds Regulations.

Order issued by SEBI:

- It was held that the notice as an AMC had violated the provisions under Mutual Funds Regulations. The notice derived income from wrongful conduct from the investor is liable to pay a monetary penalty of Rs 5 Crore within 45 days from the date of this Order.
- The notice is liable to pay the investment management and advisory fees against the six debt schemes inspected from April 1, 2018, to April 23, 2020, as mentioned in the Order.
- Due to the mismanagement of the notice, it had caused hardship and loss to the investors. Hence, it is reasonable and justified to levy interest on

the wrongful gain made by the notice at the rate of 12% simple interest per annum from April 24, 2020, till the date of this Order.

- The notice is prohibited from launching any new debt schemes for two years from the effective date of this Order. The prohibition will start as soon as the six debt schemes inspected for winding up cease to exist as per Regulation 42 of the Mutual Funds Regulations.
- Furthermore, various irregularities have been noted while running the six debt schemes against the interest of the unitholders. These irregularities consist of failure to exercise due diligence, properly evaluate securities, and ensure a speedy risk management framework. Hence, a proceeding against the employees of Franklin Templeton AMC should also be considered as they may be liable for these irregularities arising during the business of the notice.

In June 2021, SEBI proposed a swing price mechanism to protect investors' long-term interests. A consultation paper was put before the public for the introduction of this mechanism to bring about the fairness of entering and exiting by investors, particularly in times of distress (SEBI, 2021). This mechanism is highly recommended for fund houses as it allows them to adjust the scheme NAV according to the inflows and outflows and hence can be a potential risk mitigation measure. Based on the schemes, SEBI has proposed a minimum swing factor of 1-2 percent on open-ended debt schemes, depending on their associated risk factors. According to SEBI, this mechanism is already optional in countries like the US, Luxembourg, Hongkong, France, and UK.

Side-pocketing:

SEBI introduced the concept of side pocketing after the IL&FS fiasco. Side pocketing is made available to debt and money market instruments of all mutual fund schemes and can be opted at the discretion of the fund houses (SEBI, 2019).

On January 24, 2020, Franklin Templeton India (FTI) side pocketed its exposure of the commercial paper of a leading Indian telecom company - Vodafone Idea. Franklin Templeton India (FTI) had to 100 percent write down the exposure because CRISIL downgraded the credit rating of this paper to BB (below investment grade).

At the time of side pocketing, a segregated portfolio for the exposure was created, and hence investors were allotted units of the side pocketed scheme. Investors need not experience a NAV fall again because the exposure was written down earlier.

On June 12, 2020, Franklin Templeton India (FTI) received an annual coupon payment on the security (partial payment) used to repay unitholders of the segregated portfolio fund, and 7.58 percent of outstanding units were extinguished from their folio.

Legal Issues

While Franklin Templeton India (FTI) is busy with procedures to initiate the windup, it got stuck in a legal tangle. A group of Delhi-based investors sent a legal notice to Franklin Templeton India (FTI) in May 2020. Franklin Templeton India (FTI) replied, stating they managed the investments per regulations. The investors then sent a notice to SEBI seeking its interference in the matter. Meanwhile, in late May 2020, a PIL by an investor association Chennai Financial Markets Accountability (CFMA), was filed in Madras High Court, and notices were served.

In early June 2020, the media reported of a petitioner Amruta Garg, though the Delhi High Court challenged the notice issued by the fund house for e-voting and sought a refund. The promoter of Rasna moved the Gujarat HC, and the HC stayed in the winding-up process till SEBI's forensic report was made public. SEBI filed a letter patent appeal against the HC order stating that the court erred by staying up the critical e-voting process, saying it could lead to more delays and put investors at more monetary losses. A letter's patent is an appeal against a single judge's decision to shift the case to another bench of the same court. Meanwhile, an Extraordinary General Meeting of Franklin Templeton Trustee Services Private Limited members regarding the indemnification of the Directors of the Company was called.

Another dimension that Franklin Templeton India (FTI) is working on is to provide additional indemnity against default, negligence, breach of trust, and breach of duty. By default, the trustees enjoy indemnified cover against acts of omission. Hearing a plea from Franklin Templeton India (FTI), the Supreme Court of India stepped in and directed the High Courts of Madras, Delhi, and Gujarat to transfer all the cases related to the winding up of schemes to the Karnataka High Court and that no other court should entertain the pleas. The bench of Justices Arun Mishra and S. Abdul Nazeer questioned how winding up the schemes is a solution, particularly amidst a pandemic. The court felt hurried closure of schemes would only result in more litigation and that different courts giving conflicting decisions and resulting in confusion. Franklin Templeton Mutual fund expressed that its six schemes which were on the verge of shutting down during April 2020, had received Rs. 15,272 Crores from its maturities, coupons, and pre-payments since then. On January 15, 2021 the Supreme Court of India directed SBI Funds Management Private Limited to distribute the available cash of Rs. 9,122 crores to the investors.

By March 15, 2021, these funds received Rs. 224 crores. The NAV of these funds is much higher this year as compared to the situation on April 23, 2020, when a winding-up decision was taken for these six funds.

SBI fund management was appointed as a liquidator by the court for the process of liquidation and distribution of proceeds to the unitholders. SBI fund management and Franklin Templeton developed standard operating procedures for winding up and distributing proceeds. They said it would sell off assets in a staggered manner and distribute the funds to the eligible investors.

The fund house emphasized that cash available for distribution stands at Rs. 1,370 crores as of March 15, 2021. On March 18, 2021, the Supreme Court accepted the standard operating procedures which were put across by SBI fund management. The process for distribution will be as follows:

1. Payments to be made on a proportionate basis to NAV on the date of processing.
2. Investors with all details and KYC shall receive payments initially by February 15, 2021.
3. SBI will make all payments through the accounts opened by investors for this purpose.
4. Electronic payments will be made to all eligible investors, and in case electronic payment cannot be made Demand draft/Cheque shall be sent to the postal addresses mentioned.
5. FT will make the statement of gains available and will be responsible for deducting TDS and issuing the same certificate to the investors.

FTI was under immense pressure from investors after the shutdown of six funds in April 2020, which resulted in Rs. 26,000 Crores of money getting locked up, whereas investors of five funds recently received Rs. 9,122 crores after a gap of 10 months.

Franklin Templeton Income Opportunity Fund has repaid borrowing to the tune of Rs. 650 crores since April 2020. From maturities, coupons, sales, and pre-payments since its winding up. The six funds have received total cash flows of Rs. 15,776 crores till March 2021.

With Franklin Templeton Income Opportunity Fund turning positive, all the six funds in the winding-up stage have turned positive. FT income opportunity fund has repaid borrowing to Rs. 650 crores since April 2020. After the Rs. 9,122 crores distribution in February 2021 through SBI Mutual Fund, cash available for distribution in all schemes now stands at Rs. 1,874 crores as of March 31, 2021. The NAV of all the six schemes surpassed their closing value on April 23, 2020 is now cash positive.

An amount of Rs. 2,488.75 crores were set for distribution in the week of May 3, 2021, based on NAV as of April 30, 2021. Rs. 3,303 crores were earmarked for distribution to unit holders in the fifth tranche.

Research Findings and Lessons Learnt

1. Everyone wants little extra return in the present low interest and high inflation scenario. But investors should try to diversify in different instruments and even within the same category in different cos., which will help to optimise returns.
2. By adopting the above steps in investment, we can minimise risk but can't nullify it. The future will always be uncertain and keep throwing new surprises the way it did last year "there was no such history of winding up in Indian context, and no one ever anticipated it."
3. Does credit risk fund become a history? We don't think so. We are lacking a robust debt market. It is undoubtedly one of the best categories for getting an extra return in a fixed income space. After stricter due diligence, this category has started seeing fresh inflows.
4. Investor awareness in the area of debt mutual funds is vital. Investors are always seeking returns ignoring the risks involved in the investment. Investors tend to forget the basic rule of investing "Every Extra point of return comes with extra risk," so whenever some fund or product is promising you some extra return, check for the risk involved. Invest only after understanding the risk will help you cope with the risk when it actually comes.
5. The undue increase in the maturity period of the underlying portfolio of some schemes creates suspicion. This is where the regulator probably tightens the norms to ensure sufficient liquidity is available at all times.
6. Capital market regulator SEBI introduced a range of corrective measures and asked fund houses to implement them to improve debt mutual funds' transparency. These include more frequent disclosures, revised methodology for riskometer, more frequent stress testing, and swing pricing, amongst others.

Conclusion

Undue exposure to low-grade but high-return fetching debt securities by fund managers can jeopardize the long-term interests of investors of debt mutual fund

schemes. Investors of six debt mutual funds of Franklin Templeton India were put into unnecessary trouble waiting for several months to recover their money after the AMC suddenly decided to wind off the schemes. The sudden illiquidity of the debt paper resulted in the fund house being unable to sell the underlying assets in the frozen funds in the secondary market. Legal interference and regulatory investigations became necessitated after investors claimed their nod was not taken before the schemes were closed. Courts interfered, and a legal tangle was going on between various parties. The whole episode resulted in some new experiences by the market regulator SEBI. Overall, more experiences will be drawn from the episode, and more regulatory updates that will ultimately benefit the investors and empower them will emerge.

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GROWTH OF DIGITAL BANKING OF STATE BANK OF INDIA WITH SPECIAL REFERENCE TO YONO SBI (YOU ONLY NEED ONE)

Angona Kashyap*
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ABSTRACT

Due to the technological advancement, along with all the other sectors of the economy, the banking sector has also transformed extensively. On the part of the customers too, banking is now available at their fingertips. State bank of India, being the largest public sector bank of the country, has launched its first ever omni-channel digital platform called YONO SBI. The study focuses on the growth and penetration of the application in the digital banking platform. The study has taken into consideration a period of 5 years from 2017 to 2022. The study is conducted solely on secondary data collected from the Annual Reports of the State bank of India. After analyzing the data, it has been found that the application is growing significantly and through the application the bank is providing ease of operations to each of its customers. The study can help the bank to identify its strengths and weaknesses and also help the customer to become aware of such platforms and avail its benefits.

KEYWORDS: *Digital banking, Digital Platform, growth, mobile banking.*

INTRODUCTION

Digitalization of banking products and procedures is a service to the customers provided with the help of ICT, using computers, mobile phones connectivity and other electronic devices. In India, substantially all the banks have seen a breakthrough from 'conventional banking to convenience banking'. With the evolution of technologies, banks have also endorsed online banking or e-banking for the convenience that it yields. But the general people or customers are not very much open to use it for numerous reasons like absence of knowledge, fear of security and for the most part the comfort with dealing in cash. But in today's scenario most of the people are embracing smartphones and along with that the usage of digital banking products and services provided by the banks is also increasing rapidly. In India, a major shift of traditional banking to digital banking occurred post

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demonetization on 1st November, 2016. During the Post demonetization period e-banking became a necessity for the people (Suriya, veni, 2020). Accordingly, banks have also come out with a lot of digital banking products to their customers. One of such e-banking products on which the study focuses is YONO app provided by State Bank of India. As it is the largest public sector bank in the country that offers a wide range of traditional services along with quite a good number of e-banking products and services to its customers, so it is purposively chosen for the study. The bank's first omni-channel digital platform, YONO is an integrated digital banking platform to enable users to access a variety of financial and other services such as flight, train, bus and taxi bookings, online shopping, or medical bill payments. It was launched on 24 November 2017. It is an integral part of SBI's digital drive. It is India's first fully digital service platform designed to facilitate banking as well as lifestyle needs of our customers through an all surrounding B2C marketplace. Apart from banking services, the application is delineated to put forward other financial products together with investments, insurance and credit cards. The Bank has partnered with 70+ top e-commerce players to bring forth customised offers and discounts to the customers. Specifically with the YONO app, customers can open a bank account with SBI digitally within minutes, can avail pre-approved personal loan without any paperwork with few clicks, get overdraft facility against fixed deposit instantly online, get one view of the banking and financial portfolio of SBI Group companies, create dreams to target and fund the dreams, access B2C marketplace, open a new demat/trading account, link trading/demat account, apply for credit cards online, link credit cards and pay credit card bills seamlessly, avail insurance products online etcto mention a few.

LITERATURE REVIEW

Rawat, Nitesh (2020), studied the latest scenario of mobile banking services with special reference to YONO SBI. The study also examined the reasons for adoption of mobile banking services and level of usage of YONO SBI in areas of Lucknow and Jaipur city. The study revealed that there is continuous increase in the level of mobile banking services as it fulfils the need of customers because of its various benefits. It is suggested in the study that by providing training to the customers of Jaipur and Lucknow city more awareness can be created for mobile banking services.

Agarwal, Varsha, et al. (2020), made a study on the effect of Covid-19 on the mobile banking services and also try to understand the shift from physical banking transactions to mobile banking transactions during Covid-19. The study also emphasized on how m-banking can promote social distancing policies. The study revealed that the use of M-Banking is increasing as the customers find it very easy to pay their electricity bills, perform mobile recharges etc. The study also revealed that after demonetization, the Covid-19 pandemic is the second largest situation that has led to a 5% growth in the mobile banking over a period of 3months from January to March 2020 and it is expected to grow more.

Manda, K. Vijaya, et al. (2020), studied the features of digital banking app of State Bank of India i.e., YONO SBI and make suggestions and recommendations based on end-user experiences and requirements. The study revealed that The YONO platform of the State Bank of India is a significant technology up-gradation giving the bank a technology edge. The YONO app is very powerful financial tool that can be availed by the bankcustomers by using their mobile phone handsets which allows better customer engagement.

Maheswari, V. & Meenakumari, M. (2020), made a study on customer preference towards mobile banking products of SBI and to know the satisfaction level of customers towards mobile banking. The study revealed that customers are aware about mobile banking services of SBI but still there is less acceptance of mobile banking among some group of people because of fear, insecurity etc. The bank needs to take some initiative to create awareness regarding mobile banking among the customers.

Pavithra, R.H (2020), Studied theattitude of respondents towards use of mobile banking in urban and rural areas, the problems faced by the respondents, the benefits and limitations of mobile banking in urban and rural area and gave suggestions to overcome the problems of mobile banking in Mysore city. The study revealed that out of 50 respondents majority of the respondents are well educated and belong to the age group of 18-30 years. Large number of respondents use paypal and Paytm and they use mobile banking services mostly for paying bills. In the study, it is suggested that the banks must improve its service quality in terms of internet access, banks need to create awareness about mobile banking services to its customers. Another suggestion made by the researcher that the Bank need to set standards for industry agreements between banks and MNOs (Mobile Network Operations)for handling customer grievances.

Research Gap:

After going through the literature, it has been observed that most of the studies are conducted from the customers' perspective i.e., regarding the customers satisfaction and acceptance of mobile banking services. Most of the previous studies focused on recent trends and impact of the pandemic in the digital banking services and the studies are conducted with the help of primary data. The researchers have not come across with any study done on the growth and acceptance of SBI YONO application by the customers. Based on the review of literature, the researchersdid not came across any study to find out the additional features that have been added with the application with every coming year.

SIGNIFICANCE OF THE STUDY

India began promoting cashless transactions after the demonetization phase, thereby digital banking has now become the new normal (Agarwal, Poddar, Karnavat (2020)). To adapt oneself with the swift growing economy, one need to familiarise oneself with digital banking. In that case, YONO can be a pathway to attain that. Just at the proper hour, in the wake of demonetization, YONO was launched which made people immensely convenient at that point to accept it, use it and avail its assistance. It can be seen through the figures given by SBI regarding its downloads, registrations, transactions using it and many more facilities. Although YONO and e-banking has acquired a great market but still it has a long way to go. Studying about the growth of YONO all these years starting from its inception will give a fair idea of how it has been functioning and receiving acceptance from its customers. This study gives a gist of all the achievements of YONO and State bank of India by way of YONO, which will make more people aware of the platform and in a way attract them to avail the benefits provided by it. Also, the bank can have a view of the factors affecting the growth of the application, which can enable them to continue holding those factors. Also, those areas where the application is lingering behind, can be brought ahead and brushed up by the bank.

OBJECTIVES OF THE STUDY

1. To study the growth of YONO SBI Application with regard to its usage, downloads and registrations.
2. To review the additional features added in the application each year.
3. To examine the customers' acceptance towards the YONO SBI Application.

METHODOLOGY

RESEARCH QUESTION

How swiftly has YONO SBI Application grown since its inception?

SOURCES OF DATA

The data used in the study is purely secondary in nature collected from the Annual Reports of the State Bank of India of different years.

PERIODICITY OF THE STUDY

The duration of the study is 5 years i.e., from the FY 2017-18 to FY 2021-22. These years have been chosen as the YONO Application was launched in the year 2017.

ANALYSIS OF DATA

The data have been analyzed using Simple Percentage Analysis represented using tables and graphs.

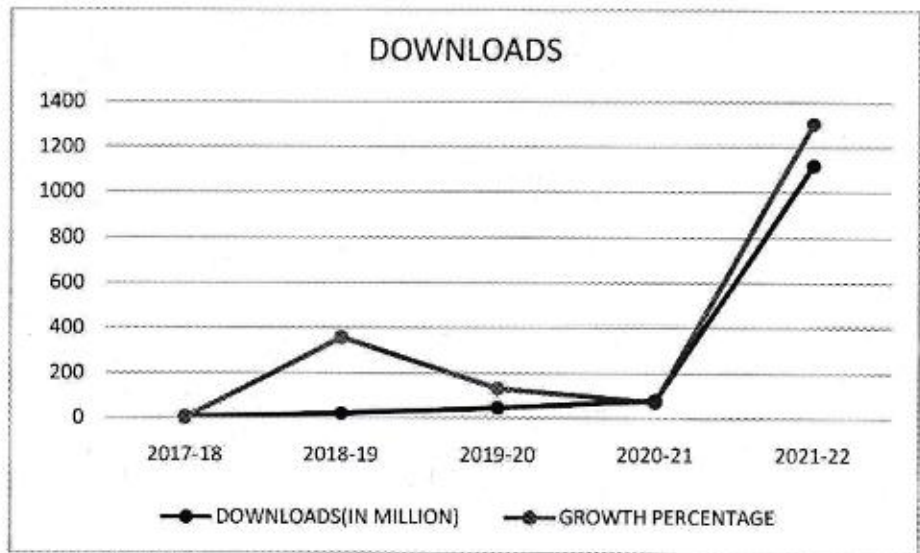
Table 1: HIGHLIGHTS OF YONO SBI APPLICATION FROM 2017 TO 2022

	2017-18	2018-19	2019-20	2020-21	2021-22
Downloads	4.37 million	20 million (357.67)	46.6 million (133)	79.6 million (70.81)	1117.4 million (1303.77)
Registrations	15 lakhs	73.49 lakhs (389.9)	212 lakhs (188.47)	372 lakhs (75.47)	483.5 lakhs (29.97)
Digital account opening	1.36 Lakhs	27.50 lakhs (1922.05)	43.5 lakhs (58.18)	51.81 lakhs (19.10)	Not available
Daily Login	Not available	Over 10 Lakhs	60 lakhs (500)	60 lakhs (0)	166.2 lakhs (177)
App rating	Not Available	Android- 3.7 iOS- 2.8	Android- 4.09 iOS-2.8	Android- 3.96 iOS-2.6	Not available
Fixed Deposits opened	17000+	2.40+ lakhs	Not available	Not available	Not available
Funds Transfer executed (No of transactions)	6.52 Lakhs	98.31+ lakhs	Not available	Not available	Not available
Bill payments done	71000+	13.84+ lakhs	Not available	Not available	Not available
New Card leads generated	33000	1.93 lakhs	Not available	Not available	Not available
Card Payments	43 crores	678 crores	Not available	Not available	Not available
New demat account leads generated	9000	Not available	Not available	Not available	Not available
SBI life policies linked	11000+	Not available	Not available	Not available	Not available
Pre-approved personal loans disbursed (in Rs)	12 crores	300 crores (2400)	9,694 crores (3131.33)	21,268 crores (119.39)	21,118 crores (-0.70)
SBI credit cards linked	Not available	2.16+ lakhs	1.6+ lakhs	3.85 lakhs	Not available

Source: SBI Annual Report. Figures within brackets indicate Growth % compared to previous year.

GRAPHICAL REPRESENTATION OF DATA:

Figure 1: Growth in downloads of YONO during the period of Study.

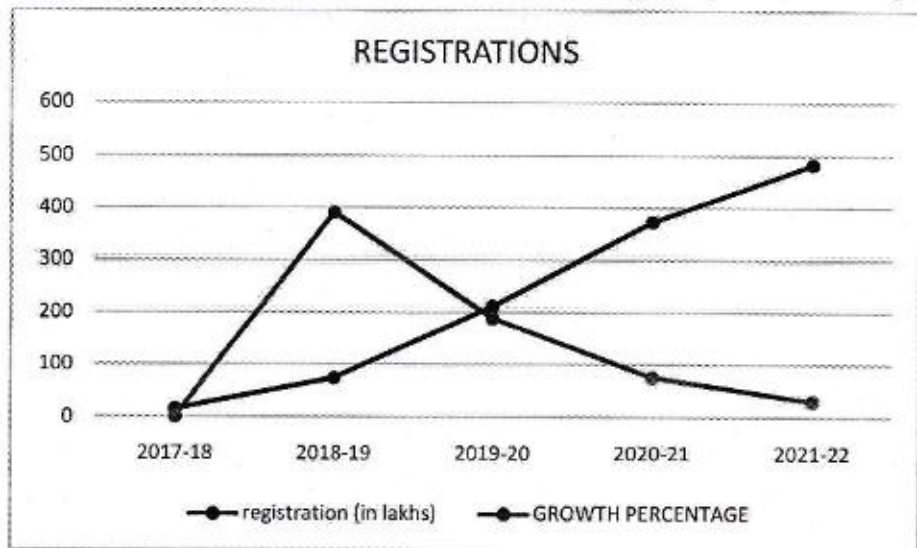


Source: Table 1

Through the above figure, it can be seen that the downloads of the YONO App had increased and all together the growth rate each year had been increasing tremendously specially from the year 2020-21 to 2021-22.

Figure 2: Growth in registration of YONO during the period of Study.

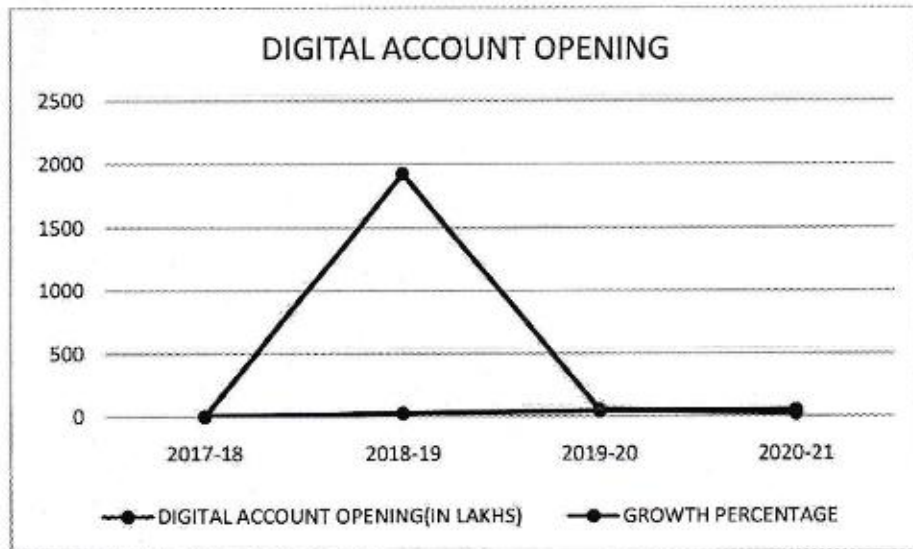
Figure 2: Growth in registration of YONO during the period of Study.



Source: Table 1

From figure 2, it had been observed that the registrations on the application had increased every year as the graph can be seen rising but the growth rate every year in comparison to the previous year is decreasing specially in the later years.

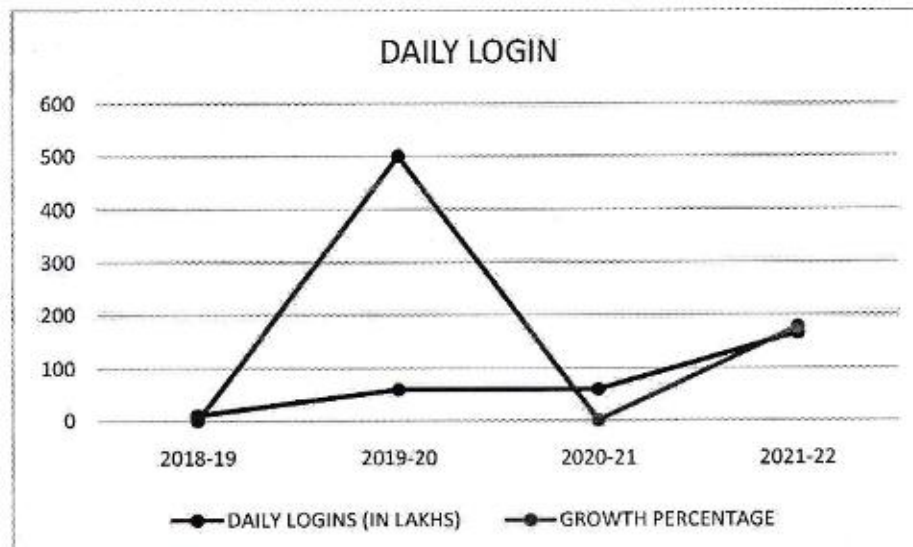
Figure 3: Growth in Digital Account opening of YONO during the period of Study.



Source: Table 1

Figure 3 revealed that the digital account opening in the YONO Application had increased but not in a very high rate. But the growth compared to the previous years' tremendously rose during the first year but later it is seen decreasing.

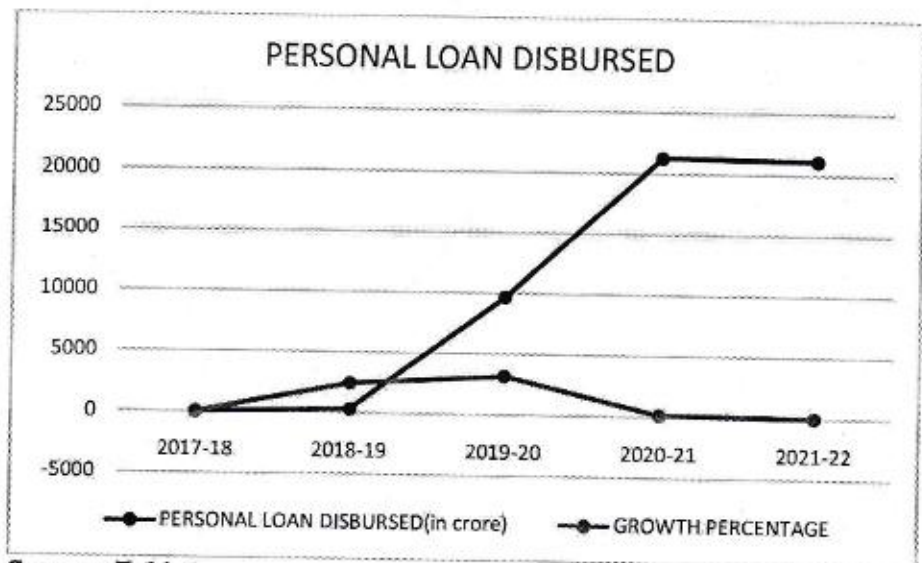
Figure 4: Growth in Daily login of YONO during the period of Study.



Source: Table 1

Figure 4 revealed the daily login in the application by the customers. A rising trend had been observed since its inception. The growth rate of each year compared to the previous year revealed an extensive increasing trend in the beginning, a decreasing trend in the middle, and again an increasing trend was observed.

Figure 5: Growth in disbursement of personal loan in YONO during the period of Study.



Source: Table 1

A considerable amount of personal loans is disbursed through the YONO Application as it can be observed in figure 5. Despite that the growth rate compared to previous years is seen decreasing in the later years.

Table 2: TABULAR REPRESENTATION OF THE ADDITIONAL FEATURES, OF YONO SEGREGATED INTO THE FIVE YEARS OF STUDY i.e., 2017-18 to 2021-22.

YEAR	ADDITIONAL FEATURES ADDED IN YONO
2017-18	<ul style="list-style-type: none"> • YONO was launched. • Share of Digital Transactions to total Transactions became 37%.
2018-19	<ul style="list-style-type: none"> ➤ Various e-merchants (total 89) like IRCTC, book my show, SOTC, Expedia, kindle, booking.com and Mozarto were added. ➤ YONO Cash-It is a medium of cardless and paperless withdrawals at 'YONO cash Points' (ATM). This feature provides cardless, fast, convenient, and safe cash withdrawal facility at nearly 19,601 ATMs across the country. ➤ Other features- <ul style="list-style-type: none"> ○ 24*7 access to Home Loans. ○ Insta Home Top up loan. ○ Pre-Approved personal loans.
2019-20	<ul style="list-style-type: none"> ➤ YONO Krishi:YONO Krishi platform was launched in July, 2019. It provides Four Key offerings which are Khata, Bachat, Mitra and Mandi sections. Khata section caters to Agriculture credit solutions like Agri Gold Loans with 24 X 7 online application availability. Bachat is the Financial Super store for farmers investment & insurance needs. Mitra provides best Agro Advisory services at click of a button. Mandi is the online market place for purchasing agricultural inputs & farm equipment.
2020-21	<ul style="list-style-type: none"> • Kisan Credit Card (KCC) Review • NEFT/RTGS to NRI Customers • Simplified KCC Review through YONO process was launched in August 2020, where customers can get their KCC account reviewed online in a paperless, presence less manner, without visiting branch. During FY2021, 2.89 lakh KCC accounts with aggregate limits of 4,972 crore have been reviewed through the YONO Krishi online process.
2021-22	<ul style="list-style-type: none"> • SIM Binding feature: This feature was introduced and implemented on YONO App on 22.08.2021 to enhance the security features. It will ensure that the App will function only on the device where the SIM of the Bank's Registered Mobile number is present. • SAFAL (Simple and Fast Agriculture Loan): It is a new feature available for farmers engaged in Dairy activity and associated with Corporates under Tie up. • National Pension System (NPS) account opening through YONO mobile app has been launched on 27th Sept 2021. It is a complete end-to-end process wherein the customer is not required to submit the physical form to CRA (Central Record keeping Agency). Permanent retirement Account Number (PRAN) is generated instantly.

Source: SBI Annual Report.

FINDINGS OF THE STUDY:

- It is found that the downloads of YONO Application had increased considerably during the period of study.
- The growth rate each year regarding the registration in the application was found to be decreasing in the later stage due to various kinds of technical issues occurring at the time of registrations and accordingly for this reason the digital account opening and the daily logins in the application also followed a decreasing trend.

- The rating of the Application in both Android and iOS increased till 2019, but it slightly decreased in the FY 2020-21.
- The credit card of State Bank of India applied with through the YONO application was found to be fluctuating.
- Just within one year of its launch, the application, the bank's digital transaction increased to 37% of its total transaction.
- It was found that a lot of additional features has been added in the application every year ranging from e-merchants to other major features.
- A tremendous increase in the personal loan disbursement was observed through the application with various convenient facilities.
- YONO is providing 24*7 access to customers of Home loans. It was found that each year a new and convenient facility is added in the application for the Home Loan availing customers.
- The application is also facilitating the farmers and the agricultural sector by introducing new features like YONO Krishi (2019), YONO Agri Gold Loan (2021) etc.
- The study revealed that the application was delivering cutting-edge digital services to millions of retail customers, farmers, and corporate clients and to customers of select overseas offices.
- Various other intangible benefits were achieved through YONO, for example simplified CKYC process, elimination of paper-based application forms, automated customer validations, amongst others.
- Addressing the research question, it can be said that, the digital application YONO has been found to grow tremendously during the period of study.
- It is found that as the downloads, registrations and overall usage of the application is rising every year, customers are duly accepting the application.

LIMITATIONS OF THE STUDY

- The study has been limited to digital banking growth of State bank of India subject to only one Application.
- The + available in the Annual reports of the Bank.
- The customer's perspective relating to the adoption of the YONO application has not been taken into consideration.

SUGGESTIONS AND RECOMMENDATION

Although the bank is doing great in terms of Digital Banking through the YONO Application but there still exists certain limitations which needs to be taken care of. It is suggested that the technical issues that occurs in the application while registration should be considered and taken care of. Also, the bank should take some measures regarding the internet accessibility. The researchers could not find some of the data simultaneously in every year as it was not available in the Annual reports. So, it is recommended that the data regarding YONO should be published systematically every year in comparison to the previous year.

CONCLUSION

The current study focuses on the growth of the YONO SBI Application since its inception. As per the analysis of the secondary data collected from the Annual Reports of the bank it can be clearly seen that the performance of the application during the five years is constantly growing. The bank is still continuing to accelerate its digital agenda. The scope and reach of SBI YONO is expanding to a great extent and is

expected to expand more in the near future. The technology adoption since the outbreak of COVID-19 pandemic has prompted the bank to take several initiatives in the technology domain with a view to improve user experience and address emerging risks. This can be seen through the various new features added and initiative taken by the bank for convenient paperless digital services for the people. All the numbers regarding downloads, registrations, account openings, loan disbursals, card linkage and many more clearly indicated the potential digital banking holds for State bank of India.

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GREEN FINANCE DEVELOPMENT IN INDIA: THE ROLE OF BANKING AND NON-BANKING FINANCIAL INSTITUTIONS

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Cristina Frank**

Abstract

Sustainability includes sustainable and inclusive growth through social, economical and environmental development. A sustainable economy leads to long term investment with sustainable value creation. Sustainable and greener economic growth has become the central objective of every other enterprise in this global era. Green finance is therefore, a central and pioneering factor towards the attainment of sustainability. It has the most innovative potential to combine sustainable practices, money making tools and technology. Green banking and financing redefine the term business and supports the transition from conventional to modern with broader societal benefits. This study attempts to examine the role of Indian banking and non-banking sectors in green financing. The study is exploratory in nature and is based on secondary data that are collected from various sources viz., RBI bulletin, articles, research papers, Government websites and other published reports of public and private sector organizations and banks in India. An attempt has also been made to analyze the various challenges associated with green finance implementation in India. The outcome pointed out the significance in Energy efficient practices, greenwashing, green CSR, social inclusiveness and alignment with Fintech, etc. Further the study indicated that there was a need of holistic development in India for the sustainable value creation.

Key Terms: Sustainable financing, Sustainable development, Green financing, Green product, Green projects

INTRODUCTION

The concept of environment sustainability started in the year 1969 which led to the establishment of the National Environmental Policy Act (NEPA) in the year 1970. NEPA is a United States environmental law that promotes the enhancement of the environment. It has become a thing of the past when profit was the only motive of all the organizations. In the present era, the need for protecting the environment and preserving the natural resources has become more significant.

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Finance impacts the natural environment directly as well as indirectly. Similarly, the environment also impacts finance and the performance of investments. With the increasing awareness on environmentalism, it becomes very much essential for the banking as well as non-banking financial institutions to become concerned about its role in handling the environmental issues. Green finance is one of the emerging financial investment patterns that give priority to the environmental sustainability. Sustainable development is very important as it fulfills the need of the society and also helps to protect the natural resources leading to the moral coordination between humanity and the natural resources. Sustainable development in alignment with economic growth has become a great challenge today. Green finance is the recent medium of securing balanced and sustainable growth. Green finance or climate smart finance helps to alleviate carbon emissions and increase environment friendly results over the long term.

There are many possible definitions of Green finance, but for serving the purpose of the study, it can be defined as any financial initiative, process, product or service that is either designed to protect the natural environment or to manage how the environment influence finance and investment. Most definitions of green finance mainly focus on its role in direct investment towards 'green' sectors that protect or enhance the environment.

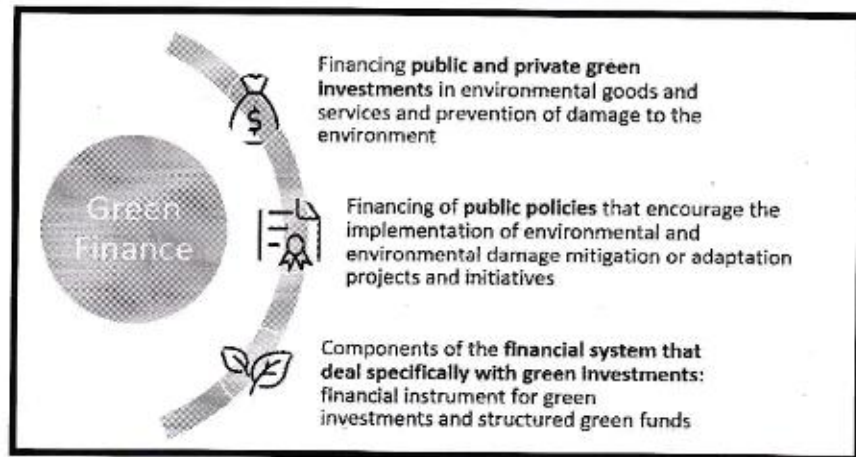
According to G20 Green Finance Study Group, Green finance means "Financing of investments that provide environmental benefits in the broader context of environmentally sustainable development. These environmental benefits include for example, reductions in air, water and land pollution, reductions in greenhouse gas (GHG) emissions, improved energy efficiency while utilizing existing natural resources, as well as mitigation of and adaptations to climate change and their co-benefits".

Again, the Organization for Economic Co-operation and Development (OECD) defines that green finance as the finance for achieving economic growth while making a constant effort towards reducing pollution and greenhouse gas emissions, minimizing waste and improving efficiency in the use of natural resources.

Green finance covers a wide variety of financial products and services, which can be broadly divided into banking, investment and insurance products. Green finance products and services include those that channel capital to green industry sectors, those which design the product itself to reward the environment friendly activities and those which support the effective management of physical and transition risks. The most commonly cited green industry sectors involves renewable energy production, distribution and storage, energy efficiency in domestic and industrial buildings, green transport, recycling, pollution prevention, water conservation and forestation. It is imperative to know what makes a financial product 'green'. In many cases the 'green' aspect of the product relates to the asset, such as, investments in clean energy projects or reforestation. In other cases, the features of the product are designed in order to encourage or reward environment friendly activities. Examples of green financing products include green bonds, green tagged loans, green investment funds, climate risk insurance and so on. In order to protect and preserve the environment, like all other nations of the world, India too is increasingly focusing on the use of eco-friendly technologies. However, for this proper implementation of green finance is very essential. Even though India is taking significant steps towards adopting green finance through the banking and non-banking financial institutions, there exist several challenges which cannot be

ignored. In many cases, the organizations are unaware about the concept and significance of green finance and in some cases people are unaware about the financing options available under green finance. Apart, from the lack of awareness there are several other challenges towards the path of its establishment which the research paper intends to outline.

This research article aims to assess the progress and development of green finance in India by identifying the initiatives taken by the banking and non-banking financial institutions towards the implementation of green finance in India. It also aims to outline the challenges faced by the financial institutions towards the path of implementation of green finance in India.



**Factor defining green finance
(Source : Google)**

OBJECTIVES OF THE STUDY

Factors defining green finance (Source: Google)

- To identify the initiatives and the strategies adopted by the banking and non-banking financial institutions towards green financing.
- Assessing the challenges faced by the banking and non-banking financial institutions towards the implementation of Green Finance in India.

LITERATURE REVIEW

Neyati Ahuja (2015) This paper attempts to conduct a review of literature on Green Banking and find the major problems in implementation of this green phenomenon. The study highlights lack of consumer awareness and education as a major obstacle. Public sector banks are keener in adopting green practices as compared to private banks. SBI is taken as a case to show what all steps banks can take to face the green challenges. Kanak Tara et al. (2015) In the present paper green banking and sustainability has been discussed in detail. The paper also highlights on the stages, initiatives, benefits and future of green banking in Indian context. Some case studies in Indian context are also being discussed here in order to understand the importance of green banking in the present times. The paper also discusses about the various organizations and laws and guidelines for environmental conservation and sustainability and Green Banking. S M Mahfuzur et al. (2016),

this paper aims to present a comprehensive picture about where the country stands in terms of adopting green banking practices. Examining 42 of total 54 scheduled banks of Bangladesh, the study finds that most banks are trapped in the lower boundaries of the performance greed. The state owned banks rank low in performance while the foreign banks have considerably better achievements. The paper also identifies a number of reasons for the banks' poor performance and proposes corrective measures. Raghupathi et al. (2015) tries to find out the GO GREEN ways through Green banking. The great setps are opening online accounts instead of large multi branch banks, paying online bills, using green credit cards, save paper. Gincy charles et al (2020) the researcher tries to focus on the recent trends, challenges, opportunities, various investment ways of green financing in India, to know the target achieved till date from the initiatives taken by Indian government. The results indicate that India should give more focus in the green financing to attain the sustainable development. Dr. Bibhu Prasad Sahoo,(2016) This paper attempts to analyze the adoption of green banking products among customers with different age groups. ANOVA and post hoc tests are applied for analyzing the objectives. This paper finding explains that there is significant difference in the usage of green banking products across various age groups individuals, as young generation is more inclined towards green banking products than middle age and senior age groups. Therefore, more awareness is needed to be created among the middle and senior age groups individuals.

RESEARCH METHODOLOGY

The study is exploratory in nature which is based on secondary data that are collected from various sources i.e., RBI bulletin, various public and private sector financial institutions annual reports, sustainability report of bank and non-banking

financial Institutions, articles, magazines and research papers. The assessment of the development of green finance in India is based on the recent sustainability reports of six different banking and non-banking financial institutions which includes State Bank of India, Axis Bank, HDFC Bank Ltd., L&T Finance Holdings Limited, Tata Power Company Limited and Adani Green Energy Limited.

FINDINGS AND DISCUSSIONS

Following are the green initiatives has been taken by the banking and non-banking financial institutions-

1. STATE BANK OF INDIA:

During the beginning of the year 2007 SBI had started green financing policy. Across the year SBI made commendable green investments. With a vision of carbon neutral SBI committed to achieve the milestone by 2030. Managing the Bank's carbon footprint was implementing projects that resulted in energy savings. The only Indian Bank to join the EV-100 group, Inaugurated Electric Vehicle "E-Verito" at Corporate Centre, replace generator with solar backup batteries is SBI. 'Green Bond Framework' has prepared by SBI that defines the use of process, proceeds for selection and evaluation of projects, monitoring and tracking of proceeds and reporting for green bonds. In the past financial year, the Bank issued two green bonds under this framework to re-finance its green projects USD 50 million USD 650 million. Following are some of the green investments made by the bank-

FY 2018-19

- World Bank line of credit for rooftop solar project USD 625 million.
- Renewable energy projects sanctioned 29,821Cr
- Funded by KfW for solar energy projects of USD 177.33 million

FY 2019-20

- World Bank line of credit for 241 Solar Photovoltaic .1744 Cr Sanctioned
- E- Vehicles loan portfolio 14.31Cr.
- USD 800m Aggregate Green Bonds issued.
- Transactions through alternate channels in FY 2019-20 is 90%
- 1,744 Cr sanctioned for funding 241 rooftop solar projects under the World Bank line of credit.
- Loans worth .25,914.82Cr sanctioned for 608 renewable energy projects
- Utilized entire USD 214.3 million line of credit from European Investment Bank, supporting installation of 493 MW utility scale green field solar projects
- USD 30 million utilized for a solar energy project under KfW Development Bank line of credit. FY 2020-21
- A green loan worth €50 million was raised in

FY 2020-21

- Amount Sanctioned for Renewable Energy- 9137cr WIND, 18565cr Solar PV (Ground-Mounted),1864cr Solar Rooftop,165cr Biomass,2093cr SMALL Hydro, Waste-to-Energy 94cr.
- SBI has sanctioned .14.21Cr towards E-rickshaws as on 31st March 2021.

2. AXIS BANK:

In the field of green financing Axis bank also plays a vital role in it. In the year 2018 Axis bank receives Best Digital Banks Award. In 2016 Axis bank issued usd500 m Green Bond. Various initiatives has been taken over the years by the bank. Like rain water harvesting, dry waste recycling, sensor installation in washbasins, use of bio blocks in urinals, wheat straw based paper procurement etc. Following are the year wise green investments made by Axis bank-

FY 2018-19

- Sustainable lending portfolio Exposure 5,498 Cr
- Through internal resource efficiency initiatives emission savings up to 9,162 tCO₂e
- Energy efficiency: Centralized Energy Management System (CEMS) has been installed at 893 Branches 31 March 2019 with energy consumption reduction by nearly 10%, achieved through controlling temperature operations.

FY 2019-20

- As on 31 March 2020, the Bank's overall exposure to such 'sustainable' sectors including renewable energy(including hydro), urban mass transport, and green buildings, stood at 6,446.58 Cr,
- The total funded green exposure under the Green bond issuance was 3228.37 Cr as on 31 March, 2020.

- As on 31st Mar 76% of green bond utilized in wind and solar, 19% in urban mass transport and 5.40% in energy efficiency buildings.

FY 2020-21

- Banks total amount exposure in renewable energy sector, electric mobility, urban mass transportation stood at 9753 Cr as on 31st Mar 2021.
- Across 248 locations solar installation.

3. HDFC BANK LTD:

In its retail marketing initiatives the Bank incorporated the 3Rs – Reduce, Replace and Recycle – relating to enhancing visibility of the product and brand promotion on-ground activations. The bank commits to become carbon neutral by 2031-32. The bank is looking at reducing its GHG emissions, water consumption and energy. In FY 2019 the bank finance in renewable sector amounting to 4170 cr, in the FY2020 it raised to 8562 cr. The renewable investment stood up to 10,869cr by the FY2021. Following are some of the green initiatives taken by the bank-

- As on March 31, 2021 generated 167.88 tonnes of e-waste, as a result of asset refresh, damaged and non-functional assets.
- A cumulative solar capacity installation to 198.3 KWp in Bhubaneswar, Chandigarh, Jaipur, Mumbai, Noida and Pune with 0.6 Million trees planted during FY21.
- HDFC has set a target to plant 2.5 Million trees by FY25.

4. L & T FINANCE HOLDINGS LIMITED:

L & T Finance Holdings Limited was incorporated in the year 2008 and in 2011 it went on to become a public listed company. It is the holding company for the financial service businesses of the Larsen & Turbo Group. L & T Finance Holdings Limited is one of the India's most valued and diversified NBFCs that essentially have a strong presence across lending and investment management. Sustainability tends to be the core of all businesses of L & T Finance Holdings Limited. As per its Sustainability Report from the years, FY 2018-19 and FY 2019-20 there are several green financial initiatives undertaken by the company catering to the sustainable development goals. The following are some significant green financing initiatives by the L & T Finance Holdings Limited:

- The company aims to finance renewable energy projects of 5000 MW in next 5 years, out of which 1.5 GW renewable projects has been already financed.
- L & T Finance Holdings intends to increase financing of climate friendly projects/ sectors by 5% in the next financial year.
- The company's rural sector finance has undertaken the initiative to bring sustainable products in order to help develop the rural market.
- In order to reduce carbon footprints in line with the sustainable development goals, L & T Finance Holdings aims to ensure 100% micro loan meeting centre employees operate fully on Mobile Apps by 2025.
- Intends to maintain electricity consumption constant for the next two years thereby reducing indirect emissions and catering to the sustainable development goals.
- Reducing paper in operations by leveraging technology by 10% till 2023 aligned towards sustainable development goals.

5. TATA POWER COMPANY LIMITED:

Tata Power Company Limited is an Indian electric utility company and is a part of the Tata Group. Sustainability is the core philosophy of the company and it leads the way in generation of non-emitting sources of energy that provide low cost electricity and help reduce carbon emissions. Tata Power has a central role to play in the global efforts to achieve Sustainable Development Goals (SDGs). The company is highly committed to sustainability and has India's one of the largest renewable energy businesses, with an operating capacity of 2.6 GW comprising of both wind and solar energy. Following are some notable initiatives by the Tata Power Company Limited energy conservation and renewable energy generation:

- Tata Power has added 200MW of renewable energy capacity taking its contribution from clean sources to 33%
- The company is eyeing growth in utility scale solar projects, rooftop solar and services opportunities in the renewable space.
- Tata Power Company Limited has launched retail rooftop solar business catering to small enterprises and household needs in almost 18 cities.
- In order to support the Indian Government's "National Electric Mobility Mission", Tata Power established the first set of Electric Vehicle charging station in Mumbai.
- Tata Power Solar commissioned 820.8 kwp at Cricket Club of India (CCI), which helped to generate over 1.2 million electricity per year leading to 25% of savings in the power consumption cost.

6. ADANI GREEN ENERGY LIMITED (AGEL):

Adani Green Energy Limited (AGEL) is one of the largest renewable companies in India. The company was incorporated in the year 2015 and is promoted by the Adani Group for developing and operating renewable energy projects of the Adani Group. Being one of the leading renewable players in India, AGEL aims to have a portfolio of 25GW of renewable projects by 2025. A Green Financing Framework has been designed and established by the company which is fully consistent with the Adani Group's sustainability strategy and to support its development plan in renewable energy. The framework has been designed to align it with current best market practices. The framework is valid for all financing instruments including bonds, loans and other financial instruments. The proceeds from these green financing instruments by the AGEL are used to finance and refinance several renewable energy project categories which involve the following:

- AGEL has signed definitive agreements for 100% acquisition of SB Energy Holdings Limited ("SB Energy India") which has a total renewable portfolio of 4954 MW spread across four states in India.
- AGEL aims towards establishment of solar electricity generation facilities where 100% of electricity generated from the facility is derived from solar energy sources.
- Establishing wind electricity generation facilities where 100% of the electricity generated is derived from wind energy sources.
- Initiation of hybrid electricity generation facilities where 100% of the electricity is derived from a combination of wind and solar energy resources.

Challenges Towards The Adoption of Green Finance In India:

A sustainable financial system is one that creates and values financial assets in ways that shape real wealth to serve the long term needs of an environmentally sustainable economy. Environmentally sustainable projects include the generation

of energy from renewable sources like biogas, wind, solar etc. Green finance is a medium that refers to the financial arrangements that are used for the projects which are environmentally sustainable. India like all the other nations of the world is taking substantial steps towards adopting green finance but there exist several barriers in the path of its implementation which cannot be ignored. The major challenges faced by the banking and non-banking financial institutions towards the implementation of green finance can be outlined as follows:

- (i) **Lack of Public Awareness:** Lack of awareness amongst the public and the investors about the concept of green finance and the innovative financial instruments available creates a hurdle in the implementation and growth of green finance in India making it an unpopular medium of financing the projects most of the times.
- (ii) **Borrowing Costs:** High cost of capital involved in the investment of green projects makes the option of green financing to be less opted for. Even the cost of issuing green bonds is relatively higher than other bonds which lead to higher risk perception and governance issues thereby, making it a huge blockade in the roadmap of growth of green finance in India.
- (iii) **Policies and Regulations:** There exist no clarity in the green finance policies and regulations. Because of this indistinctness most of the investors are hesitant to invest in green finance avenues. The perplexity in decision of investors caused due to the lack of clarity in the green finance policies and regulations poses a challenge in adoption of green finance in India.
- (iv) **False Claims:** In many cases the people associated with the projects might make false claims of environmental compliance in order to avail the benefits of green finance. It becomes a huge challenge to assess the genuineness of the projects and its role in catering to the sustainable development goals.
- (v) **Plurality of Definitions:** Due to plurality of definitions of green loans, it becomes confusing for the people at times to understand the genuine concept and purpose of green finance and green loans. This confusion causes a great deal of mismatch in proper implementation and use of green finance in India.

SUGGESTIONS AND CONCLUSION

In the present era sustainable development has emerged as a new paradigm of development. After the determination of Transformation Goals 2030 almost every nation has tried to their extent to cope up with the goals. Green Financing is also an integral part of sustainable development. With the appropriate economic instrument and efficient cost framework sustainable development can be achieved. In India financial institutions are the major driven of economy which includes both the economy growth and development. All the private and public sector banks and non-banking financial institutions are more or less transform towards the Green. Banks like SBI, HDFC, and Axis Banks are investing in renewable energy sector, adoption of energy efficient measures, increase in paperless transactions, lending in E-Car and E-rickshaw schemes etc. Till date there is a need of improvements in financing and awareness in general public. High cost of capital, complex compliance process, low involvement of retail investors, lack of international standards are the constraints in green financing. India should focus on both domestic and international investors when it comes to green financing, transparent and well-structured policies and regulations must be formed, reduce asymmetric information on green projects. A holistic approach and a legal regulatory framework is needed for the further development of green financing and creating sustainable future in India.

SCOPE OF THE STUDY

The area of green finance is very wide and comprehensive. The data of the study is mainly based on three bank and three non-banking financial institutions over the three financial years. Since the results of the study are based on the data from six different organizations in India, it has a further scope of being studied at a larger level. There is further scope of research in this area as it is quite novel and significant for achieving sustainable development goals (SDGs) as well as for developing and implementing new techniques and instruments for the development of green finance in India. In this regards there are many scope in measuring the performance of the financial institutions green investments. These aforesaid limitations can be used by the future researcher as a scope of the study in this area.

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