NAAC 2023/ Metrics Level Deviations/Cr3-3 Date:- 03/07/2023

Criteria 3.3.1:	Number of research papers published per teacher in the Journals notified on UGC care list during the last five years
Findings of DVV	Kindly Provide :- 1) Link landing to the research paper 2) Link to the journal website. 3) URL of the content page in case print journal. **Note:** 1. Publications in the current UGC CARE with ISSN will only be considered 2. Calendar year publications to be considered (Jan-Dec).
Response/ Clarification	1) Papers published in UGC journals for the last 5 years(year wise) is attached. **(Appendix-I)**

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Appendix-I

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AFFECTIVE PRIMING TECHNIQUE IN ADVERTISING - AN EMPIRICAL STUDY WITH REFERENCE TO FAST MOVING CONSUMER GOODS SECTOR

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ABSTRACT

In this era where consumers are continuously exposed to media from different sources, an engaging advertisement can be a make or break affair for an organization to thrive in today's world of cutthroat competition. The current generation's preference for video content over static content emphasizes the increasing relevance of digital video advertising. Present young adults are voracious consumers of Fast-Moving Consumer Goods (FMCG) like chocolates and confectioneries, packaged snacks and soft drinks, and hence they are the focus of the present study. This study uses repeated measures design to compare types of appeal (rational vs. emotional with affective priming technique) on buying intention, memorability and impression of advertisement. With use of statistical tools like t test, ANCOVA and correlation, the study found that the type of appeal generally tends to have an impact on buying intention but this ceases to happen when there is a prior strong attitude towards the brand or product. The study also finds positive correlation between impression, memorability and buying intention after being exposed to emotional advertisements.

Keywords: Affective Priming, Indian Advertisements, Emotional Advertising, FMCG.

INTRODUCTION

In today's busy world where the first impression is the last impression and the first impression comes from stimuli around us, right advertising plays a major role in the success of products in the market. Advertising is an important part of the promotional mix. As per content, an advertisement can make either a rational appeal or an emotional appeal. Advertisements using rational appeal try to influence consumers by providing information about and advantages of the product concerned while advertisements using emotional appeal focus on the emotional side of using the product and feel of the product.

Affective priming is a process wherein the perception of an emotion provoking stimulus affects the perception of the consecutive stimulus. For example, when someone is exposed to a strong emotion and immediately after that a neutral object is shown the person may associate that object with that strong emotion and develop negative/positive feelings towards the object. This phenomenon is being used in advertising to garner positive emotions towards brands. The current study focuses on FMCG sector as this sector accounts for continuous long-term small value purchases which add up to be a huge amount. FMCG is the 4th largest sector in Indian economy. Financial Express (January 23, 2019) reports that FMCG sector brands spend 33% of their digital advertising budget on digital video advertising, which is far higher than other sectors. This study explores how Affective priming and

Emotional advertising techniques are being used in the FMCG sector in Indian video Advertisements.

REVIEW OF LITERATURE

There has been ample evidence available both supporting and negating the impact of advertising in general and the implications of using emotional appeal in the advertisement in particular. Nielsen in their 2016 study reported that use of emotion arousing techniques in advertising led to 23% lift in sales volume. Wood (2012) stated that effectiveness of an advertisement is best measured using emotional measures as humans react to advertisements and purchase using a thinking process which is highly emotional. One of the techniques that could be used in emotional advertising is use of Affective Priming. Affective Priming and emotional advertising techniques have great possibilities for use in advertising. Affective priming and emotional advertising techniques in advertisements are growing in popularity among advertisers as these techniques help in increasing brand popularity and profitability. Batra et al. (1986) found that emotional responses evoked by an advertisement appear to be antecedents of the attitude towards the advertisement and it has a weak but significant impact on attitude towards the brand.

Albers-Miller & Stafford (1999) found that there were much more emotional appeals found in the scientific literature, than the rational appeals. Singh (2017) thoroughly observed 130 TV advertisements of 23 products from Food & Beverages, Household care and Personal care/ Hygiene products category and found emotions such as Humor, Amazement and Love & Affection. Pringle (2008) in his popular book *'Brand Immortality'* mentions that his study of 1400 advertisement campaigns lead to a finding that Ads with purely emotional content generated 31% profit while those with rational content generated only 16% profit. As the power of television is on decline due to media fragmentation, mobile advertising assumes greater significance. To make advertising appeals more distinctive and persuasive, advertisers frequently use dramatic emotional ad-messages (Panda et al., 2013). Copeland way back in 1924 contended that individual customers buy products and services for either a rational or emotional reason. Rational advertising assumes that consumers purchase goods and services based on logical or/and utilitarian decisions. Batra et al. (1990) in an experimental study with print ads found that if readers are in a state of positive mood then it contributes favourably to brand attitude. This supports the use of affective priming as affective priming helps establish a positive mood.

According to Hartmann et al. (2005) emotional positioning strategies are as important as functional strategies for brand positioning. This study was conducted in context of green branding and it revealed the importance of emotional techniques in advertisements to change the attitude of consumers towards brands. Ferreira et al. (2011) found that negative emotion conveying words, when used in advertisements in websites, lead to more attention towards the advertisement than when positive or neutral words were used. This is in the context where previous studies have reported that people avoid paying attention to advertisement on the web in general. Joshi et al. (2015) found that emotional branding and using of emotional advertising leads to improved brand loyalty. This study was specifically done in context of Indian FMCG sector. According to Wood (2012) an emotional model and emotional measurement of advertising will be more effective than traditional model of advertising. Empirical data is used to drive home this point. Mahapatra (2013) found that emotional advertising is more effective than rational advertising in terms of leading to action.

Yi (1990) conducted an experiment to investigate the cognitive and affective priming of the contact for print advertisements and found that cognitive priming influences the attitude towards the brand, while affective priming influences the attitude towards the advertisement. Yi (1993) also examined the moderating effect of prior knowledge on contextual priming influences the evaluations of an ambiguous product and concluded that Contextual priming impacts brand evaluations among moderate-knowledge subjects. Earlier advertising theories believed more in functional messaging than in the power of emotional bond for causing favourable brand associations (Panda et al, 2013). Aaker & Norris (1982) found that informational appeals resulted in higher effectiveness ratings than emotional appeals. Roozen (2013) contended that advertisers deliberately use emotion to reach to the consumer's heart expecting a positive attitude and favourable buying decision. The intensity of each individual's emotional response to the advertisement is different, and this level may also significantly influence the attitude formation (Panda et al., 2013).

Kumar et al. (2015) explored the purchase behaviour of poor consumers with reference to fast moving consumer goods and found that they are conscious about price, quality, brand, loyal to the brands. It was further found that they purchase well known national brands in FMCGs and their main information sources of these brands are TV advertising and family members. Vieceli & Shaw, (2010) proposed and tested a model of brand salience for fast-moving consumer goods, which incorporates knowledge, media consumption, and brand image as antecedents leading to purchase likelihood and found positive association. The empirical evidence supports building a brand in a primary category, in order to build the depth and breadth of the brand's associations in consumer memory. Vyas (2005) examined the nature of schemes offered in the fast-moving consumer goods (FMCG) category, the ratio of incentive and outlay (which the consumer is expected to make/pay to avail sales promotion offers) and found that the schemes are more aggressive for non-food items than food items, and non-food category exhibited more variation than the items in food category.

Researchers have paid adequate attention to phenomenon of promotion of products through social media. Mogaji & Wright (2016) investigated how Facebook users express their emotions towards advertisements of brand. Analysing over 250 comments by Facebook users of Lloyds Bank on its 250th anniversary, they found that the advertisement prompted different emotions such as love, pride and in some cases anger. The use of images like the black horse, the cover music and the background music aroused positive emotions. Enginkayaa & Cinar (2014) contended that social media has become a major factor in influencing various aspects of consumer behaviour including awareness, information acquisition, opinions, attitudes, purchase behaviour and post-purchase communication and evaluation. They further mentioned that digital advertising can mould consumer preferences, helps to build a positive attitude and influence purchase decisions about the advertised products/services, and thus plays an important role. Digital ads are increasingly becoming more appealing tools of marketing communication to reach targeted consumers. Digital advertising includes search or display advertisements and also all types of marketing communication that is executed through web, social media and/or mobile technology (Takemura, 2012).

Mobile advertising is the transmission of a message related to products, services and opinions for promotional purposes via mobile devices (Li & Brian, 2007). The higher penetration rate of mobile phones has resulted in the increased reach of advertisements for products and services. With the declining persuasive Social Media facilitates the companies to engage in timely and direct end-consumer contact at much lower costs and higher levels of efficiency compared to conventional tools of communication, and thus makes it relevant and affordable not only for large multinational firms, but also for small and medium sized enterprises (Kaplan & Haenlein, 2010).

Among the online ads, video ads are growing phenomenally owing to fast growth of video traffic and the vast variety of video content providers on the internet. Advertisers now have a much better access than ever before to a large amount of personal and context data from consumers by the use cookies, location tracking and the like so that they can better target their audiences and customise the advertising messages, which may increase their effectiveness (Hudders et al., 2019).

The companies get significant share of their top line from young consumers and provide a sizeable sales potential as future *"adult'* consumers (Magin et al., 2015). Therefore, teenagers have become an interesting target group for companies. Armstrong (2010) and Lantos (2015) argued that emotional appeals are more relevant for hedonic products, while rational appeals are more relevant for utilitarian products. Studies reinforced the importance of emotional appeal in advertising. Affective priming is a technique which can be used for emotional advertising. Use of this technique in digital video advertisements need to be probed further. Also, previous studies have not accounted for baseline attitude towards the product or product category which may be an important factor in such studies.

METHODOLOGY

Sample

The study used convenience/judgmental sampling technique. The sample group consisted of 122 undergraduate students of which 60 were females and 62 were males. They ranged in age from 18 years to 25 years with 88.52% in the range of 19-21 years of age. Average age of the sample group was 20.189 years. The sample group was drawn from a particular college in Mumbai, a metropolitan city in India and it was selected such that it could somewhat mimic the diversity of states, languages and cultures of India. This particular age group was chosen as this age group is a voracious consumer of FMCG products like chocolates, packaged snacks, cosmetics and soft drinks.

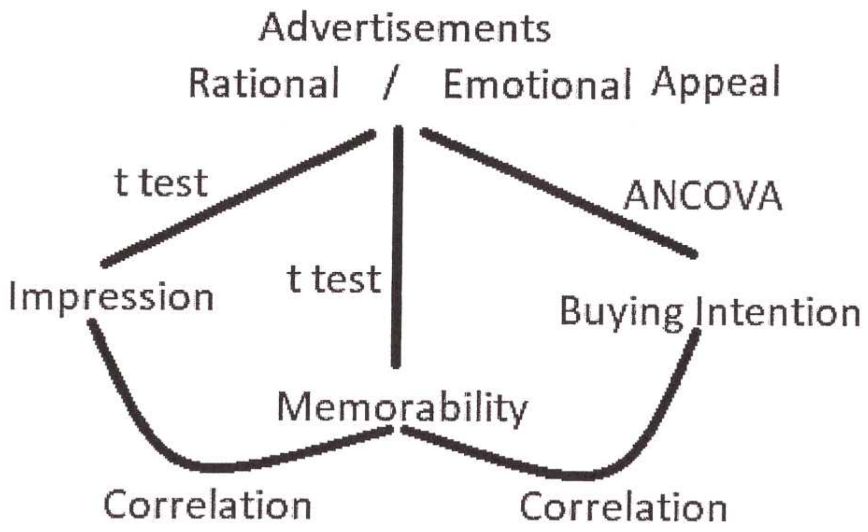
Procedure of study

The advertisements were selected with the help of a video search engine such that both emotional as well as rational appeal advertisements were available for the same products. The products were selected such that the products are ones which are frequently bought by the sample and thus they are consumers of the products. The products belonged to category of chocolates, packaged snacks, cosmetics and soft drinks. Some of the advertisements were edited to make them more geared towards either rational appeal or emotional appeal. The advertisements with emotional appeal were the ones which used affective priming technique by first featuring an emotional story and then introducing the product (Grigaliunaite & Pileliene, 2016).

The sample group was first administered a questionnaire to measure their baseline buying intention and general opinion of 4 selected branded products. Repeated measures design being used; the sample was first exposed to a set of rational appeal advertisements for the same selected branded products and then a questionnaire to measure the impression and memorability of the advertisements from their viewpoint as well as their intention to buy the product after watching the advertisement. Later they were exposed to a set of emotional appeal advertisements (using affective priming technique) for the same selected branded products and a questionnaire to measure the impression and memorability of the advertisements from their viewpoint as well as their intention to buy the product after watching the advertisement. Lastly the sample was administered a questionnaire which included general profiling questions to understand their shopping behaviour and preferred brands in the FMCG category.

Specific to buying intention, a repeated measures experimental design with two levels of independent variable and one dependent variable was used and also baseline of independent variable was measured to adjust for its effect on dependent variable. Here type of appeal was the independent variable with its two levels being use of rational appeal and use of emotional appeal (using affective priming technique). The dependent variable was buying intention reported by each one in the sample group on a scale of 1 to 10. General impression and memorability of the advertisement were also measured on a scale of 1 to 10 (Figure 1).

Plan of Statistical Analysis of Data



Source: Authors

FIGURE 1
STATISTICAL ANALYSIS

All the statistical analysis was performed using R statistical programming language (R Core Team, 2019).

Hypotheses

H1: Mean Ratings on impression are significantly higher for emotional appeal (using affective priming technique) advertisements than for rational appeal advertisements for each of the four products.

H2: Mean Ratings on memorability are significantly higher for emotional appeal (using affective priming technique) advertisements than for rational appeal advertisements for each of the four products.

H3: Mean buying intention is significantly higher for emotional appeal (using affective priming technique) advertisements than for rational appeal advertisements for each of the four products adjusting for the mean baseline buying intention.

H4: Impression of advertisement is positively correlated with memorability of advertisement for each of the four products in emotional appeal condition.

Article

Team-role Compatibility in Work Teams: A Vital Factor in the Age of Workforce Diversity

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N Meena Rani**

Abstract

Workforce diversity is being seen today as evidence for the ethical and legal recruitment practice, which is free of bias or discrimination based on gender, race, religion, ethnicity, etc. Organisations are being encouraged by the government and social interest groups to adopt affirmative practices and publish Diversity and Inclusion statistics on their websites (available in the public domain). As most organisations have a work-team-based organisational structure, it is of interest and importance to understand how increasing diversity in workplaces and diversity within teams affect work-team performance or work-team outcomes. This study suggests team-role compatibility as a key factor in determining work-team outcomes. Compatibility with teammates based on deeper level factors like an individual who prefers a team role will override the effect of surface-level factors like gender, demographics, race, etc., in the long run. This study uses a phenomenological approach to explore the patterns of interactions and interrelations within a team based on the most preferred team roles of the individuals involved. And also to identify the combinations of team roles that can be deemed compatible/incompatible and thus affect the team performance.

Keywords: *Team roles, Compatibility, Work Teams, Diversity*

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Introduction

With the advent of globalisation and increasing diversity in workplaces and this trend showing no slowdown, the workplaces are becoming more heterogeneous. Though laws against discrimination based on gender, race, colour, religion, etc., in the workplace were framed in the early to mid-1900s, the issue of workplace diversity came into the limelight only in the late 1900s. In the late 1900s, diversity predominantly meant diversity in gender and race. In this period, the percentage of women and minority races increased in the labour force in the United States (Bolick and Nestleroth, 1988). Later, the concept of diversity has developed further to include surface-level factors like gender, demographics, race, etc., as well as deep level factors like values, attitudes, personalities, etc. Factors like gender, age, race and others are easily identifiable, while underlying factors like attitude, knowledge, personality and others are not easy to identify (Jackson et al., 1995).

Diversity and Inclusion are the legal and ethical obligations for all organisations. Diversity is sometimes seen as a challenge in certain scenarios where there may be a lack of sensitivity and understanding towards minorities. At other times diversity is seen as a major strength that brings to an organisation fresh perspectives. Contemporary organisations are increasingly organising their employees into teams as the nature of work is becoming more complex and requires employees from multiple areas of expertise to collaborate. In this scenario of workplace diversity being encouraged, a question that comes to the forefront is that of how this diversity affects work-team performance or work-team outcomes.

Literature Review

Gauging the impact of various surface-level factors on team performance, one at a time -

Gender diversity and Team performance

Heterogeneous composition in terms of gender helps increase the effectiveness of team processes and improve team outcomes to a lesser extent (Julia B Bear and Anita Williams Woolley, 2011). But in managerial teams of three each, it was found that certain combinations like that of two males and one female result in the maximum outcome, but certain other combinations like one male and two females may not perform at the same level (Jose Apesteguia et al., 2012). This leads to inconclusive evidence on how gender diversity affects team outcomes.

Cultural diversity and Team performance

Though cultural diversity may not be directly related to ultimate team outcomes, it may improve intermediate outcomes. Cultural diversity leads to process losses through task conflict and decreased social integration. On the other hand, the process gains through increased creativity and satisfaction (GK Stahl et al., 2010). Cultural diversity affects teamwork in different ways. Multi-national teams can have informational advantages as they use a broader source of information and tend to be better in organising the information that determines effective decision-making, especially when dealing with complex problems (Ricarda Bouncken et al., 2016). Again, the evidence is inconclusive on the definite effects of cultural diversity on team performance. But the fact remains that teams across most big organisations are becoming more and more culturally diverse.

Age diversity and Team performance

Team's mean organisational tenure is related to team performance in terms of increased efficiency. But age diversity as such is unrelated to team performance (Suzanne Bell et al., 2011). With a general lack of clarity on how surface-level diversity affects the work-team performance or work-team outcomes, looking at deeper level factors could give some direction and clarity. As a team works together for a longer period, deep-level factors start playing out more than surface-level diversity. Thus, in the long run, what matters is the deep-level composition of the teams.

As deep level factors are latent constructs and not inherently observable, we will be looking at deep level factors from the perspectives of multiple popular psychological models.

Five-factor model:

The five-factor model of personality is one of the widely accepted personality models. A study of the personality profile of members of product development teams (as per the Five-Factor Model) revealed that heterogeneity in the personality of team members is positively related to team performance for teams working on radical innovation products but negatively related to team performance in case of teams working on incremental innovation products (Reilly et al., 2002).

MBTI Model:

Another popular model for personality assessment has been the Myers-Briggs Type Indicator (MBTI) model. In the case of cross-functional teams, MBTI types show a partial correlation with team performance. The presence of all personality types and balance between the dyads Sensing-Intuition, Thinking-Feeling, Introversion-Extraversion and Perception-Judging is linked to better team performance (Bradley et al., 1997).

Cognitive styles:

The cognitive styles of team members have a big impact on team performance. Teams that were heterogeneous on thinking styles (as per Creative Problem-Solving Profile inventory) scored better on team performance (Basadur et al., 2001). When there is cognitive diversity in the team, their performance shows improvement in accelerated learning (Reynolds et al., 2017).

With so many approaches to a deeper level composition of teams, it would be impractical to use all these approaches together for team building in organisations. This is where the concept of team role comes in. Team role is a concept distinct from the functional role, and it describes an individual's preferred ways of interacting and interrelating with others when in a team setting. Team-role models provide a better context to determine the deeper level composition of teams as these models are specific to team settings.

Team Roles:

The most popular team role model has been that of Belbin, which proposes nine team roles, namely Implementer, Shaper, Plant, Monitor-Evaluator, Coordinator, Resource Investigator, Team Worker, Completer-Finisher, and Specialist. The balanced representation of these team roles in a team is seen as the key to optimum team performance (Meredith Belbin, 1981, 1993).

According to Benne & Sheats's model, there are 19 functional and eight dysfunctional roles. Again presence and balance in roles are considered the way to maximise team outcomes (Benne & Sheats, 1948). Another model by Parker suggests that there are four team player styles, and each of the four styles can be played either effectively or ineffectively. Again, the effective presence of all four styles is considered the key to optimum team performance (Parker, 1996). According to another model by Mumford, there are ten team roles, and their adequate representation in a team is the key to maximising team outcomes (Mumford et al., 2006).

Most of the above team-role models have a varying number of teams roles ranging from four roles to twenty-seven roles. There is too much overlap between the different models, yet no single model is comprehensive. This led to conceptualising of a new model with six different team roles. This model supposes that a balanced presence of all six roles would yield optimum team outcome. (Divya Nair and N Meena Rani, 2020).

List of Team Roles and their short description as per the model:

1) Creative Brain- The role is the creative epicentre of the team and has good domain knowledge in the area of the team's goals. It creates high-quality ideas.

2) External In-charge- The role plays a vital part in connecting the team with the external world and integrating it with the organisation as a whole.

3) People's person- The role is very empathetic towards the problems of team members and resolves them and motivates self and others to do their best.

4) **Administrator-** The role delegates task and manages the project's time and budget. It makes others stay on track.

5) **Perfectionist-** The role dwells on minor details and ensures the goal is achieved par excellence. It also makes sure that the ideas and actions of others are practical and will lead towards the best results.

6) **Ethicist-** The role makes sure that, in the whole saga of achieving the goals of the team, the ethical standards and values of the organisation are not forgotten. It Reinforces sustainable development.

Source: Divya Nair and N Meena Rani, 2020

Research Gap

There is inconclusiveness with regards to effects heterogeneity in terms of surface-level factors on team outcomes. It is understood from prior studies that deep level factors have an impact on team outcomes beyond surface-level factors in the long run. As deep level factors are latent constructs that cannot be easily observed or measured, different psychological models are used to operationalise and measure these deep level factors. With too many different psychological models with varying configurations for a successful team, it is impractical for routine teambuilding usage by organisations. This is where a comprehensive team-role model was conceptualised, which is specifically for team building and team development. But, there is a need for further study on how this team-role model can be used and how certain combinations of different team roles could lead to improved or impaired team outcomes.

Research Questions

1. To understand how the perceived effectiveness (as perceived by team members) varies with different deep level configurations of teams (with distinct combinations of team roles)?
2. To study how patterns of interacting and interrelating with others vary based on the most preferred team roles of the individuals involved?
3. To understand how certain combinations of team roles can be deemed compatible/ incompatible and thus improve/hinder team performance?

Methodology

This study explores how individual team members interact and interrelate with others in their team as they perform a simple team task. Different teams were configured with distinct combinations of team roles.

This study uses a Phenomenological approach and draws from the subjective experience of research participants. As per the approach, depth of understanding of behaviours was given priority over the quantity of information collected. Thus, the study had fewer percipients to enable maximum attention to each participant and facilitate deeper conversations between the researcher and the participants. The study involved 30 post-graduate students of business management as research participants. The students were chosen from the same institute so as to match them on ability levels and age group.

A quasi-experimental procedure was followed. Whereby each research participant was profiled into one of the six-team roles, and then the experimental intervention involved forming the participants into teams of six, each with a specific configuration for team-role combinations. Firstly, the participants were assessed to determine their most preferred team role. The participants self-reported their behavioural and thought preferences in work/team settings from their previous experiences. Then, the researcher assessed the most preferred team role in consensus with the participant. However, the participants do not know about the nomenclature, team role descriptions, or the team role theory at this stage.

Once each participant's most preferred team role was identified, they were formed into five different teams of six members each. Below table 1 shows the team role configuration of the five teams.

Table 1

Team No. → / Member No. ↓	Team 1	Team 2	Team 3	Team 4	Team 5
1	PP	E	P	PP	EI
2	P	P	PP	PP	EI
3	CB	P	EI	PP	EI
4	EI	P	E	PP	EI
5	E	P	CB	PP	CB
6	CB	E	A	PP	EI

Abbreviations:
PP- People's Person CB- Creative Brain P-Perfectionist EI- External In charge E- Ethicist A- Administrator

Semi-structured conversations with each participant as well as observation during team-task completion were used to understand how each of the participants was interacting and interrelating with other team members. The team task was to complete a 60-piece jig-saw puzzle in the shortest time period possible. Participants' subjective experience of working in a particular team was explored through elaborate conversations with a focus on amicability, conflicts, cooperation and perceived effectiveness. During this conversation, the participants were also debriefed on the team-role model and specific team role they preferred the most.

Observations and Interpretations

Here, each team's time to complete the puzzle was observed as a proxy for 'objective measure of team effectiveness. It was assumed that certain teams would complete quicker as there was team-role compatibility amongst members creating synergy in performance, while certain other teams may compete slower as there was team-role incompatibility amongst members creating conflicts and incoordination.

Rather than the absolute time to complete the puzzle, the relative order of completion by different teams was more important as this gives the relative team effectiveness. The order of completion of puzzles by the teams-

1st- Team 3
2nd- Team 2
3rd- Team 4
4th- Team 1
5th- Team 5

Various patterns of interaction and interrelation emerged in the semi-structured conversations with the participants. Team-wise observations and patterns of behaviours from the perspective of participants themselves-

Team 1- All the members of Team 1 reported that they perceived their team as effective. All could also confirm a feeling of cooperation and synergy. All the team members could pick at behaviours associated with their most preferred team roles in themselves and likewise observe other team members playing out behaviours associated with their respective most preferred team roles. It was observed that this team had split up the puzzles into multiple chunks and put these chunks together whenever appropriate. Members of this team reported that they were enjoying the task and felt no time pressure.

Team 2- All the members of Team 2 reported that they perceived their team as effective. Also, members confirmed that there was mutual coordination as everyone had the same approach to the task. In this team, all the members felt that systematic implementation was the key to their team's performance. Also, the researcher observed how this systematic approach was when this team started working at the jig-saw puzzle from one corner and worked continually without splitting it into multiple chunks.

Team 3- All the members of Team 3 reported that they perceived their team as highly effective. They had expressed feelings of cooperation, coordination and synergy. All the team members could pick at behaviours associated with their most preferred team roles in themselves and likewise observe other team members playing out behaviours associated with their respective most preferred team roles. It was observed that this team had split up the puzzles into multiple chunks and put these chunks together whenever appropriate. The whole team reported feeling driven to perform and needing to be the first to complete, which was instigated by member number 6.

Team 4- All the members of Team 4 reported that they perceived their team as highly effective. This team expressed how they felt the mutual cooperation and coordination. Every member of this team reported that the team had a cordial atmosphere, and everyone else in the team was amicable. It was observed that this team split up the puzzles into multiple chunks and put these chunks together whenever appropriate. Team members in this team were accommodating even when one or the other member would actually be slowing down work due to confusion. They didn't let any conflicts in their team escalate.

Team 5- Members of team five were divided on their perception of team effectiveness. None of the members could agree to call their team highly effective. Member number 5 reported that other members were mostly distracted, which slowed down their work. Member 5 felt the need to continually bring others back to the task at hand. Other members could report that they felt uncomfortable focussing on the task and felt urges to check what other teams were up to. They also reported feeling bored towards the end of the task. Member 5 felt like the one taking the majority of the responsibility and work.

Discussion

Team 3 was the team that was the fastest to complete the puzzle. This team also had an equal balanced representation of all the six-team roles. The team members had all reported feelings of cooperation, coordination and synergy. This pattern of interaction amongst team members is in support of propositions being made by the team-role model. The team with a balanced representation of all team roles was more likely to experience the synergy and get maximum team outcomes.

Next in terms of time to completion of the puzzle were teams 2 and 4, in that order. Team 2 had the majority representation of the 'Perfectionist' role and two members with the 'Ethicist' role. Here, the members perceived their team to be an effective team. There was cooperation on account of a similar mindset and approach among everyone. There were no incompatibilities observed in the configuration of the team. But if the team task was any more complex than the linear-systematic approach of the team could cause further slowing down. This type of team configuration could be ideal for teams working on projects with a high emphasis on procedures, systems and accuracy.

Team 4 had all the members who identified their preferred team role as 'People's Person'. This team reported an intense feeling of amicability, cooperation and coordination. There were no incompatibilities observed in this configuration of the team. All the members showed tendencies to support each other and not let any differences lead to conflict while performing the tasks. But if the team task was any more complex, this team would have slowed down because of trying to accommodate everyone's different approach to the task at hand. Nobody would push their approach on task as they try to remain amicable even though most tasks would have the most apt and efficient approach. This type of team configuration could be ideal for projects which don't have very strict timelines and where relation-building with external parties or community development activities are involved. As the model proposes, 'People's Person' is the role that shows the most empathy and warmth towards others.

Team 1 was the next team in order of completion of the puzzle. Team 1 has almost equal balanced representation except for someone with 'Administrator' as the most preferred team role. This team reported feelings of cooperation and synergy. But they also reported a lack of drive to complete the task in the shortest possible time. This pattern of interaction amongst team members is in support of propositions being made by the team-role model. 'Administrator' is a team role which has tendencies to take on for organising the activities of a team like allocating works and maintaining adherence to time schedules and budgets. The absence of any member with 'Administrator' as their most preferred team role would impact the efficiency of such a team. Though this team configuration does not exhibit any incompatibilities, it is better to have some representation of the 'Administrator' role added to the team to maximise team effectiveness.

Team 5 was the last team in order of completion of the puzzle. This team had the majority representation of the 'External Incharge' role, with just one member with the 'Creative Brain' role. This team showed dissatisfaction with their team performance, and there were incompatibilities observed between members. As the team-role model proposes, 'External Incharge' is the role that has an outward focus. They tend to focus on getting outside data, connections and resources for the team. The perception of member five that others are distracted comes from their tendency to focus outward. This team configuration is to be avoided as too much focus outwards would actually result in a lack of focus on the task at hand.

Conclusion

This study finds that equal and balanced representation of all team roles results in maximum objectives and perceived team effectiveness. Though there are other combinations of team roles that are compatible, these combinations don't reach the same levels of objective as well as perceived team effectiveness as well-balanced teams. Equal and balanced representation of all roles creates a feeling of synergy in a team. This study finds that individuals with the same most preferred team role tend to interact and interrelate positively with each other because of similar perspectives. But this mutual cooperation may not always result in the best team outcomes as all members think similarly, and other more efficient approaches to task completion will never be explored.

Limitations and Future Directions

This study took a phenomenological approach, which provides an understanding of the phenomena but is prone to subjectivity and lacks empirical backing. This study can set a context for further empirical studies to validate the findings. Also, a quasi-experimental procedure was used. This needs to strengthen external validity with either a field experiment or archival data of intact teams.

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Challenges Faced by Financial Advisors in India in the Dynamic and Challenging Times. A Research on Life Insurance and Mutual Fund Distributors Business Problems and Opportunities

Shraddha daftardar

Assistant Professor, Pramod Ram Ujagar Tiwari Saket Institute of Management, Kalyan

Abstract

Financial Decisions are crucial to decide the happy and fulfilled life, in your early days as well as peaceful retired life. Many times, we feel that a proper guidance will help us to travel through unknown path of financial journey.

Financial advisors are playing an influential role in our goal setting, investment habits as well as creating wealth. Like we consult a doctor when we need a medical help and physical soundness, similarly we should consult a financial advisor for financial soundness.

In India there are many ways to get a guidance in this field like CA firms, banks and big Portfolio service providers; however, there are many individual financial advisors who are doing a noble business of creating financial awareness, educating people on various financial products and helping them to choose suitable products for them.

There are many challenges faced by these advisors. Multiple meetings with clients, hours spent in explaining the product, analyzing client needs, selecting a suitable product for them.

Staying updated with dynamic market conditions, new rules and regulations of IRDAI and SEBI. Convincing clients, accepting rejections and digesting them, coping up with uncertain income are a few attributes that are inherent with this profession.

In spite of these difficulties still many people pursue this as a career. This research paper focus on finding out what are the challenges arising due to transformation of ways of doing business post pandemic.

Introduction

Advice.... One advice can change people's lives. The way advice given by Lord Krishna changed Arjuna's viewpoint consequentially making him the hero and undefeatable warrior. And one advice by Shakuni made Duryodhan lose his kingdom.

We all understand the importance of good advice. Especially the one which makes you rich. So, when it comes to financial planning people should seek the right kind of advice from a learned, educated and well experienced financial advisor. Financial planning is one of the crucial aspects in life. Many people run away from this task thinking of it as a boring and complicated task. However, in reality is it quite simple and interesting of devising a path that will lead to a happy financial journey.

In India people were commonly looking at Fixed deposits, banks savings account, gold as investment instruments. In last decade or so many have changed their view on investment pattern as well as instruments. People have started investing in life insurance policies, mutual funds as well as stocks and bonds. However, individually sailing in the vast sea of finances makes people feel uncomfortable. Hence, they take help of financial advisors. Independent Financial Advisors is emerging as a new career. Mutual Funds Distributors, life insurance agents/advisors are now upgrading themselves and widening their scope. IRDAI which regulates insurance sector and SEBI which regulates stock markets, AMFI

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which guides mutual funds business are actively promoting safe and thoughtful investment. Advertising on national television like "Sabse Pehle Insurance", "Mutual Funds Sahi hai" are helping to create awareness about wide range of products and services available for investment.

However still in India financial advisory, sale and distribution of such financial products is a push market. The advisor has to make multiple calls, follow up patiently with clients, understand the needs and preferences of clients. Along with that explaining the features of various products, making them understand calculations involved; what benefit they will get by investing into a particular product.

Many a times clients delay or postpone the investing decision, or they get influenced by other people's bad experiences. Their family, friends, neighbor's opinion may affect their thought process. Handling client's all such objections and obtaining finalconcurrence is a big challenging task for advisor.

Especially in these tough times like pandemic where we can not go and meet client's personally then encouraging clients for continuing with their planned financial journey is even more difficult. So, the purpose of this survey is to find out what are the difficulties faced by financial advisors. This survey is intended to study how business of individual advisors is getting affected who get their client base from the local reference, relations and neighboring surroundings. We are not here talking about big advisory firms or Portfolio Management Services which take care of High-Net-Worth Individuals or corporates and institutions.

Before going ahead with research part, we will have a look at basic concepts of investments, life insurance and mutual fund investments.

Life Insurance

Life insurance is a way to secure the financial risk arising out of early death of a person who has economic value. If he or she dies then his/her nominees will get a particular amount as agreed at the time of buying insurance plan. Insurer is the company providing services and insured is the person who gets secured by the company. Insurance advisor is the mediator between the company and the client who takes initiative and approaches clients, explains them the products and services, benefits of the insurance, educates about importance of insurance. Then once client buys the life insurance policy, the advisor gets paid by the insurer company. Advisor then has to provide post sales services also like sending receipts, collecting renewals, in case of unfortunate death processing the claim and settling it and making sure money is received by the nominees.

Seemingly important task of insurance is ignored by many, it is often observed that people are under insured and when claim arises due to early death then the families are left stranded financially. Hence the right guidance, sufficient insurance cover, term plans should be essential part of one's financial assets.

Many life insurance plans provide not only life cover but also gives returns,these are typically called traditional plans. Indian life insurance industry was ruled by LIC of India from 1956 till 2000. In 2000 IRDAI (Insurance Regulatory and Development Authority of India) was established to regulate insurance sector. From year 2000 the life insurance market was opened up for private insurance service providers. So now there are 24 life insurance service providers in India. Still LIC being the larger player. So, when it comes to investment in such plan people choose to invest with one, they trust the most, and these individual advisors gain business from those who trust them. So, it is a great responsibility on their shoulders to retain and grow that trust, then only one can grow their business.

Mutual Funds

Mutual funds are a way on investing money in various financial instruments through various schemes. Basically, here money is pooled from different people and a fund manager who is a knowledgeable person and experienced in financial markets will invest money on these people's behalf. Investor will get units against the money invested and value of these units will depend on the market value of securities which are purchased by fund manager under these schemes. Asset Management company or Mutual Funds house are the institutes which provide these services. These institutions are regulated by SEBI (Securities and Exchange Board of India). There are various types of mutual funds like broadly categorized into tow viz Equity and Debt. Under those types there are sub types, themes, duration with different characteristics. Each scheme serves different purpose and has varying amount of risk involved. Financial advisor is expected to explain all these aspects to the investor. There are offline and online modes on investments. SEBI keeps a close surveillance on the business of mutual fund distribution. To become ARN (AMFI Registered Number) holder one has to qualify in the certification exam conducted by NISM (National Institute of Securities Market). AMFI (Association of Mutual Funds India) is also a key regulator for this market. Advisor has to adhere to all norms and code of conduct laid by these regulators. Time to time renewal of license is a part of continuing this business. Like life insurance advisor also has to provide good amount of post sales service. Sending account statements, portfolio

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review and rebalancing, additional purchases, query handling, objection handling, preventing unnecessary redemptions are a big task.

In both type of financial services explained above financial advisor faces many challenges.

Literature Review

"The IFA community is facing challenges as well as looking at opportunities. While the challenges are well known as there are frequent regulatory changes thus forcing IFAs to re-work their model and approach, the competition is through robo-advisors and large resourceful players like banks," said Prem Khatri, CEO, Cafemutual. Khatri was speaking at inauguration of CIFA 2016 here today.

The opportunities, according to Khatri, are available in plenty for IFA's. "With only 2 per cent penetration among households and just 15000 active IFA's, India is the largest under-served market in the world," he says.

Financial advisors discussed the challenges facing them and the opportunities available in the market at CIFA 2016. The Cafemutual Independent Financial Advisor (CIFA) is an annual gathering of financial advisors organised by Cafemutual. The event attempts to address key challenges of IFAs and arrive at workable solutions. Over 550 IFAs attended the event which focused on providing cutting edge ideas to independent financial advisors (IFAs) in growing their business and satisfying their client's investment needs.

In the opening session, Raamdeo Agrawal, Joint MD, Motilal Oswal Financial Services, highlighted the importance of long term investing. "Markets are irrational inshorttermbutrationalover10-15yearsbutwekeeptrying to rationalize the irrational events in short term," said. Cafemutual, a business entity built around distributors and mutual fund professionals, has been organising CIFA since 2014. Over the years, Cafemutual has transformed itself into a one-stop aggregator of news, analysis, knowledge, content and information related to the mutual fund business. In a short period of time, it has grown to become a meeting point for all mutual fund professionals.

https://www.cubelearn.com/blog/challenges-being-registered-investment-advisor-ria/

KC Mishra

I can see a lot of the struggles insurance agents have to go through in trying to marry technology with daily needs and priorities.The vision that future distribution channel managers will be working towards in all they do is that all their initiatives should help support profitability and value for the insurance agents. Educationis a key priority Training institutions need to take education to the next level. At present, much of the training offered by the regulatory-mandated system is focused on how to pass an examination by rote.

Future insurance academies will offer programmes on broader issues, promising sessions on technology. One of the challenges agents will face over the next few years is making sure that they are aware of the technology advances occurring in the industry. A lot of issues aren't user-specific — they're industry-wide.

Real-time processing is here at the door of the agency now, but its power is not yet understood. While some insurers provide agents with website access to key information, it greatly benefitsthem,but it doesn't improve agency's efficiency. Other steps are needed to make the real-time processes, policy inquiry, claims inquiry and premium inquiry available to agents. It's easy to sell risk management when insurance premiums are soaring, but as the market softens, agents cannot help their clients resist the temptation to become price-shoppers once again through other channels available to them.

The controversy over indistinguishable role of brokers and agents may grow ugly over years if brokers operate exactly the same way as agents. Overwriting commission is due to brokers for managing the risk of the clients not selling insurance products of companies.

A number of top brokerages expect that regulators would tolerate a "bifurcated" compensation system forever and suggest such fees might best be freed altogether. The big brokers will not be the only ones drawing fire from agents, as a number of smallbrokers are hardly different from agents. Agents are beside themselves, portraying their sector as victimised by a regulatory overreaction to the quick liberalisation requirements.

Without prescribing role differentiations the institution of brokers is proliferating. Even in a well-settled market like the US, recently contentious issues like contingent commission and bid rigging by the connivance of brokers and insurers have precipitated a war between brokers and independent agents. Fortunately, in India, there are hardly any brokers yet making serious inroads to well-organised life insurance agents' domain.

Living in a multiple distribution channel world is never easy. Apart from channel cannibalisation, there are issues like technological integration, equal fee for equal service and sin of one channel visiting the other channels. Now, the Indian regulator can no longer wish away the problems as incipient or teething trouble. Growth phase may come to regulatory rescue as all bubbles hide them neatly under the membrane of growth. But per chance if a consolidation phase ensues soon, the bubbles rise over the torn membranes and there is possibility of a cascading effect. Whichever way the system works, Indian insurance agents are in for a metamorphosis sooner than future. They cannot remain caterpillars and fly like butterfly.

The writer is director, National Insurance Academy, Pune

https://www.dnaindia.com/business/report-the-challenges-facing-the-insurance-agent-1072916

Research Methodology

Various methods and techniques used to present the research beautifully is called research methodology. The procedures enhance the research process and it exposes the way research is carried out. It helps to explain the methods used in research and presents the idea to the audience in an elegant manner that depends mainly on the researcher. In this project survey technique is used.

Objective: To find out challenges faced by financial advisors in India

Primary Data

A questionnaire was prepared and circulated amongst the financial advisors. Most of them are situated in the Mumbai and Mumbai sub-urban areas. Survey questions include both qualitative as well as quantitative questions. The research aims to find out difficulties faced by financial advisors and try to measure volume of obstacles. Responses are recorded, summarized and analysed with the help of graphs, charts and number. Few open questions are taken into consideration after review.

Limitations

1. The findings and observations are based on the responses received from 19 respondents. Hence results concluded may be limited to their knowledge.
2. The experiences of all types might not get covered.

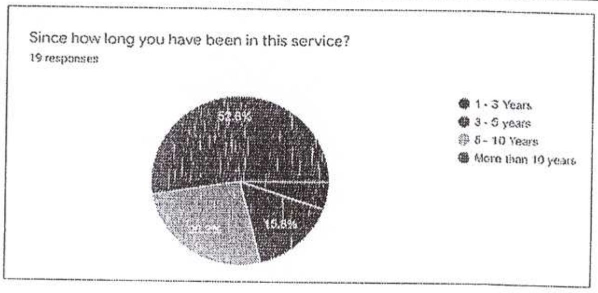
Empirical Research

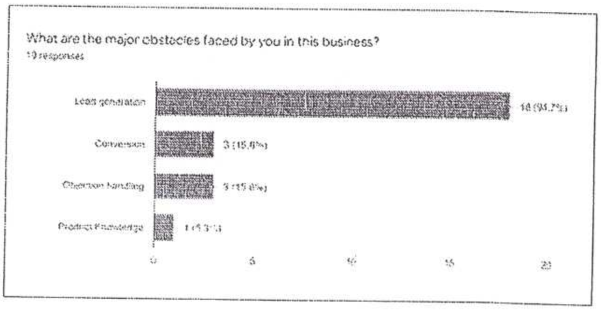
Data Interpretation and Analysis

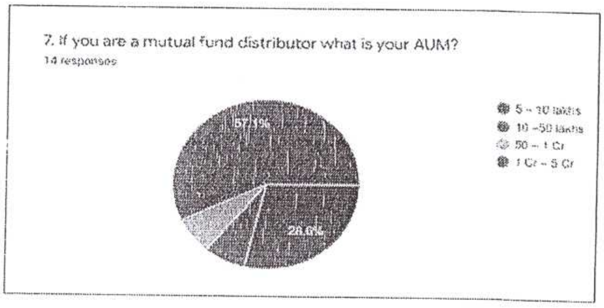
Attributes of the sample of the survey.

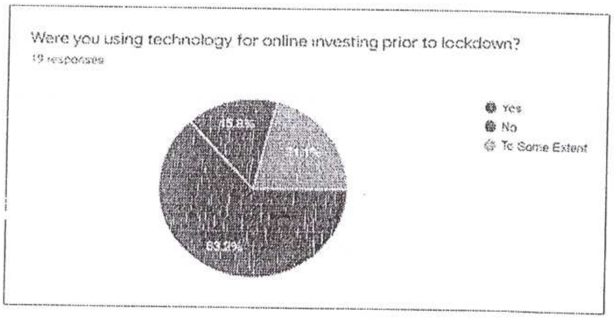
1. Advisor's age is from 35 years to 62 years.
2. 63% advisors are post graduate, 31% are post graduate and 6% have some other qualification.
3. 58% do not have any other source of income other than financial advisory, 42% have other source of income.

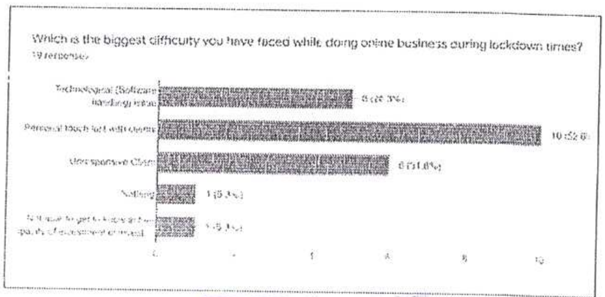
Results of the survey as per question are –











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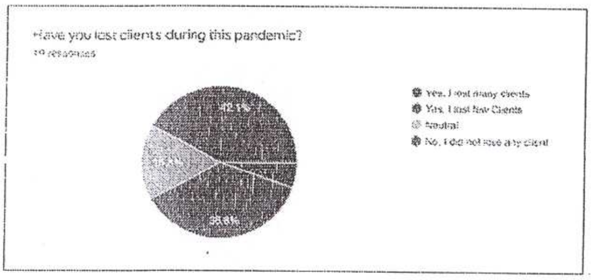

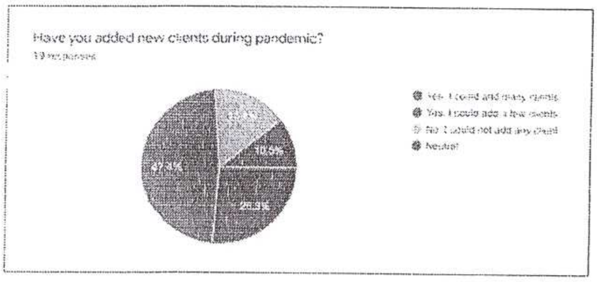

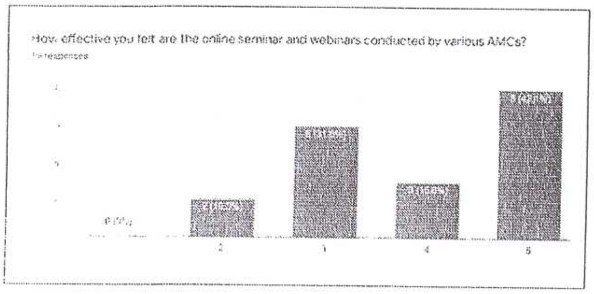

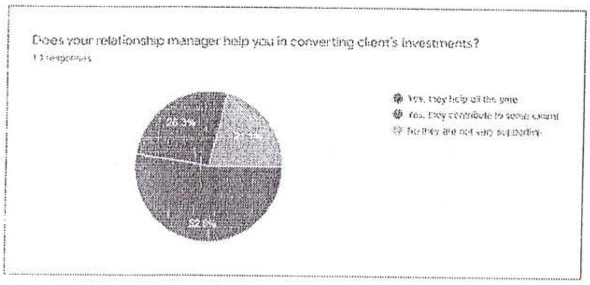

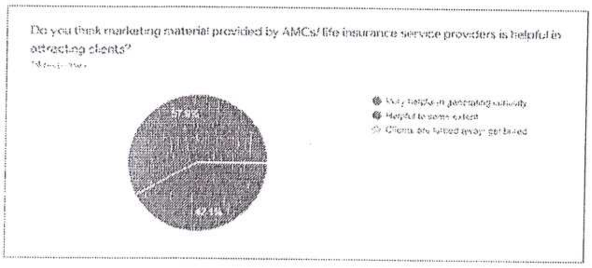

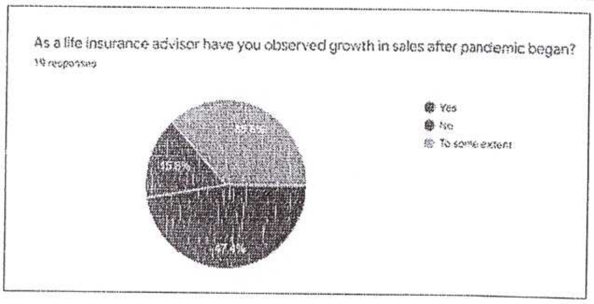

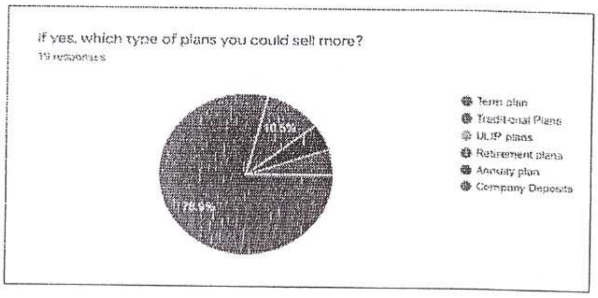

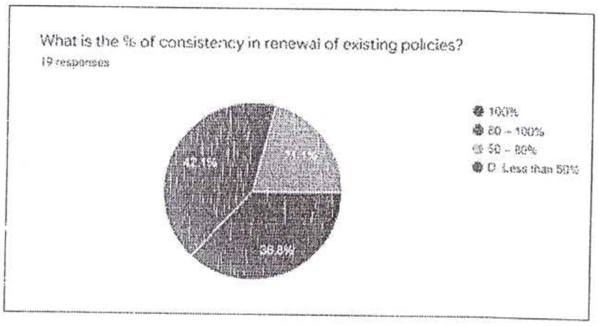

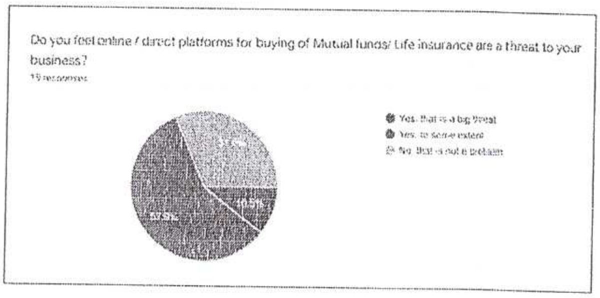

Along with above questions it was observed from the response received to an open-ended question asking to share any other difficulties faced by advisors that carrying out online KYC Process and especially KYC of NRI client is a complicated task. Also controlling such clients those panic in the moment of market goes down is a difficult task. Some advisors feel that brokerage is very low to survive on this business solely.

Not able to meet clients personally is definitely lowering volume of business.

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Conclusion

From the responses to above questions, it can be concluded that for majority of the advisors lead generation is a big challenge. Many of the financial advisors are using technology to expand the business prior to lockdown phase. Many advisors have lost their clients but at the same time, many have added new clients in their business.

Trainings programs arranged by AMCs or Life insurance service providers were effective to some extent as per advisor's opinions. So, there is necessity of more effective training from these institutions. Managerial and technical support is also there however more help and support is expected by advisors from the relationship managers. Growth in business is also observed even after pandemic began. They need more support for lead generation.

Another notable challenge is lack of personal touch with clients, due to lockdown and social distancing, however technology has helped to some extent.

So, this business of financial advisory has a great scope in future also. Majority of financial advisors believe that online platforms is not a big threat. Most advisors prefer to sell term plan in insurance; also, renewal of existing policies was not a big difficulty.

It can be concluded that despite multiple challenges financial advisors are growing and have good potential in future.

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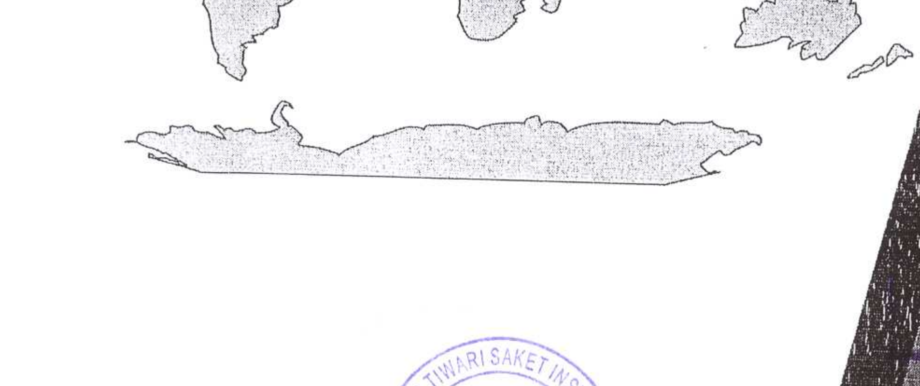

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A STUDY ON THE AWARENESS OF ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (ESG) THEMED MUTUAL FUNDS IN INDIA: A RESEARCH ON SUSTAINABLE INVESTING WITH SPECIAL CONTEXT TO MUTUAL FUNDS

Shraddha Daftardar
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ABSTRACT

Investments are done with the intention of generating better returns. Mutual fund is a financial instrument that helps to generate better returns for various investors with different needs and goals, where fund manager takes the decisions of choosing in which financial instruments, he/she would invest. In Indian Mutual funds market is now few decades old market. With the rise of technology and growing awareness glorious days are coming to this industry. Also, there is an emerging trend of thematic investments. Thematic investing means selecting a particular theme and choosing financial instruments, especially stocks that belong to the theme selected, may be ranking them and then deciding how much money should be put into which stock and managing the portfolio on some strategic regulations.

So out of various such themes, Environmental, Social and Corporate Governance (ESG) is one such theme that focuses on investing in stocks which are a part of sustainable investing. In the global context where we are trying to control pollution, going eco friendly it is logical to say that companies which are following these green norms will survive the competition and hence investing in such stocks will be considered as sustainable investing.

This study will try to find out the basic framework of sustainable investing, mutual funds schemes launched in India with this theme, awareness in the minds of common people as well mutual fund investors regarding this theme. A structured questionnaire is prepared and primary data is collected on that basis. This survey will help to bring into light response towards ESG concept and sustainable investing.

INTRODUCTION

Assurance is a word everyone likes when one is at the receiving end and the same word is scary when one is at giving end. When one starts a business one would be glad to dream about continuation of business with an attractive growth rate. So, when one achieves that growth, we call it as a sustainable business.

We all know change is the only constant thing in this world. The business that accommodates the change and continues to flourish has a sustainable model we can say. Societies are becoming eco-friendly, animal friendly, need more transparency about money management and are concerned about how the business organizations are behaving on all these fronts. So, there is this new theme of investment promoted now a days widely.

Environmental, social, and corporate governance (ESG) is an approach to evaluating the extent to which a corporation works on behalf of social goals that go beyond the role of a corporation to maximize profits on behalf of the corporation's shareholders. Typically, the social goals advocated within an ESG perspective include working to achieve a certain set of environmental goals, as well as a set of goals having to do with supporting certain social movements, and a third set of goals having to do with whether the corporation is governed in a way that is consistent with the goals of the diversity, equity, and inclusion movement.

A variety of governmental organizations and financial institutions have devised ways to measure the extent to which a specific corporation is aligned with ESG goals. According to a 2021 study done by the NYU Stern Center for Sustainable Business, which looked at over 1,000 studies, "studies use different scores for different companies by different data providers."

Many in the investment industry believe the development of ESG factors as considerations in investment analysis to be inevitable. The evidence toward a relationship between consideration for ESG issues and financial performance is becoming greater and the combination of fiduciary duty and a wide recognition of the necessity of the sustainability of investments in the long term has meant that environmental social and corporate governance concerns are now becoming increasingly important in the investment market. ESG has become less a question of philanthropy than practicality.

There has been uncertainty and debate as to what to call the inclusion of intangible factors relating to the sustainability and ethical impact of investments. Names have ranged from the early use of buzz words such as "green" and "eco", to the wide array of possible descriptions for the types of investment analysis — "responsible investment", "socially responsible investment" (SRI), "ethical", "extra-financial", "long horizon investment"

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(LHI), "enhanced business", "corporate health", "non-traditional", and others. But the predominance of the term ESG has now become fairly widely accepted. A survey of 350 global investment professionals conducted by Axa Investment Managers and AQ Research in 2008 concluded the vast majority of professionals preferred the term ESG to describe such data.

The ESG companies are assessed stringently on their sustainability before they are given the tag. The ESG parameters reflect on an organization's culture, the risk involved, and management, among other things. ESG funds are suitable for those that are looking to invest in companies that are sustainable and conscious about the environment. An organization is said to be ESG compliant if it meets all the criteria of environmental, social, and governance standards. The ESG funds carefully evaluate companies and choose to invest in shares of those companies that are genuinely ESG compliant. India is becoming more conscious of pollution control and climate change. Companies that are strictly following all the steps to protect the ecosystem around its factories and outlets are not in the firing line of the regulators, and chances of being shut down are reasonably low. The possibility of the business being shut down is higher for those who do not abide by the set of rules and norms to protect the environment.

The Essence of ESG in the Indian Market

The demand and growth for ESG funds in Asia, especially in India, has been overwhelming; it is 32%. In India, people are becoming more interested in sustainability due to several parameters. Factors such as regulatory requirements have played a significant factor in pushing the companies to be ESG compliant. In fact, there are instances of organizations being shut down for not abiding by the laws. Therefore, many companies have become ESG compliant after knowing the consequences of not being so. Apart from the regulatory requirements, another factor influencing the companies to be ESG compliant is the interest of foreign investors. Foreign investors are becoming more interested in those companies that are sustainable and ESG compliant.

What does an ESG rating mean?

A good ESG rating means a company is managing its environment, social, and governance risks well relative to its peers. A poor ESG rating is the opposite -- the company has relatively higher unmanaged exposure to ESG risks.

Who determines ESG ratings?

ESG rating data determiners (vector)

ESG Risk Assessments & Insights (ESGRisk.ai) determines and provides access to ESG ratings, complete access through subscriber model, & company-specific ratings on-demand, ESG training and consultancy.

ESG Risk Assessments & Insights (ESGRisk.ai) is India's first ESG Rating company that uses a India specific assessment framework to provide independent and unbiased ESG assessment reports on Indian companies via a 'subscriber pays revenue model. We are dedicated to India's journey towards the adoption of sustainable development models for achieving the country's development commitments and targets.

ESGRisk.ai provides ESG ratings of 500 Indian listed companies, by evaluating their performance on Environment, Social, and Governance parameters as well as their reporting transparency. Its assessment approach includes identification of relevant risks, estimation of materiality and polarity of the risks, and assessment of the company's risk management. This comprehensive evaluation is summarized and presented to the users, most commonly investors, banks, companies or research institutes, as a rating and presented to investors in a rating report with details on performance on each indicator. ESGRisk.ai continuously monitors the ESG performance of the 500 companies and updates the reports as to when a change in the overall ESG rating occurs.

With this concept in mind some of the mutual fund houses in India launched their schemes with this theme. SBI mutual funds is the first one to launch SEG theme fund in 2013 the trend was followed lately by Axis, ICICI, Quantum India, Kotak and few others. This research paper will try to analyze the awareness about this concept of ESG and ESG themed mutual funds.

REVIEWOFLITERATURE

1. Archies B. Carroll – University of Georgia,

A Three Dimension Conceptual Model of Corporate Performance

In this paper the researcher has tried to focus more on the aspects of Corporate Social Responsibility and thrown light on areas where businesses need to be more responsible and sensitive. Researcher has put forth three

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aspects on which corporate performance can be evaluated, first is social responsibility. It has studied various examples and tried to identify various levels of responsibilities of a business organization. According to the researcher there are four levels of social responsibilities of business viz – Economic, legal, ethical and discretionary.

Second is social issues involved, how a business has matched a social need and a corporate need. How much was interest shown by top executives to and their seriousness about social cause.

Third parameter is philosophy of responsiveness, whether businesses are inert or proactive towards social responsibility. Researcher has proposed a workable model to evaluate business performance not only from economic angle but from ethical, product safety, environmental effects, shareholders etc.

2. Zachary Folger-Larondea School of Environment, Resources and Sustainability, University of Waterloo, Waterloo, Canada

ESG ratings and financial performance of exchange-traded funds during the COVID-19 pandemic

Researcher found it necessary to study whether responsible investments (RI) are resilient during the economic downturn caused by crises such as COVID-19, there has been little exploration into exchange-traded funds (ETFs).

OBJECTIVES

A. Is there a significant difference in the financial return between levels of Eco-Fund ratings of ETFs during a market downturn?

B. Is there a relation between Eco-Fund ratings and pre-COVID-19 pandemic financial returns, and the return of ETFs during the COVID-19 pandemic market crash?

To investigate the differences in weekly financial returns between different levels of Eco-Fund ratings during the COVID-19 pandemic market crash, we use an ANOVA and a Tukey test to specify which quintiles show statistical differences. To analyze the relationship between weekly financial returns during COVID-19 of the ETFs with Eco-Fund ratings and previous weekly financial returns, a multivariate linear regression model was performed.

The research concludes that in order to assess the performance based on ESG rating some factors impacting are - persistent lack of transparency and concerns in their performance measurement methodology, (1) indicators for responsiveness during a health crisis, and (2) ESG rating methodology transparency. This research focused solely on financial performance during a severe market downturn. Future research could investigate the similar relationships before a market downturn and in financial markets

RESEARCH METHODOLOGY

This research is conducted as a part of international research conference with the theme of India after 75 years, hence studying the sustainability aspect of investing is taken into consideration here. The researcher has studied approximately 8-9 ESG themed mutual funds and conducted research with following objectives –

1. To study the awareness about the concept of ESG amongst Indian population
2. To study the awareness of ESG theme mutual funds in the minds of Indian investors
3. To analyze the performance of ESG theme mutual funds in the context of AUM(Asset Under Management)

Primary Data – Primary data is collected with detailed personal interview with mutual fund house resource person. Also a structured questionnaire through google form is circulated.

Secondary Data – Secondary data is collected using internet various research paper published, articles published and Mutual funds house reference material is used.

LIMITATIONS –

Respondents are restricted mostly to a particular geographic area of Maharashtra. Extended research may vary the conclusion.

Data Interpretation and Analysis

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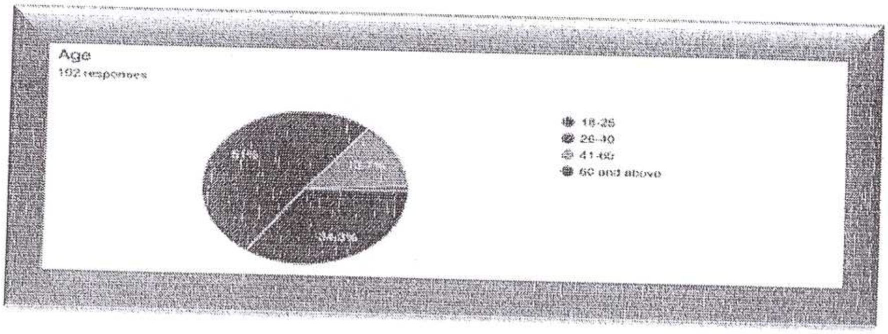
Part I: List of Mutual funds schemes with ESG theme

AMC Name	Scheme Name	Launched in the year	AUM as on April 31/03/2022 (Approx)
SBI Mutual Funds	SBI Magnum ESG Equity Fund	01/01/2013	4583 Crores
Aditya Birla Capital	Aditya Birla Sunlife ESG Fund	04/12/2020	1061 crores
Axis Mutual Fund	Axis ESG Equity Fund	12/02/2020	1897 Crores
ICICI Mutual Fund	ICICI Prudential ESG Fund	21/09/2020	1560 Crores
Invesco India Mutual Fund	Invesco India ESG Equity Fund	26/02/2021	820 Crores
Kotak Mutual Fund	Kotak ESG Opportunities Fund	20/11/2020	1619 Crores
Quant Mutual Fund	Quant ESG Equity Fund	15/10/2020	53 Crores
Quantum Mutual Fund	Quantum India ESG Equity Fund	21/06/2019	58 Crores

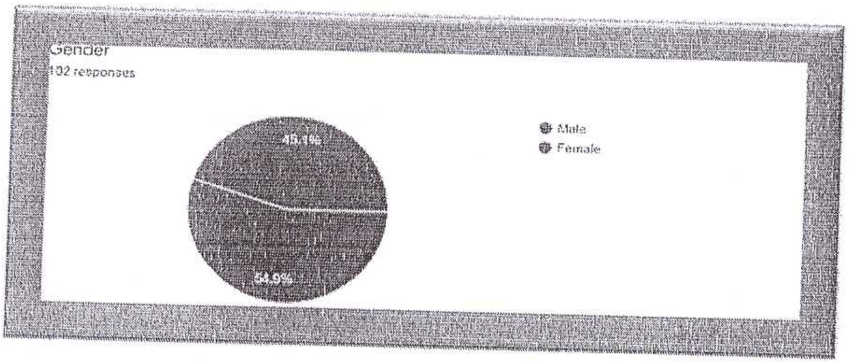
Part II

A structured questionnaire was prepared and circulated amongst investors mostly in Maharashtra Mumbai and Pune region. For this questionnaire we have received 102 responses. Detailed analysis of the survey conducted for the above topic is as below question by question.

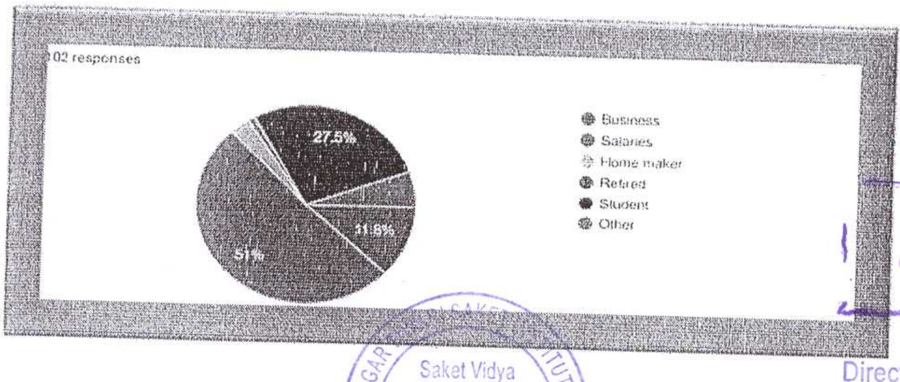
Q.1 Out of 102 respondents 51% are from age group of 26-40, 34% from 18-25 and 13% from 41-60



Q.2. It can be seen from the graph that 55% of the respondents are male and 45% female



Q.3. It can be seen that 51% of the respondents are salaried people, 27% were students, 12% are doing business, 6% other, 3% homemaker, 1% retired.



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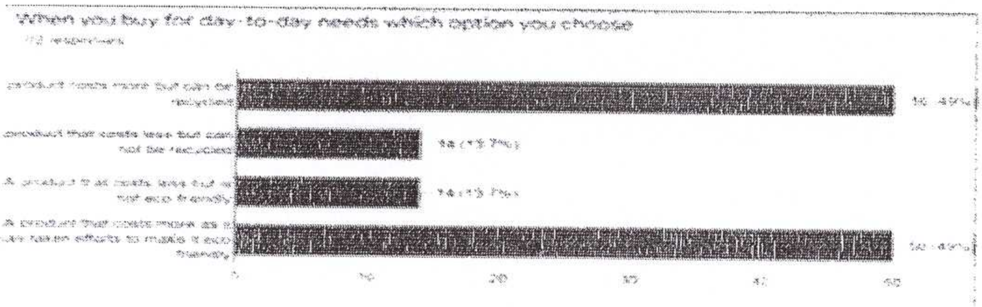
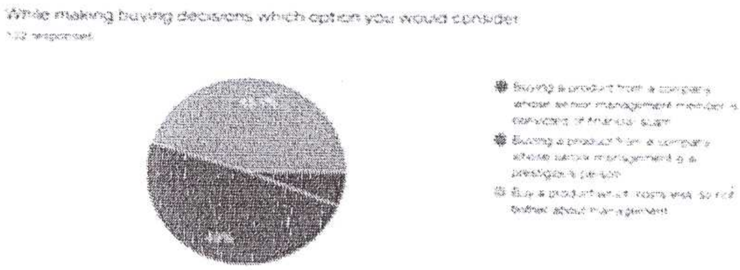
Q.4.



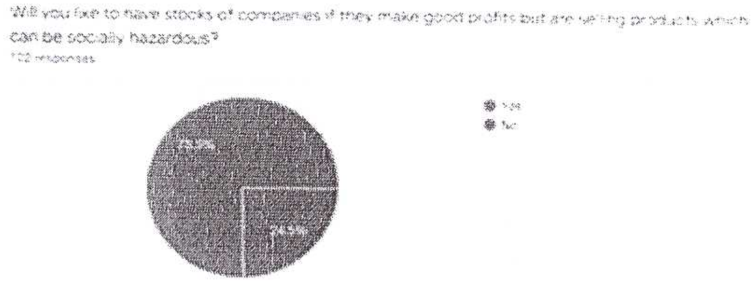
This question allowed to give multiple choices at the same time. From the above graph it can be seen that 50% response to the option number 1 and 4, so majority of the investors are willing to buy product that costs more that is eco-friendly and can be recycled. Whereas, 14% respondents prefer buying products that cost less but can not be recycled and that is not eco friendly.

Q. 5



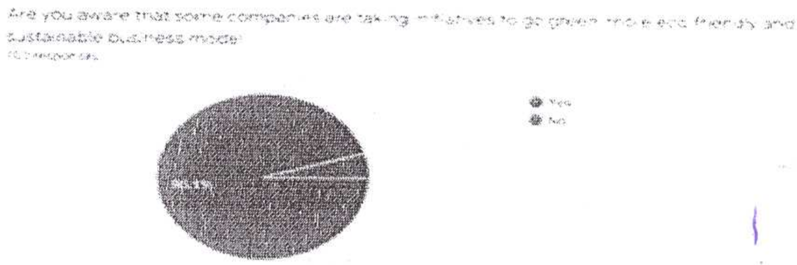
. From the above graph it is observed that 49% of the respondents will consider buying a product from a company whose senior manager is a prestigious person. Whereas, 45% will prefer buying a product that costs less and do not bother about management. 6% of the respondents do not mind buying a product of a company whose senior management member is convicted of financial scam

Q.6



76% respondents will not prefer having a stock of a company which makes hazardous products but makes good profit whereas 25% will prefer the same.

Q.7



It is seen here that majority of the respondents are aware about concept of sustainability, green initiatives and eco-friendly business model.

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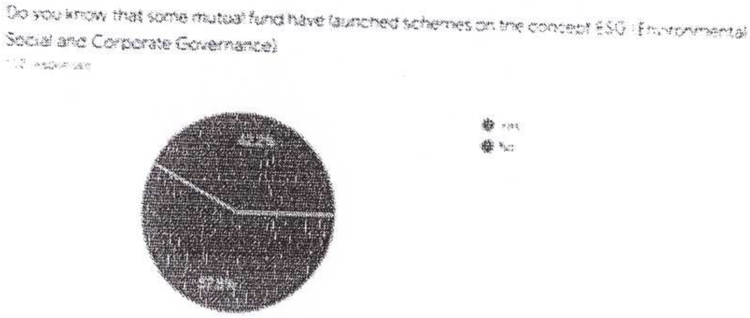
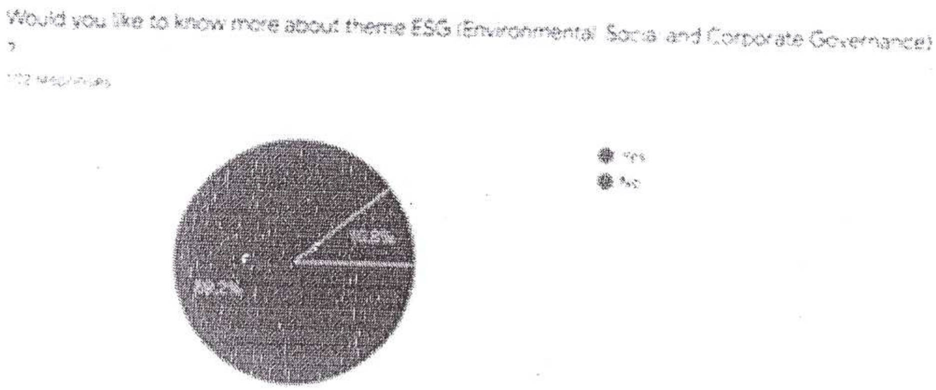
Q.8



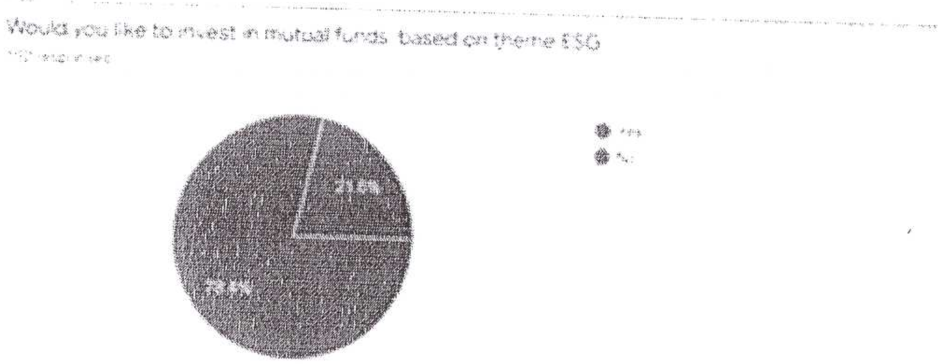
From the above diagram it is observed that 58% of respondents are not aware of sustainability concept of ESG that is Environmental, Social and Corporate Governance, 42% are aware of the same.

Q.9



It can be clearly seen that 89% of respondents would like to know more about ESG theme where as only 11% did not show further interest.

Q.10



It can be interpreted from the above chart that approximately 79% of the respondents would like to invest in ESG theme based mutual funds. At the same time 21% are not interested in the same.

CONCLUSION

From the above data collected following can be concluded –

- Indian investor is concerned about environment.
- Indian investor are welcoming products which are eco-friendly and are ready to pay more for the same.
- Indian investors to some extent, are aware of sustainable investing with Environmental, Social and Corporate Governance (ESG) theme.

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- Also investor is willing to know more about the intriguing concept and willing to invest in mutual funds with this theme.
- Better guidance of an expert in sustainability as well as mutual funds can bring more business in these themes.
- This can encourage more and more companies to undertake green initiative, implement better work policies and introduce socially beneficial products.

RECOMMENDATIONS OF THE RESEARCHER –

More awareness can be created for this concept by conducting Investor Awareness Program (IAP).

Investor who is willing to go ahead with this kind of investing should seek help from advisor, know pros and cons of the product and should take and informed decision.

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AN ANALYTICAL STUDY ON IPOS LISTED ON INDIAN STOCK EXCHANGES

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Abstract:
An Initial Public Offer (IPO) is said to be the largest source of funds with long or indefinite maturity for the company. It is considered to be a quick source of financing for expansion and growth of the business. A number of companies raising capital through IPOs is observed to be increasing. However, investors investing in the IPOs consider it as a means to earn speculative. The average returns by the selected IPOs being quite impressive, investing in IPOs for a short – term can prove to be a lucrative option. Inspite of the pandemic situation, a good number of IPOs were observed to be launched and the number still increases till date with a good number of total issue size. The research paper thus, tries to identify the sector wise successful IPOs at NSE and BSE in the last two years. It also tries to explore the relationship between size of the IPO and success rate of the IPOs. The research paper enables to identify the response received by the entrepreneurs from the capital markets, and the businesses for which investors have a positive perception. The research is conducted by referring to real time data of all the IPOs listed on NSE as well as BSE from year 2020 to 20th May 2022.
Keywords: *Initial Public Offerings (IPOs), success rate of the IPOs, price band and subscription level of the IPOs*

A. Introduction:

A corporate may raise capital in the primary market by way of an initial public offer, rights issue or private placement. An Initial Public Offer (IPO) is the selling of securities to the public in the primary market. It is the largest source of funds with long or indefinite maturity for the company.

An IPO is an important step in the growth of a business. It provides a company access to funds through the public capital market. An IPO also greatly increases the credibility and publicity that a business receives. In many cases, an IPO is the only way to finance quick growth and expansion. In terms of the economy, when a large number of IPOs are issued, it is a sign of a healthy stock market and economy. IPOs listed on SMEs board are more efficient in price discovery than IPOs listed on Main board. At the same time IPOs listed on SME board have seen lower demand even though they were under-priced. SME IPOs are yet to catch full attention of the research community. The SME IPO market is still evolving and facing issues with respect to transparency and risk. (Wazal Makarand, Sharma Sudesh Kumar, 2020). Even though number of companies raising capital through IPO method are increasing, the investors investing in these

IPOs still view this option as a means to earn speculative. The average total return provided by the selected IPOs on the listing day is 23.67 and the abnormal return provided by these IPOs over and above the market return is 23.14 which are quite impressive. Thus, investing in IPOs for short term can prove to be very lucrative option and can help the investors to make handsome gains in very short period of time. (Manu K.S., Saini Chhavi, 2020). The IPO market has moved towards a trend where a large amount of capital is raised from a small number of issues which also indicated an overall increase in the quality of issues, instead of quantity. Further, the behaviour of the Indian IPO market across various policy periods analysed through dummy regression model shows that due to the introduction of book building concept in 1995 which marked major structural reforms in the IPO market, both number of issues and amount raised gave a negative ACGR during globalisation period. (Singh Amit Kumar, Mohapatra Amiya Kumar, 2020).

Book Building is an important concept in the IPO. SEBI guidelines defines Book Building as "a process undertaken by which a demand for the securities proposed to be issued by a body corporate is elicited and built-up and the price for such securities is assessed for the determination of the quantum of such securities to be issued by means of a notice, circular, advertisement, document or information memoranda or offer document".
As per SEBI guidelines, an issuer company can issue securities to the public though prospectus in the following manner:

- 100% of the net offer to the public through book building process
- 75% of the net offer to the public through book building process and 25% at the price determined through book building. The Fixed Price portion is conducted like a normal public issue after the Book Built portion, during which the issue price is determined.

The concept of Book Building is relatively new in India. However it is a common practice in most developed countries.

Difference between Book Building Issue and Fixed Price Issue:

In Book Building securities are offered at prices above or equal to the floor prices, whereas securities are offered at a fixed price in case of a public issue. In case of Book Building, the demand can be known everyday as the book is built. But in case of the public issue the demand is known at the close of the issue.

B. Objectives:

1. To study the success rate of IPOs listed on NSE and BSE in last 2 years
2. To analyse sector-wise performance of IPOs
3. To analyse if there is relationship between size of the IPO and success rate of the IPO
4. To analyse if there is relationship between price band and subscription level of the IPO

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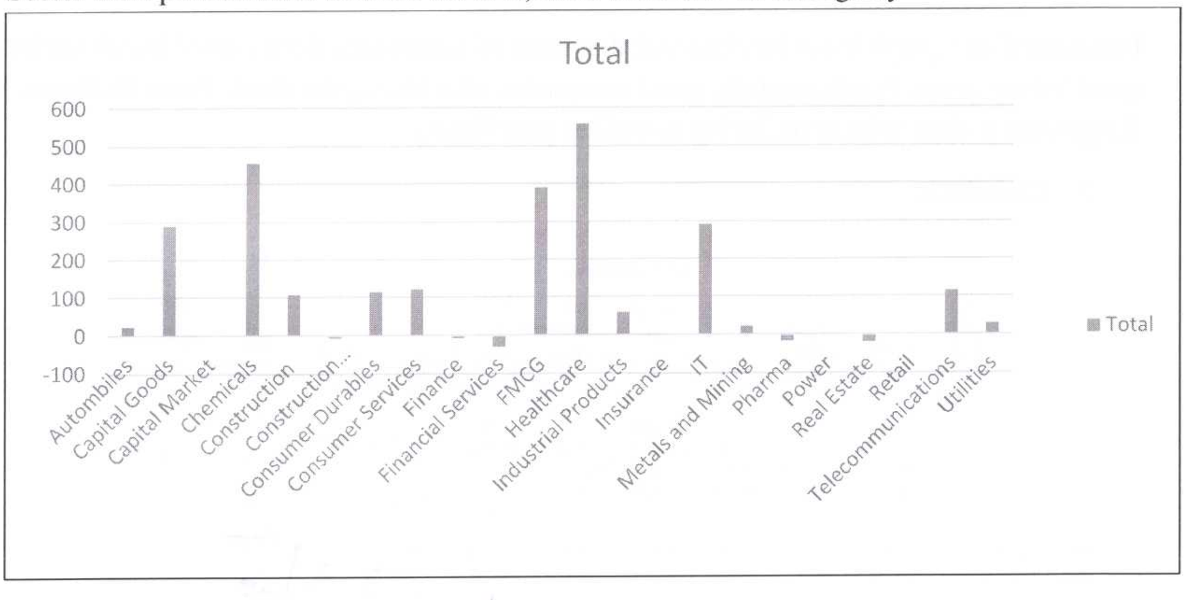
C. Research Methodology:

The research conference in which the paper is being published is based on themes of leadership, entrepreneurship. With the help of this paper one will be able to identify how the entrepreneurs have received response from capital markets. Which are the businesses for which investors have a positive perception. The research is conducted by referring to real time data of all the IPOs listed on NSE as well as BSE from year 2020 to 20th May 2022. This will help to analyse quantitative factors like success rate of IPOs on listing day, post listing performance. Also a qualitative aspects of selective IPOs is done which takes into consideration various factors like governance, stakeholders and sectoral analysis. The data is collected using real time live updated NSE and BSE website and trading terminals. It is also supported by various research paper published, articles published and Mutual funds house reference material is used.

D. Detailed Analysis of the IPOs:

In spite of COVID-19 disturbance 14 IPOs launched in the year 2020 with total issue size 26180 crore rupees. All the IPOs were oversubscribed, highest oversubscription garnered by FMCG and consumer service sector. Whereas lowest response received by financial services sector. In an unpredictable and volatile year 2021 total 59 IPOs were launched with total issue size of 122112.98 crore rupees raised by primary market. In the first quarter of 2022 and May first half 9 IPOs have already been registered and 31851 crore rupees have already been raised.

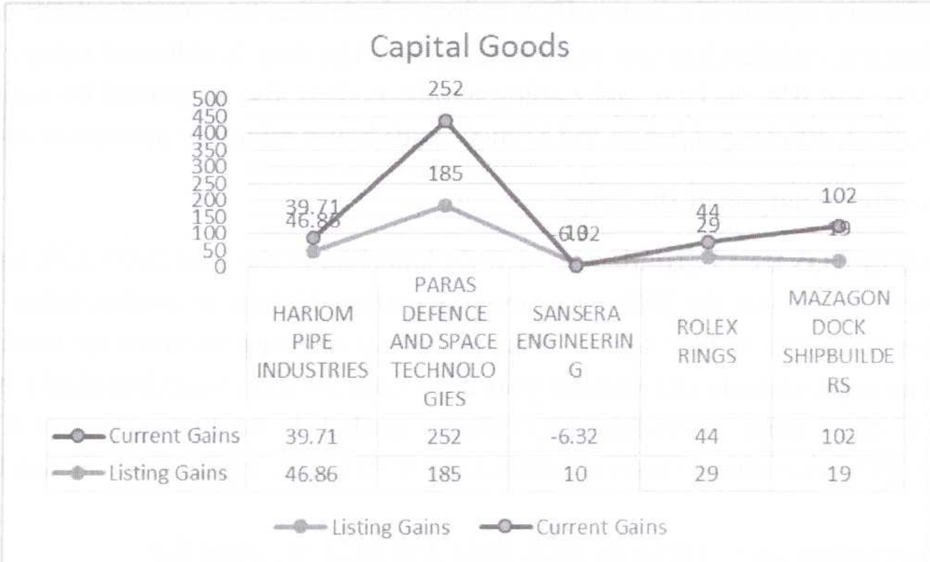
Sector wise performance of IPOs in 2020, 2021 and 2022 on listing day



From the above chart we can clearly see that Healthcare care sector has received maximum gains on listing day, followed by Chemicals, FMCG, IT and capital goods. Whereas, Consumer durables, telecommunications, Consumer services, Industrial products, received average returns on listing day. It was observed that real estate, financial service were not successful on listing day.

Detailed sectoral analysis on listing day –

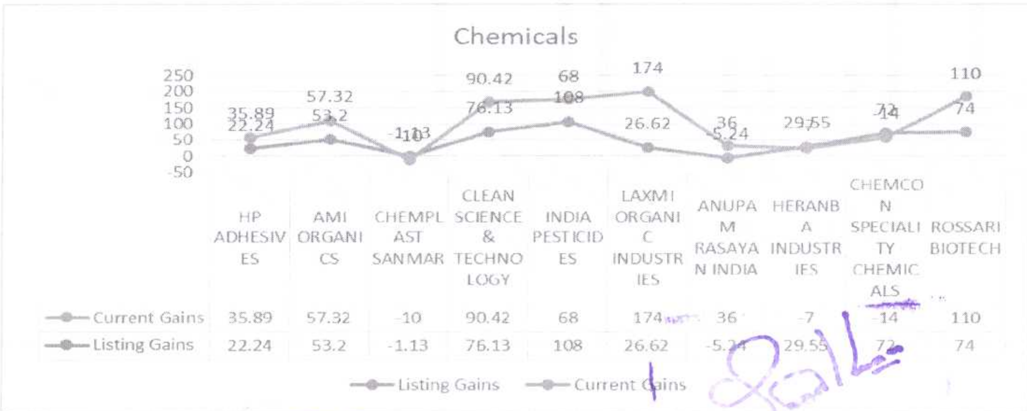
1. Capital Goods –



	HARIOM PIPE INDUSTRIES	PARAS DEFENCE AND SPACE TECHNOLOGIES	SANSERA ENGINEERING	ROLEX RINGS	MAZAGON DOCK SHIPBUILDERS
Current Gains	39.71	252	-6.32	44	102
Listing Gains	46.86	185	10	29	19

From the above graph it can be observed that most of companies from capital goods sector got a good listing gains. Fundamentally good companies like Mazagaon dock, Paras Defence, Rolex Rings were a clear winner on listing as well as post listing.

2. Chemicals –



	HP ADHESIVES	AMI ORGANICS	CHEMPLAST SANMAR	CLEAN SCIENCE & TECHNOLOGY	INDIA PESTICIDES	LAXMI ORGANIC INDUSTRIES	ANUPAM RASAYAN INDIA	HERANBA INDUSTRIES	CHEMCON SPECIALITY CHEMICALS	ROSSARI BIOTECH
Current Gains	35.89	57.32	-10	90.42	68	174	36	-7	-14	110
Listing Gains	22.24	53.2	-1.13	76.13	108	26.62	-5.24	29.55	72	74

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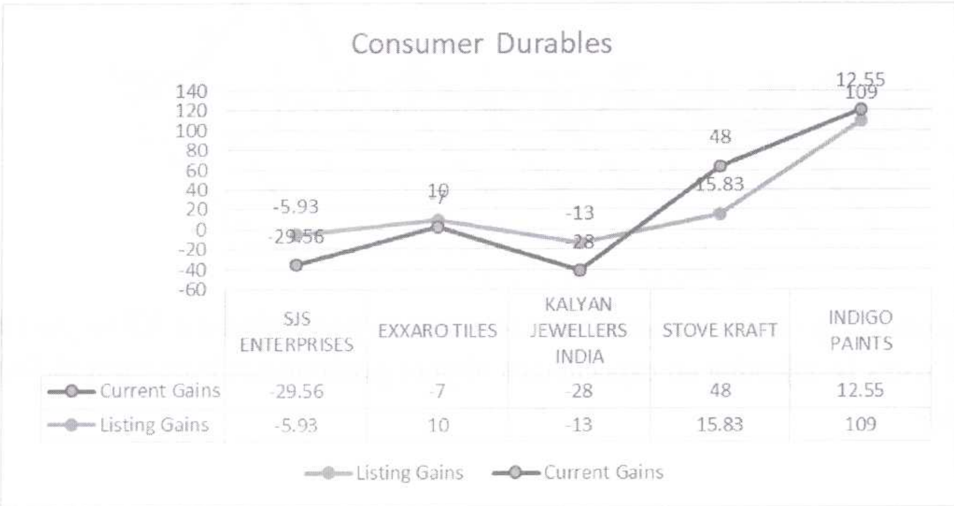
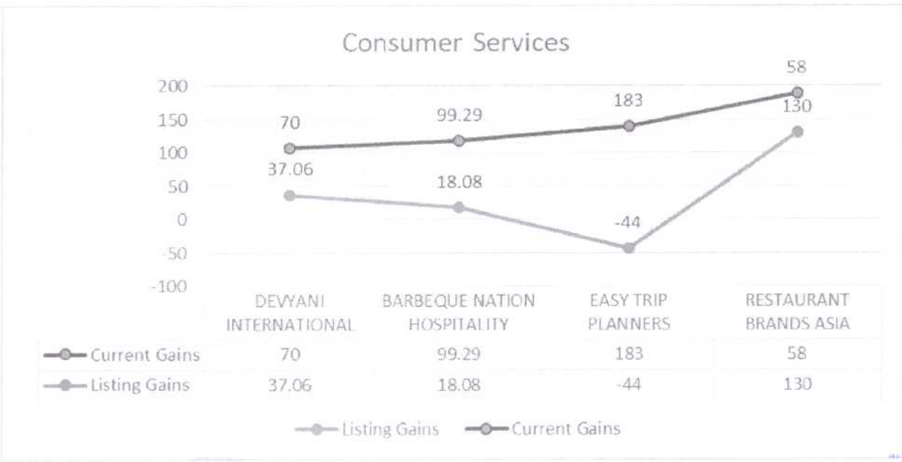
Amongst the companies from chemical sector, majority of the IPOs were hit on listing, and continued the winning momentum post listing too. Few of the IPOs like Herbana Industries could not perform on listing but gained positive returns later.

3. Consumer Durables



Consumer durables sector shows a mixed response, some being great performers like Indigo paints, Stove Kraft giving good returns on response. Big names like Kalyan Jewellers, Exxaro Tiles did not give good returns.

4. Consumer Services



From the above graph we can see consumer services sector is a clear winner with most of the hit IPOs and great returns on listing as well as post listing. Consumption rally seems to give good hopes for healthy returns.

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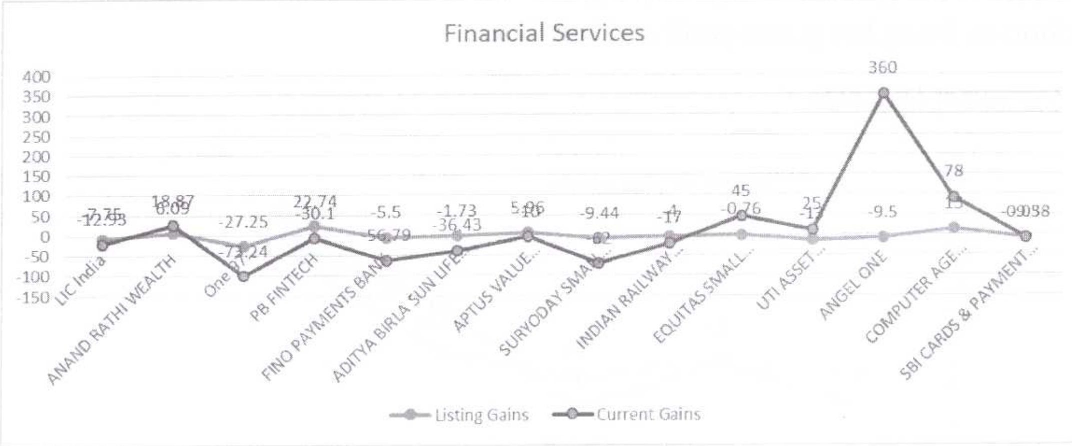
5. Financial Services



A very disappointing performance from Financial Service sector as post lockdown NPAs growth and poor quality of assets is reflecting on expectations of poor performance from most of financial sector companies.

6. FMCG –

FMCG is one sector investors are betting on, however we can see FMCG with reliable business structure and were fundamentally strong, have proven themselves for long term and few businesses were overvalued on IPO as they lost the gaining momentum.

7. HealthCare

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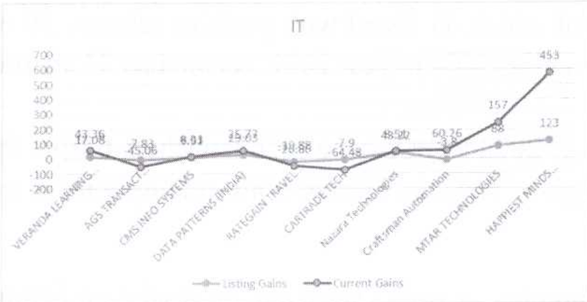
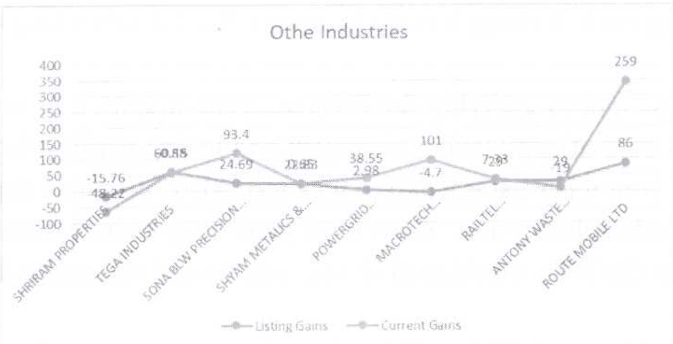
Another bullish sector and more investors and analysts betting on it to be a long term player, with most of IPOs giving commendable returns, however, we can see valuation, pricing and fundamentals cannot be ignored.

8. IT



The glamorous sector IT has not done great when we talk about IPOs, few names like Happiest Minds and Nazara Technologies were a good bet. Others failed to perform on as well as post listing.

9. Other Sectors



Among other sectors, Power, and Telecommunications are a good bet while real estate, metals etc need time to get good valuations.

E. Observation:

Capital markets have received very good response not only from institutional investors but also sizable participation by retail investors. Some interesting facts are found from the above study. Looking at the number of IPOs launched in first quarter of 2022 and their size, it can be predicted that for the rest of the year we can see more IPOs in 2022 than IPOs launched in 2021.

Talking about the success of the IPOs, it is categorized on two parameters first is gains on listing day, second is gains post listing. It is observed that stocks of companied from healthcare sector, Chemical, IT has more success on listing day as well as post listing.

In 2020 13 IPOs were launched out of which 9 saw a positive listing with average return of 71 %. As on date 11 are trading above IPO price.

In 2021 59 IPOs were launched out of which 41 listed with positive returns, 18 with negative returns. Average return for IPOs trading was 30% in year 2021. As on date 33 are trading at price above the IPO price.

From January 2021 till first half of May 2022 9 IPOs have been launched, 6 from the same gave positive returns on listing with average of 12%, as of now 5 are trading with price above IPO offer price.

- 56 stocks were hit on listing, number of stocks were not successful on listing.
- 25 stocks were trading negatively on listing day,
- 15 Stocks hit on listing but today trending at below IPO offer price.
- 17 stocks which not hit on and still trading below the IPO offer price.
- 9 Stocks were listed ate below IPO offer price but gained momentum later and are trading positively.

There are multiple factors that affect the listing day performance of in IPO. The traders who bet on listing day, not interested in holding stock for long have to bear with the risk of tanking down on the listing day.

There are many investors who are now a days applying for IPOs with the intention of making money in short term, as the whole process of application, allotment and listing hardly takes 15-21 days. Getting allotment of IPOs on your wish-list is a part of luck too. Also, allotment depends on the rate of oversubscription and undersubscription. Short term gains may seem lucrative. If you total the listing day gain for all of the IPOs mentioned above, one would still make decent profit.

But one thing that has to be kept in mind is not all IPOs will be allotted to one investor. Secondly, to be become a listing day trader one must be mentally prepared to clear the position on same day not matter you are making profits or losses. However, investors will tend to hold on loss making IPO positions. This will block the capital and one has to pour more money to catch next IPOs. Otherwise situation can be like where one has stuck money in loss making IPOs and no capital to invest further.

So trading on IPOs and making profit on listing days has two important aspects; first is getting allotment of a good IPO secondly choosing IPOs after fundamental analysis and then if IPO get allotted then deciding exit point.

Here we put some of the case by case IPOs performances as on listing and post listing

1. SBI Cards – Much discussed, potentially good IPO but got hit by COVID-19 and listed at 12% discount it took almost 6 moths to gain positive returns.

2. It was observed that in spite of second wave fears of COVID 19, when businesses found out ways to continue in spite of lockdown type restrictions, IPOs like Burger King India, Happiest Mind Technologies, Rossari Biotech gave great listing gains.
3. Year 2021 saw great liquidity also great hike in national indices making favourable environment and optimistic investors.
4. In the year 2021, 9 out of 10 IPOs got oversubscribed more than 20 times of the size of the issue.
5. More than 20 IPOs launched in 2020 gave positive results on listing day giving more than 10% returns however, only 14 from them continued to maintain positive returns post listing also.
6. The companies issuing fresh capital, with less size IPO gave a surprise to its investors Sighachi Industries gave a whopping 207% returns. Paras defence and space technologies gave 185% returns.
7. Whereas One 97 communications(Paytm), Shri Ram Properties, Aditya Birla Sunlife AMC like reputed names disappointed investors on listing days.
8. Tatvachintan Pharma Chemicals was expected to be good an proved good, however many analysts, fundamentalists were not expecting a loss making Zomato IPO to give positive returns on listing day, however it was trading at premium on listing howver later the boom based on brand name and social media influence vanished and it tanked low.
9. LIC the big name in Financial Institutions has done lot of market research to find out right pricing, size of issue, waited patiently for right time of launching IPO, went through cumbersome legal formalities. Majority of the markets players expected to gain good however it turned out a heart-breaking failed IPO as on listing.
10. Nazara technologies, G R Infra, Anand Rathi Wealth gained good results.

F. Conclusion:

Efficient market hypothesis has its own charm. It never fails to shock market participants and proves that market discounts everything. There can be not a sing strategy to select IPOs with high success rate also weather IPO or secondary market there cannot be success formula.

However it does not mean one cannot get returns by trading on IPOs. Technique for making money from IPOs is to first undertake fundamental analysis. Analyse the companies from bottom-up approach. Even though the study says, Healthcare, Chemical IT have done great job one has to be selective while choosing the right candidate from every sector. Also from above study it is observed that out of 81, 80 IPOs were oversubscribed. The pricing of the issue is still a matter of concern. Even though IPO lot size is more or less same still pricing range also holds a greater impact on subscription level, this level ultimately creates a buzz and reflects on listing day pricing as well as listing day trades.

It can be conclude there is no direct relationship between size of the IPO and its success, some big ticket IPOs like LIC has failed and some small size IPOs like Sighachi Industries gave enormous returns.

It can be concluded that IPOs with high price range has given average returns but majority of IPOs has followed mid-range pricing have seen better chances of getting higher returns.

One has to also pay attention of level of stake of promoters offered in IPO, % allocation to QIBs, HNIs and retail investors and the subscription level. One has to thoroughly understand prospectus or red herring prospectus. One should not go on blindly following market tips and bet in IPOs. One should consult the financial advisor, stock broker before investing in IPOs. Liquidity also should be taken into account because if one invests with intentions of short term gains and if IPO fails then your money may get stuck.

Also there are maximum possibilities of gaining from IPO by giving it time to prove itself in the market make money in long term.

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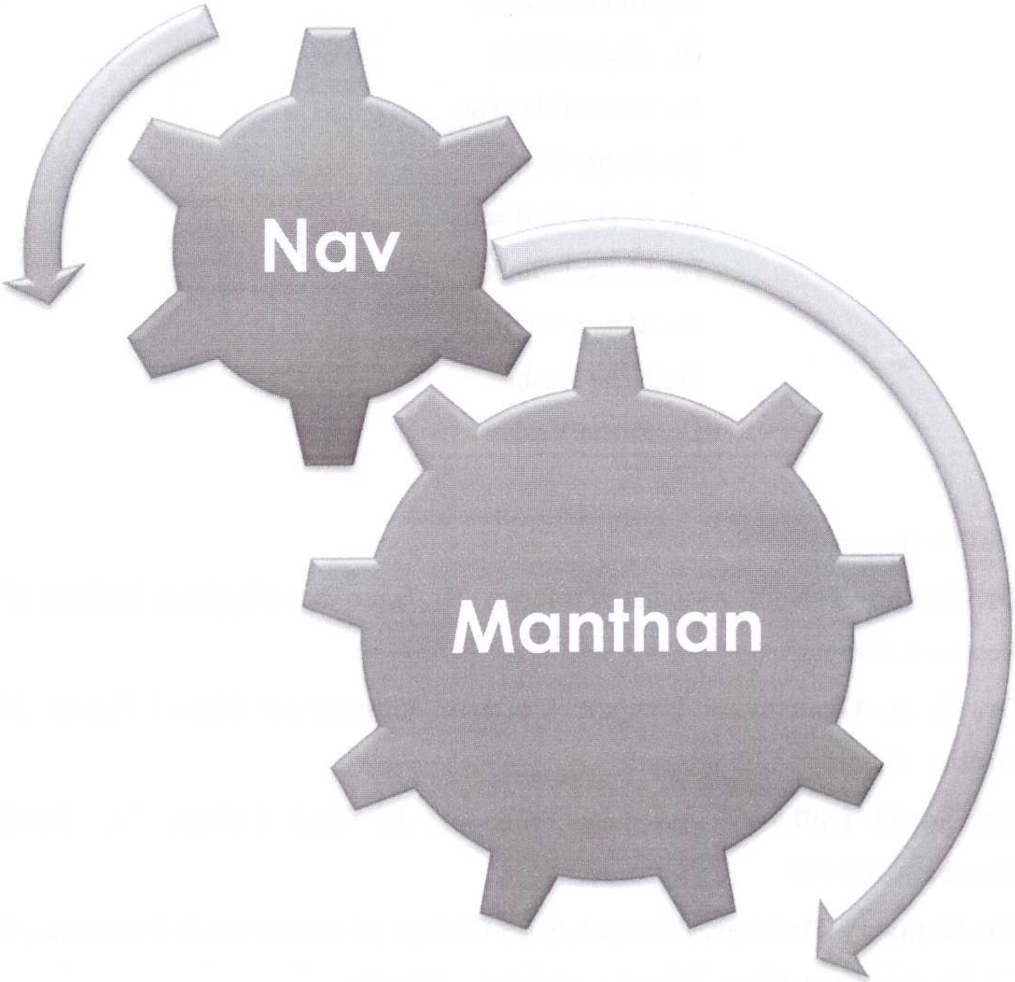

A Peer Reviewed Research Journal

November 2022 Volume- 9, Issue- Conference Special Issue

SVKM's Narsee Monjee College of Commerce and Economics.
JVPD scheme, Vile Parle (W), Mumbai 400 056.

Nav Manthan

A Double Blind Peer Reviewed Annual Research Journal

Volume - 9, Issue – Conference Special Issue: November 2022

Editorial

Nav Manthan is an annual peer reviewed interdisciplinary journal and ascends a maiden flight across the globe as an academic Journal, distinctive in its experimental area. This is inclusive of a broad spectrum of leading schools of thought. It is independent of its kind that inspires up-to-date research endeavour from research territory, deliberation, and latest nuances in the field of Commerce, Economics, Psychology, Law, Finance and other field of academics. We encourage all categories of learners and learned from different areas for a cross cultural exploration and subsequent innovation of subjects concerned.

We express our sincere gratitude to all the renowned contributors for this special issue who all had participated and presented papers in the International Conference on 'Sustainibility in the Post Covid Era', organised by IQAC and Research Committee of SVKM's Narsee Monjee College of Commerce & Economics (Autonomous) held on 26th November, 2022.

There were 24 papers presented by 36 presenters during the conference from around the globe and all had spoken on various aspects of sustainability after Covid Pandemic, such as challenges to economic sustainability of business, challenges to social sustainability, challenges to environmental sustainability, etc.

The basic objective of the conference was to study and analyse experiences of various sustainability issues with a practical approach by academic fraternity, industrial experts and professionals.

We appreciate all the paper presenters for their worthy inputs during the conference and taking Nav Manthan to greater heights.

Best Wishes!

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   - Aims and objectives of the research
   - Methodology used
   - Data and interpretation
   - Conclusion
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Nav Manthan

A Peer Review Research Journal

Volume - 9, Issue – Conference Special Issue: November 2022

Contents

AN ANALYTICAL STUDY ON AUM GENERATED BY ESG THEMED MUTUAL FUNDS IN INDIA (AMC PERSPECTIVE): A RESEARCH ON SUSTAINABLE INVESTING WITH SPECIAL CONTEXT TO MUTUAL FUNDS

***Shraddha Daftardar**

Abstract:

Mutual funds are essentially meant to generate wealth for its investors. There are various categories under which Asset Management Companies launch different schemes. One of such category is thematic mutual funds and under this category further classification is of ESG theme mutual funds. ESG stands for Environmental, Social and Governance this terminology is a synonym for sustainable investing. In India till present date 9 such themes are available, out of which only one was launched in 2013 rest all are launched in or post year 2020. This leads to an interesting study as to what has been performance of these schemes. How they have received response from the investors. The study here shows that most of the mutual fund houses have successfully launched these theme and got good investor response. However matter of concern is how is investor looking at it? Are they investing consciously after getting enough knowledge of the theme? If they are not educated enough then what actions AMC should take to create awareness about sustainable investing? It has given rise to new research topics that will analyze the investor's perception, AMC actions and cash flows generated and returns of these schemes.

Keywords: ESG investing, sustainable investing, mutual funds

Introduction:

Mutual Funds is a financial instrument through which an individual, an institutional

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investor, High Net-Worth individuals, Government and semi-government agencies can invest in array of financial securities. It is a process of collecting money from various investors in small-large amounts who are willing to invest but do not have knowledge and/or time. This pooled money is then handled by professional experts called fund managers having knowledge and experience in the field of finance. In India Mutual Funds industry has grown tremendously especially after the sector was opened up for private players. In India there are approximately 44 asset management companies (AMC) which are also known as mutual fund houses. These AMCs launch various type of schemes in which investors can put money. Securities and Exchange Board of India (SEBI) is the body that regulates all activities related to mutual funds along with Association of Mutual Funds India (AMFI). SEBI has categorized mutual schemes depending upon various criteria. One of such category is thematic mutual funds and under thematic category there a sub category called Environmental, Social and Corporate Governance (ESG) theme. This a recent trend which is in context of sustainability. This focuses on selecting such securities especially equity shares which are high on ESG ranking. Concepts like Greenwashing, Carbon Footprints, and Renewable Energy are the buzzword around the globe. Throwing light on Corporate Governance aspect, one of three pillars of ESG, being institutional investors, mutual funds get access to voting rights of companies they are active observers of the companies decisions, some countries also adopt proxy voting policies which acts as a tool for these investors to participate in companies governance and influence the major decisions of the company. This in turn helps to protect investor's rights. This also helps to check whether companies implement the decisions as they have promised to implement or whether they deviate from it. (Maxime Couvert, November 2020)

Socially responsible Mutual Fund (SRMF) have received high cash flow which has high ESG ranking as compared to those who have low ESG ranking. Also the relationship could be established between the returns generated by SRMF with high ESG ranking during volatile market times. It was observed that high rated SRMF have performed better during the times of economic downturns than low rated SRMF. The paper also talks about mutual funds Total Expense Ratio, however these ratios are directly correlated to fund's or scheme's Asset Under Management. The study reveals that in turbulent times investors prefer not to invest in funds with high expense ratio as they found it expensive with context to risk adjusted return. (June 2018) investor, High Net-Worth individuals, Government and semi-government agencies can invest in array of financial securities. It is a process of collecting money from various investors in small-large amounts who are willing to invest but do not have knowledge and/or time. This pooled money is then handled by professional experts called fund managers having knowledge and experience in the field of finance. In India Mutual Funds industry has grown tremendously especially after the sector was opened up for private players. In India there are approximately 44 asset management companies (AMC) which are also known as mutual fund houses. These AMCs launch various type of schemes in which investors can put money. Securities and Exchange Board of India (SEBI) is the body that regulates all activities related to mutual funds along with Association of Mutual Funds India (AMFI). SEBI has categorized mutual schemes depending upon various criteria. One of such category is thematic mutual funds and under thematic category there a sub category called Environmental, Social and Corporate Governance (ESG) theme. This a recent trend which is in context of sustainability. This focuses on selecting such securities especially equity shares which are high on ESG ranking. Concepts like Greenwashing, Carbon Footprints, and Renewable Energy are the buzzword around the globe. Throwing light on Corporate Governance aspect, one of three pillars of ESG, being institutional investors, mutual funds get access to voting rights of companies they are active observers of the companies decisions, some countries also adopt proxy voting policies which acts as a tool for these investors to participate in companies governance and influence the major decisions of the company. This in turn helps to protect investor's rights. This also helps to check whether companies implement the decisions as they have promised to implement or whether they deviate from it. (Maxime Couvert, November 2020)

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Environmental	Social	Governance
Carbon Emission	Employee retention	Political involvement
Deforestation	Labor conditions	Anti-Money Laundering Policy
Biodiversity	Human Rights	Board composition
Waste management	Gender Equality	Lobbying
Water Security	Socially beneficial products /services	Whistleblower schemes

Sustainable investing considers diverse stakeholders, consistent with how companies are developing.

Research Objectives:

1. To find out the level of cash flows generated by ESG themed mutual funds in India.
2. To study level of efforts taken by AMCs to promote ESG themed mutual funds in India.
3. To find out scope for further penetration of ESG theme by creating awareness about this schemes.
4. To find out if there is relationship between AUMs generated and promotion efforts taken by AMCs in India.

Research Methodology:

With the help of this paper one will be able to identify how mutual funds companies have managed to generate cash flow for ESG themed mutual funds which is a synonym for sustainable investing. This research paper is an analytical study of performance of 9 ESG themes schemes launched by 9 AMCs. We could get direct access to 4 AMCs. The telephonic conversation with product specialist and mutual fund managers was done in order to get more relevant and factual information on this topic. The questions were open ended which helped to

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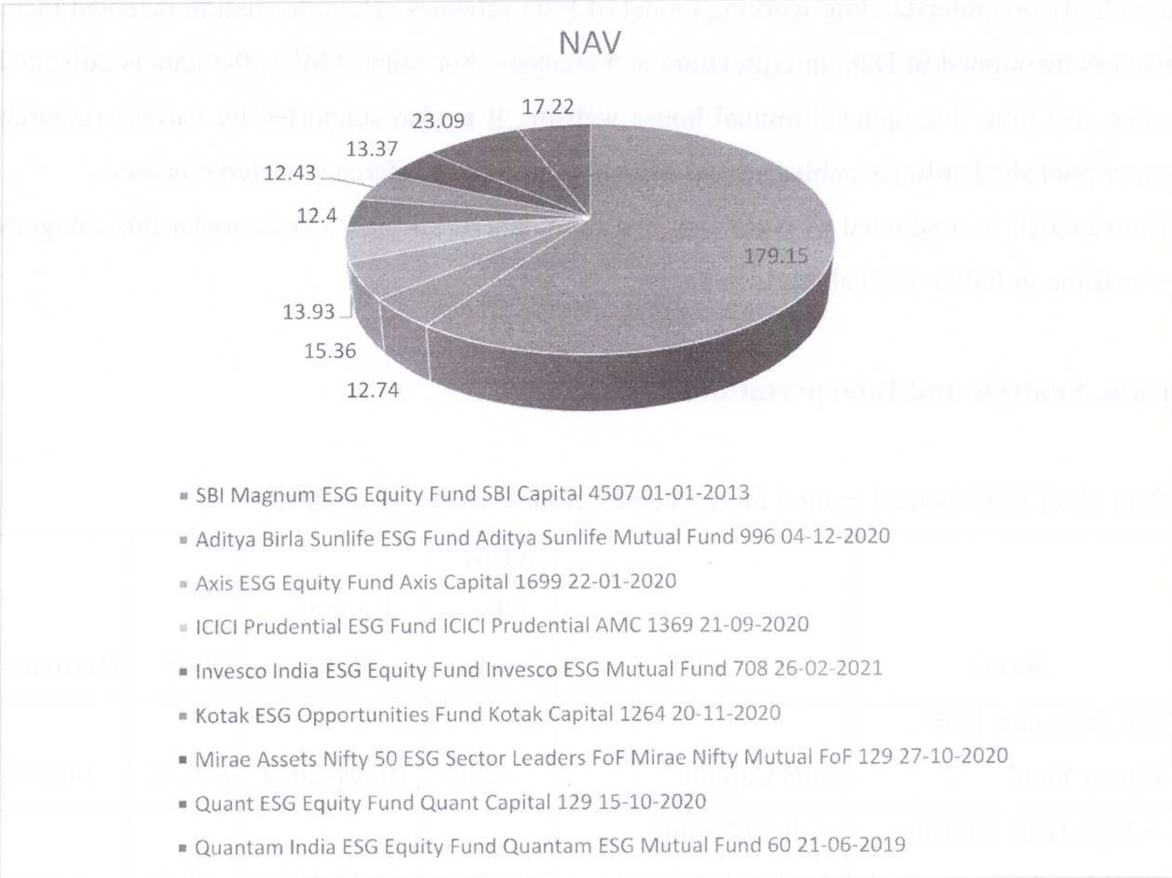
There is also an effort seen to research on realized returns from ESG funds and its association with its price which in first place are impacted by the level of demand elasticity and inelasticity by ESG investors. Research has shown that the large impact of flows on realized ESG returns does not necessarily affect expected ESG returns. The paper concludes that the perception that when one invests in ESG fund one has to settle for less returns as the funds might underperform is not true. Cash flows into ESG investing increase aggregate value of green stocks which, every dollar invested in green funds increase value for green stock by 0.4$. 3. (van der Beck, Philippe September 2021).

In India even though penetration of mutual fund is high now a days, if we take into consideration huge inflows in the form of lump sum and SIPs, the collection of money into thematic mutual funds and that by large, mid and small cap funds will show vast difference in numbers. Here the perception of Indian mutual funds investor matter a lot. As profoundly stated by many of the AMCs investors get easily influenced by past performance of the scheme, whereas it does not guarantee future returns though. Still many of the investors decisions while choosing a scheme are based on past CAGR, IRR or rolling returns. Now when we talk about ESG theme its is recent trend in India, with very few AMCs have launched scheme under this theme. And the situation here is that in India, only one AMC has launched ESG themed mutual fund in 2013, all others are a recent launch, so not a great amount of past performance data is available. Thus it may deviate investors from going ahead with these schemes. So there is need to explain and spread awareness about this ESG theme. It leads to many research questions like are mutual funds distributors promoting these schemes effectively? Do they have sufficient knowledge themselves to educate the investor about the ESG? Are fund houses taking enough efforts to promote these schemes? Where these funds stand from Asset Under Management angle? This paper tries to find answer to some of these questions.

ESG investing is a relatively new concept in India and it is vaguely defined, unlike other themes, selection criteria may differ a lot depending upon thought process of AMCs. Still we explain here on a broad basis what is ESG investing. It means to prefer investing stocks of companies who are doing well on these three fronts –



Scheme specific analysis:

Kotak ESG Opportunities Fund –

As per discussion with Kotak Mutual fund representative we came to know that this scheme follows ESG theme and is a multi-cap theme. So they invest in stocks which are not only large cap but mid and small are also part of the portfolio. Kotak runs a specific model to shortlist a stock. Examples given by them were like companies producing tobacco products, alcohol products will not be included in their portfolio. The philosophy of the investing is such that they are willing to give up on the gains or returns of such stocks which are socially, environmentally hazardous and stick to their criteria of investing. However, they are keen on observing few parameters and remedial actions taken by companies so that they can get better on ESG ranking. As of now they as a fund house do not have any strategy for promoting this scheme. Whatever publicity was done at that time of launch has gathered the AUM growing consistently.

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Axis ESG Equity Fund –

This scheme has different constitution of portfolio. After telephonic discussion with product specialist of Axis ESG Equity Fund we get clarity of fund philosophy. This scheme has not restricted to Indian securities. Its composition consists of national as well as international stocks. Stocks which are listed on NASDAQ are having 75% of the share in portfolio. Remaining 24% is consisting of Indian large cap who are prominent in CSR activities, fundamentally strong companies with excellent governance quality. It seems that they also have not done anything special to promote this theme. Still AUM generated by this fund is large within given duration since its launch.

SBI Magnum ESG Equity Fund –

The speciality of this scheme is that it has longest duration in this theme. Also significant factor here is its selection process. Active weights of a security are determined by the ESG scores. A positive score will enable a positive active weight, and vice-versa. SBI Magnum Equity ESG Fund invests 80-100% in equity and equity related instruments following ESG criteria and 0-20% can be invested in other equities and/or debt and money market instruments. The Fund aims at achieving its objectives by aligning itself to its Responsible Investment Policy and using ESG assessments of constituent companies to minimise risks arising from ESG factors and deliver risk-adjusted returns to the investors. The fund uses negative screening, ESG integration and best-in-class approaches for stock selection.

ICICI Prudential ESG Fund –

When this scheme was launched a novel initiative was taken by AMC which was planting a tree for every SIP registered under this scheme. This is also a part of CSR activities by the AMC. The count of investors on the basis of PAN is taken and a certificate is awarded to investor for participating in this ESG rally. However taking a look at AUM generated by this scheme is higher as compared to other themes launched during same time span and same theme.

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Findings and Conclusion:

First clear finding from above table is that except SBI Magnum Equity ESG Scheme all other themes are launched during or after year 2020. As this year as we all know is characterized by COVID effect. So more awareness was created during this span about sustainability. It can be interpreted that these AMCs by launching ESG theme scheme have successfully launched the recent trend of sustainable investing and generated more fund flow. It can be clearly seen that the popular is name of AMC like few established brands in capital markets like Kotak, ICICI, and Axis have collected more cash flow as compared to relatively new players like Quant Funds or Inveso India. So we can say that there is direct relationship between AUM generated by popular of big AMCs and size of AUM under ESG scheme. This leads to a straight forward interpretation that large players have investors trust as well as preference using which it can be possible to add AUM under variety of thematic funds.

So one interpretation from above data is even though longer is the duration of fund AUM generated was not quite high in proportion to AUM generated by other funds in comparatively lesser duration. So we can say there is no direct relationship between duration of the scheme and AUM generated by the scheme.

As it can be clearly seen that very few AMC have taken evidently prompting steps to educate investors about fund philosophy and taking informed decision for being ESG investor. It is also observed after individually analyzing each of the fund's portfolio benchmark index is common for all of the above schemes which is Nifty 100 ESG TRI. There is a great scope to monitor performance of these funds from the AUM perspective as well as returns perspective.

Suggestions:

It is recommended that AMCs should take more actions for promoting sustainable investing by educating investors so that they will be able to generate higher AUM for these schemes. The next need is to keep a close watch on funds flow of these schemes and comparative study should be done with those equity schemes and analyze on returns generated and wealth created by these schemes. As though process of method of portfolio selection is

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different. So it will be helpful in ranking these scheme on the basis of performance making it more meaningful research.

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Questionnaire for Mutual fund managers/ product specialist / relationship manager

1. How ESG themed schemes portfolio is selected?
2. What are steps taken by AMC to promote ESG theme?
3. Did you recommend ESG funds to new investors or existing investors?
4. Do you feel ESG investors have chosen this fund because they understood the concept of ESG?
5. Do you think AUM generated by ESG scheme is below the expectation or above the expectation?

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Of "Pramod Ram UjagarTiwari Saket Institute of Management,Mumbai" has published/presented the paper titled "A STUDY ON SOURCES OF PASSIVE INCOME" In one day International Multidisciplinary Online Research Conference on "What Industry 4.0 has in stock for Emerging Economies?" organized by Saket College of Arts, Science & Commerce in association with University of Mumbai on 29th May, 2021.

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A Study on Sources of Passive Income

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Abstract

Many people have lost their jobs during the Covid – 19 pandemic not only in India but worldwide. The general public's employment prospects have been severely challenged due to the pandemic. Also, many of those individuals who were employed had to face the problem of salary cuts, and were deprived of bonuses and incentives unbalancing their personal financial requirements. Moreover, corporate organisations had stopped their recruiting and hiring processes. During such a situation the individuals who had planned for their passive incomes were the ones who were at ease because of the challenges posed by the pandemic. The following research paper will highlight the possible sources of generating passive income along with an individual's primary income.

Keywords: *Passive Income, Side Income, Entrepreneur*

Introduction

Passive income is misunderstood to be an income which does not require any serious attention, knowledge, time, effort and other resources of an individual. Yet it is highly sought after because it helps to generate extra earnings from multiple sources or cover up for the routine expenses in case of job loss or any financial crisis. The Covid – 19 recession resulted in many people losing their jobs and becoming unemployed. The people with well - planned passive income generation sources could manage to come out of such stressful situation. It gave the much needed financial support at times of crisis.

The concept of passive income is very simple. An individual who is employed generates his primary income received from his employer. Apart from this primary income, the individual may have secondary sources of income which is not received from his employer. This income can be from varied sources. Based on the skills, resources and knowledge that the individual possesses he may choose his source of passive income. Thus, passive income includes regular earnings from a source other than an employer. For example, if an individual is employed with an IT firm and Rs. X as his salary and if he gets rent from a property then the salary received becomes his primary income and the rental amount is his passive income.

In the above example, one might believe that in order to generate passive income the individual does not have to take any effort. But it is not so. The individual owning the property will have to maintain the property, pay property taxes and bills on time, source for a genuine tenant and follow up for rental amount and create agreement copies and so on. The amount of time, efforts and resources required in order to do so are less as compared to that required for primary income. Hence passive income should not be considered as a short cut to become rich quickly or getting something for nothing. In order to generate steady passive income a lot of investment and nurturing is required.

Hence passive income can support an individual's retirement goals or building wealth or generating steady income in case of problems in employment. It can also help to clear one's debts or become financially independent.

Some sources of passive income can be rental income, royalty, annuity, affiliate marketing, dividend stocks, creating an app, creating a blog or podcast or YouTube channel, selling space for advertisement, content writing, designing, tax filing, coachingetc.

Research Methodology

Type of research: It is an exploratory research. In this study the problem is not clearly defined. The study is carried out in order to gain insights about passive income generation.

Objectives of the study: The objectives of the study are mentioned below:

1. To understand about the concept of passive income and
2. To understand the various of sources of passive income

Sources of data: The data for the study was primarily been collected from secondary sources. No primary source of data was been used for the study. The secondary sources included the research work done by scholars and researchers on the subject. Besides some newspaper articles were also used for the study.

Findings and analysis

The possible sources of passive income are discussed in detail below. An individual can choose multiple sources in order to diversify his income portfolio and secure his financial needs.

1. Rental income

Rental income can be earned from various sources. An individual can rent his flat, farm house, farming land, open lawn, car, or any utility vehicle, etc.

The individual owning the property will have to maintain the property, pay property taxes and bills on time, source for a genuine tenant and follow up for rental amount and create agreement copies and so on. Likewise if an individual rents a car or any utility vehicle then he may have to maintain his vehicle, pay insurance premiums, expend on service and repairs, driver's salary etc. Many people now – a – days owning a car use their vehicle for rental services by undergoing an agreement with various cab rental servicing companies like Ola, Meru and Uber.

During pandemic many tenants were not able to pay their rents on time to their property owners. The property owners who had loans on their property or if their property was mortgaged found it difficult to pay their EMIs. The car rental services also suffered during the pandemic where people had to follow the lockdown restrictions and stay at home as far as possible.

However, the cash flow at the end of the month from the rental amount adds and supports the primary income. Renting property acts like a money – making opportunity by utilising a property that is not used otherwise. There is although a risk involved if the property is damaged by the tenant. Hence efforts need to be taken in order to check the background of the tenant before renting.

2. Royalty

Royalty can be earned by an individual when his copyrighted work is used by someone. Royalty can be patent royalty, trademark royalty, copyrighted material, music and art royalty, design royalty, software royalty etc. If an individual has expertise on any intellectual property then he or she can create the intellectual property and register under Intellectual Property Rights Act and earn royalties throughout their life.

3. Annuity

Annuity is a form of insurance or financial product that an individual pays for a certain period of time and later becomes a passive income stream for the retiree or the individual. The amount of annuity and duration of payment varies depending on the annuity contract that the individual undergoes with a company. Annuity can be in the form of savings account, mortgage payments, insurance payments and pension payments. An individual can invest in annuity products in consultation with a trusted financial advisor and get good amount of passive income.

4. Affiliate Marketing

Affiliate marketing is a process that involves earning commission by marketing products sold or manufactured by third party. Here an individual influences his referrals for purchase of products sold or manufactured by third party. The individual may use his website or blog, mobile app in order to promote third party's products. Affiliate marketing becomes a good source of passive income over a period of time. Most of the buyers have gained trust on making purchases online and hence affiliate marketing has become an opportunity for significant bloggers and website owners. Almost all big brands of online retailing have their affiliate programs. E-tailers like Amazon, Flipkart, Share A Sale are best known affiliate partners. Instagram, Facebook, Twitter, YouTube provide a huge platform to promote products with the help of their affiliate marketing tools. The individual who is content creator or the publisher will have to take time to create content and build traffic. Attractive content creation is the key to attract good number of followers to your website or blog and influence them for the purchase.

5. Dividend stocks

Dividend stocks are the dividends paid by well established companies with a good track record of distributing earnings back to their shareholders. The dividends are paid in cash on quarterly basis out of the profits made by the company. Dividends are a significant source of earning passive income, wherein post research of identifying good stocks and investing certain amount in the stocks; an individual can earn large dividend pay-outs. The dividends earned can be re-invested in other stocks. Investing in stocks involves opening demat account through best suitable broker.The broker charges some fees for the services rendered by him for handling the demat account's transactions. However, investing in dividend stocks can be a risky affair if the individual does not have adequate knowledge of stock trading and appetite to bear the losses in uncertain market conditions.

6. Creating an app

Creating a smartphone app can also be a source of passive income. If an individual has an idea of making a mobile app which either catches the fancy of audience or if it is some utility based application, then the individual can create the app and sell it on the App store. In order to create the application the individual can hire a programmer who develops the application for a fee. Over a period of time when users download the app, the individual starts earning based on downloads or through adds appearing while using the application by the user or by charging for premium features for using the app. The app can be a game or utility based which simplifies complex functions for users. The app generated however requires upgrades or needs to be updated in case of informative application. If not, then the app may lose its popularity and cash flow would gradually decrease.

7. Creating a blog /website / YouTube channel

Creating a blog or podcast or YouTube channel can help in earning passive income. A blog is a weblog that contains posts published on World Wide Web. The posts are related to a particular subject of choice of the blogger. Blogger is the person who creates and maintains the blog in order to create traffic by attracting audience through posts on his blog. The blog can be on any subject related to passion or area of interest or expertise of the blogger. Some examples of subjects for creating a blog can be travel, health and nutrition, food, dance, fitness, coaching, comparisons between two products etc. An engaging content on the blog can attract the target audience who follow the blog posts and thereby help in creating steady income stream over time. Through blogging one can earn with the help of affiliate links, courses, sponsored posts, products, books, deals etc.

An individual can also develop his own website and offer certain services. The services can be marketing services or any other operational services. The owner of the website need not work on the marketing plans of the clients on his own. The task can be outsourced to freelancers who would deliver the work. The owner of the website earns passive income through the client and supplies the freelancing fee to the freelancer.

YouTube Channel also helps in gaining steady passive income stream through sponsored videos, ad revenues, content viewed, etc. The video content has to be very relevant and updated in order to make the channel a hit or increase the number of subscribers. Once the viewers start liking the channel's content they keep a track of new videos posted on the channel thereby increasing the revenue for the owner or YouTuber.

8. Selling space for advertisement

Selling space for advertisement is a unique way of generating passive income. Spaces like house exterior walls and automobiles can be given on rent for pasting advertisement banners at no extra cost to the owner of the house and car or any other utility vehicle. An advertising agency can be contacted for renting the space available, evaluating the space and accordingly use the space on rental basis for publishing advertisements. They check if the house is at a high street or prime location, its visibility to commuters, the demographics of the commuters and viewership of the location. In case of renting car or utility vehicle space for advertisement the agency may evaluate the driving habits like the driver's clean driving record, drive location and number of miles driven daily. The owner can earn on the basis of number of miles driven.

9. Content writing

Content writing can also be one of the sources of generating passive income. In content writing the content is been written by content writers and they are paid for the amount of work done, i.e. on per word basis. Content writing involves efforts to be taken up by content writer in order to undergo research on the subject or topic allotted for writing. Content writing services are availed for different forms of contents such as web content writing, blog writing, research articles, proof reading, infographic content, marketing materials, product description, copywriting etc. Various content writing service companies have fixed payment pricing plans for content writing.

10. Selling Video Content

Selling video content is also one of the sources of generating passive income. The video can have content related to any event, accident, excitement, drama, strike, rally, humour, festivals, demonstrations etc. As now-a-days smartphones are handy, videos related to such content can be easily recorded. People are obsessed with video content and make them viral over social media within no time. The content can be sold to websites or media houses in exchange of money. Many video content can also help the creator generate royalty which can be earned up to several years.

11. Online Sales of Products / Flip Retail Products - Online

Flipping retail products is a unique way of generating passive income. E-tailers like Amazon, eBay, Facebook Marketplace etc. provide platforms for flipping retail products. In order to generate income by flipping retail products an individual has to identify, source and purchase products at low cost and resell them by adding a certain profit percentage over the cost price of the product purchase. The key to success of this model is by sourcing a discounted merchandise store. Selling the products online can help to make this model ideal for generating passive income. Antique and vintage products can also be sold by reselling the products.

12. Peer – to – peer lending

Peer – to – peer lending involves providing personal loan to a borrower. This may or may not involve a third party intermediary. As a lender an individual can choose the borrower by doing his background check and decide the terms of repayment of principal and interest amount. The earnings in peer – to – peer lending happens because of the interest levied on the borrower. There are possibilities that the lending amount may be defaulted by the borrower. Besides these loans are unsecured. Thus the lender should diversify lending portfolio by lending smaller amounts to multiple people in order to mitigate the risk.

13. Selling digital products

Creating and selling one's own digital product rather selling someone else's product is another means of earning passive income. Digital products can be online courses, e-books, stock photos, custom graphic designs etc.

Many e-books are available online especially on Amazon's Kindle written by authors who have generated passive income through self-publishing. The demand for e-books has increased and market has become competitive as well. If the author's content is attractive then the author's e-book can have loyal readers.

Passive income can also be generated by selling video courses online. Udemy, SkillShare, Coursera, etc. are popular online platforms that sell virtual courses on various subjects created by experts. An expert can create a video course and upload for sale to viewers. The expert may upload some free informative videos on the subject as teasers for the learners and charge premium for subscribing in order to obtain additional information on the subject. Thus by introducing multiple courses over a period of time one can expect a steady source of income.

If photography is the passion of an individual then the photos captured can also generate passive income by depositing them or stocking them at stock photo sites. These photos are purchased from the sites for publishing on the websites, blogs, magazines or marketing material. The photographer in turn receives commission on purchase of photos posted by him.

14. Licensing Music

Passive income can be generated by selling licensed music online and earn royalty when it is been used by any listener. Music is in high demand and people are ready to pay for it. YouTube videos and commercials often use licensed music.

15. Network Marketing

Network marketing is commonly called as multi – level marketing (MLM). One can earn passive income by networking and building a team under them. The team's effort combined with individual's efforts towards sales of company's products results in generating commission based revenue for the individual. Companies like Tupperware, Avon, Oriflame, Modicare, Vestige etc. have been running successfully under the same MLM business model.

16. Sell custom design items

Selling customised designed items is another way of generating passive income. A customised graphic design selected by the customer is printed on his choice of product such as mug, t-shirt, cap, bag, phone back cover etc. The customised product is then packed and shipped to the customer. E-commerce sites like Amazon provides such customised services.

17. Referral commission

Referral commission or finder's fee is a commission paid to the person who helps in facilitating a deal by connecting a potential customer with the business organisation. The referral commission can also help to generate passive income. The person or finder of the potential customer receives brokerage or incentives for helping the business increase their client base. Real estate sales most of the times happens because of the references and not by professional real estate agents. Freelancers, designers, photographers, solopreneurs etc. many-a-times are willing to pay referral fee for helping them increase their client base.

18. Sell your stuff

Selling unwanted household items is another way of generating passive income. Big Bazaar's *purana do naya lo*marketing program had been very popular where old clothes, newspapers, gadgets, electronic items and scrap could earn cash vouchers which could be used for purchase of grocery items. Likewise, OLX has introduced the concept of selling unwanted items on OLX and earning cash. Car24. com has also introduced the concept of selling ones car through their portal and generating income.

19. Use passive income apps

Income can as well be generated by installing some smartphone applications and performing few actions in order to earn money. The actions may require an individual to invest some money into something or watch videos or play games. Recently MPL; Mobile Premier League mobile gaming app had been very popular with a concept play and earn. There are a large number of smartphone apps for watch and earn and invest and earn passive income options.

20. Start a dropshipping store

The drop shipping model is another trending source of generating passive income. In this model an individual can sell trending products to customers around the world ranging from fashion to lifestyle products to beauty products. The individual can determine the selling price and have control over the earnings. The supplier of the product packs and parcels the shipment to the customer.

21. Savings

Savings can also be considered for generating passive income. Fixed deposits, recurrent deposits, National Savings Certificate (NSC) etc. provide individuals with interest benefit for the amount deposited with the financial institution. As the savings certification matures the individual can earn back his principal as well as interest amount from the financial institution. The savings certificates are low risk investments and hence yield low returns.

22. Invest in a Business

An individual can also earn passive income by investing in a business as a silent partner or sleeping partner or as a partner in profits only. A new business idea needs investment and many a times the idea generator or executor does not have required resources and funding for starting up the new venture. Hence help in form of partnership is offered to the investor and capital is raised for starting up the business. Over a period of time post break – even is achieved the investor gets his share of profits from the business.

23. Others

There are other sources as well which help in generating passive income. Those are refinancing mortgage;designing of dress, interiors, marketing material etc.; tax filing; coaching for fitness, education, yoga etc.

Discussion

Passive income can act as a support for generating extra income apart from primary income initially. Gradually an individual can try to convert his passive income source into primary source and quit his job. Passive income does require time, attention and efforts but the amount earned through it is worthwhile. Passive income is best survival strategy not only during pandemic but also during any kind of economic and financial crisis.

Limitations

The following are the limitations of the research for the study.

The first limitation was that the study was completely based on secondary data.

The second limitation was that there was no prior studies on this topic.

The third limitation was concerned with the shortage of time available to study on the topic.

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A STUDY ON IMPACT OF COVID ON CONSUMPTION PATTERNS OF OTT STREAMING SERVICES

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Abstract:
An over-the-top (OTT) media service is a streaming media service offered directly to viewers via the internet. OTT bypasses cable, broadcast, and satellite television platforms, for that matter even the companies that traditionally act as a controller or distributor of such content. Over–the–top media services platforms have become quite popular in India since last few years. Due to COVID-19 outbreak in the country, many filmmakers are now releasing their movies on major OTT platforms, instead of waiting for the theatres to re-open. Pandemic has accelerated the digitalisation process in the country. The production houses have also shown intentions of heavy investments in creating differentiated and original content and making their services ffordable to the masses. The present study will be focused on studying the consumption patterns of OTT Streaming services during lockdown. The study will help to understand the demographics, psychographics and behavioural aspects of the consumers using these OTT streaming services. The proposed study will be beneficial in shedding light to understand consumer behaviour and accordingly create services to keep up the demand for OTT Streaming services in India by identifying key variables influencing viewers to use OTT streaming services.
Keywords: OTT, Consumption pattern, Consumer Behaviour, Covid 19 Impact.

Introduction:

Covid – 19 pandemic had forced countries across the globe to impose complete lockdown in their respective countries. Indian government too imposed lockdown everywhere. Lockdown resulted in closing down of business operations physically and work virtually in order to accomplish various business functions. Working virtually gave rise to increase in consumption of many digital services at the convenience of people's homes. Many digital services were newly introduced while many others which were pre-existing saw a rise in their respective consumer base or increase in usage rate. Few of the digital services which saw a rise were digital payments, online shopping of luxuries as well as essentials, digital marketing, online coaching, online courses and online entertainment to name a few.

Many consumers had tried and adopted digital services as a result of effect of lockdown during Covid – 19 pandemic. Swift adoption of these services had been possible because of availability of various internet connections, availability of smart devices, better networks, technological innovations, affordability of the services and user friendly user interface. One such vice adopted by consumers was OTT (over-the-top) streaming services which brought about a drastic change in consumption patterns of the people looking out for entertainment options. The OTT platform allows viewers to avail media services directly via the internet. The OTT streaming services capitalised on the digital media as a promising media service amongst the youth and middle aged group people.

OTT stands for over – the – top video and audio hosting and streaming services. Initially OTT was used only for content hosting but later it quickly evolved into the creation and distribution of movies, feature films, documentaries, and web series. These services with the help of artificial intelligence recommend content to users based on their viewing history over the platform. Some of these platforms offer free content to users while some others provide content based on subscription fees. These services can be accessible using smart phones, smart TVs, personal computers or laptops, tablets etc.

Some of the reasons of increase in consumption of OTT platforms are shutting down of theatres and multiplexes, restrictions on shooting, migration of workers working for entertainment industry, social distancing norms and isolation of people from family members during quarantine, different choice of channels of family members and unavailability of other entertainment sources. Some of the popular OTT streaming services are Netflix, amazon Prime, Sony Liv, Jio Cinema, Alt Balaji, Voot, Disney + Hotstar, Mx Player, Zee5, Eros Now etc.

Literature Review

(Gangwar, 2020) studied the preference of OTT platforms in India. The study concluded that technological advancement and content quality are the major factors that influences the Indian customers to adopt the OTT platform. The study also concluded that the millennials are attracted towards the OTT platforms because of International content.
(Gardner, 2020) studied that viewers have so many OTT Services to choose from and hence the service providers need to engage their customers in order to attract their attention.
(Madhukalya & Van Daele, 2020) recommended service providers to search for ways to deal with the problem of increased demand for data consumption without hampering quality of service experience or else customers may switch to another service providers.
(Sharma & Chakraborti, 2020) studied the economic impact of lockdown due to COVID-19 on the Service Sector in India and its economic impact. The study concluded that lockdown led to shut down of business operations and loss in profitability in the hard hit service sector.
(Arora, 2018) studied the impact of social media advertising on millennials' preferences. The study concluded that the respondents' preferences for using social media websites as they regularly read blogs, used social media platforms for comparison of different products, sought opinions of experts before buying a product, and the number of likes and dislikes had a significant impact on their choices.
(Chang & Chen, 2008 and Delafrooz, 2011) conducted studies about digital and online context and mentioned a list of factors like quality, usefulness, perceived ease of use, attitude of customers, trust, perceived risk, security, engagement and service experience
(Ghadialy, 2011) concluded that with the advent of new technological devices like smartphones, tablets and ultra-books; the ways in which programs are produced and watched has been reshaped drastically when compared to conventional television and new media.

Methodology

The study involves quantitative research answering to questions related to "what are the consumption patterns of the consumers?", "what they watch?", "when they watch?" or "how much time they spend?" The study is also a descriptive study wherein data is collected with the help of survey for the variables of the study. Numerical outputs will be helpful for drawing analysis and conclusions based in a fact driven manner.

1. **Objectives of the study** – The objectives of the study are:

i. To understand the demographical profile of the consumers using OTT streaming services.
ii. To study their consumption patterns
iii. To analyse what are the key variables influencing them to use OTT streaming services.

2. **Primary Data Collection** - The primary data was collected by sharing questionnaire through Google forms via Whatsapp, LinkedIn and Facebook.

Universe of the study - The universe of the study was anyone from urban city using OTT platforms could become a part of the survey.
ii. Sampling design - The responses were collected from 68 respondents from urban areas.
iii. Tools - Primary data was collected through survey with the help of questionnaire designed for consumers using OTT streaming services.
iv. Techniques - Non probability – convenience data sampling method was used for conducting the survey.
iv. Statistical consideration / software applications - The demographical profile of the respondents was evaluated using percentages as a measure. While the key variables influencing respondents to use OTT streaming services was evaluated by using mean by assigning scores to Likert scale.

3. **Secondary Data Collection** - The secondary data for the study was collected from various secondary sources like libraries, articles, journals and reports published from time to time with respect to the studies done regarding OTT streaming services. Internet resources of secondary data was also explored for the study.
4. **Limitations of the study** – The study is not restricted to only urban area and hence the nature of data is diverse.

Data analysis and interpretation

The data analysis is done in four parts. The first part comprised of understanding the demographic profile of users of OTT streaming services. The second part analyses the consumption pattern and impact of COVID 19 lockdown on usage of OTT streaming services. The third part comprised of ranking of OTT streaming services based on preferences. The fourth part identifies the key variables influencing use of OTT streaming services.

Table 1: Section I – Demographic Profile of the respondents using OTT Streaming services

Variable	Attribute	Frequency (68)	Percentage (100%)
Age of respondents	19 – 25 26 – 35 35 – 45 45 and above	28 28 10 2	41.20% 41.20% 14.70% 2.90%
Gender of respondents	Female Male	27 41	39.70% 60.3%
Marital Status of respondents	Single Married	42 26	61.80% 38.20%
Family size of respondents	Upto 4 members Above 4 members	39 29	57.40% 42.60%
Profession of respondents	Studying Service Business Retired	23 39 5 1	33.80% 57.40% 7.40% 1.50%
Did respondents travel during lockdown?	Yes No Not working (studying / retired)	15 29 24	22.10% 42.60% 35.30%

Table 1 shows the demographic profile of 68 respondents who participated in the study. From the table it can be inferred that majority of the respondents belonged from the age group category of 19 years to 25 years and 26 years to 35 years. Female respondents were only around 40% as compared to male respondents which were around 60%. 62% Singles participated in the study as against 38% married ones. Approximately 57% respondents had upto 4 family members while approximately 43% respondents had family size above 4 members. Majority of respondents (approximately 57%) belonged to the service class category while approximately 34% respondents were studying. Almost 43% of the respondents did not travel during lockdown for work purpose while approximately 35% respondents were either studying or retired. During lockdown students as well as retired persons were also not travelling. Only 22% respondents travelled during lockdown.

Table 2: Section II – Consumption pattern and impact of COVID 19 Lockdown on usage of OTT streaming services

Variable	Attribute	Frequency (68)	Percentage
TYPE OF SUBSCRIPTION AND PAYMENT PATTERNS			
What kind of OTT streaming service do respondents use?	Subscription based (paid) Free subscription based Both	13 20 35	19.10% 29.40% 51.50%
What amount do respondents spend on availing OTT services?	Rs. 0 (use only free subscription based platforms) Rs. 1 - Rs. 250 per month Rs. 251 - Rs. 500 per month Rs. 501 and above per month	20 26 14 8	29.40% 38.20% 20.60% 11.80%
For what duration do the respondents purchase their subscription?	Monthly Yearly Free only	16 31 21	23.50% 45.60% 30.90%
Do the respondents share their subscription with friends or	Yes No	44 24	64.70% 35.30%

relatives in order to make it affordable?			
DEVICE USAGE PATTERNS			
Which device is generally used by respondents for availing OTT services?	Television Personal Computer Laptop Tablet Smartphone	9 3 2 2 52	13.20% 4.40% 2.90% 2.90% 76.50%
Do the respondents use cast screen / screen mirroring feature from their smartphone to view OTT streaming on their Smart TV?	Yes No	32 36	47.00% 53.00%
CONSUMPTION TIME PATTERNS			
What is the average duration of time spent by respondents on OTT currently on daily basis?	Less than 2 hours 2-4 hours 4-6 hours Above 6 hours	42 21 5 Nil	61.80% 30.90% 7.40% -
What time of day do respondents generally prefer using OTT services?	Morning (6 am to 12 noon) Afternoon (12 pm to 4 pm) Evening (4 pm to 8 pm) Night (8 pm to 6 am)	3 11 9 45	4.40% 16.20% 13.20% 66.20%
Do respondents download the content to view later or watch using internet?	Download the content and watch later Watch using internet Both	11 34 23	16.20% 50.00% 33.80%
IMPACT OF COVID 19 LOCKDOWN ON CONSUMPTION PATTERNS			
Did the respondents use any new OTT platform during lockdown?	Yes No	42 26	61.80% 38.20%
Has there been increase in usage of OTT services during lockdown?	Yes No	43 25	63.20% 36.80%

Part A of the above table shows that majority of viewers use paid annual services of OTT platforms. Only 29% viewers use free subscriptions for viewing content. Subscribers prefer to spend majorly upto Rs. 250 per month on paid subscriptions. Subscribers also look out for friends or relatives while subscribing OTT services in order to make the affordable.

Part B of the above table indicates that viewers prefer to watch OTT services via smartphones and do not use Cast screen or screen mirroring feature much.

Part C of the above table indicates that majority of viewers view content during night time between 8 pm to 6 am. Majority of the viewers watch content for upto 2 hours a day. Also majority of the viewers watch content on OTT platform using internet services and not downloading the content to view later.

Part D of the above table clearly indicates that people have increased their OTT streaming services usage during lockdown as well as started using new ones during COVID 19 lockdown. The same was concluded in a survey conducted during July and August by FLYX which is a streaming social network that more than 50% respondents had purchased new subscriptions during the pandemic.

Table 3: Section III – Ranking OTT Streaming Services based on preferences

Variable	Attribute	Percentage	Rank
What kind of content do you watch through OTT services?	Movies Web series TV serials OTT Services' Originals	91.20% 85.30% 30.90% 44.10%	1st 2nd 6th 3rd

	Music	35.30%	5th
	Dramas	19.10%	8th
	International content	38.20%	4th
	Games	22.10%	7th
Why do you prefer using OTT services over cable / DTH services?	Content quality	70.60%	2nd
	Convenience of time to watch content	72.10%	1st
	Convenience of mobility to access from anywhere	63.20%	3rd
	Ad – free content	41.20%	4th
	Affordable cost	17.60%	7th
	Private viewing	32.40%	5th
	New experience	30.90%	6th
	Do not have cable / DTH connection	10.30%	9th
	Most of the time goes in travelling / don't be at home	14.70%	8th
Which of these OTT platforms do you use?	Netflix	59.70%	3rd
	Amazon Prime	64.20%	2nd
	Sony Liv	34.30%	5th
	Jio Cinema	16.40%	8th
	Alt Balaji	11.90%	9th
	Voot	22.40%	7th
	Disney + Hotstar	76.10%	1st
	Mx Player	46.30%	4th
	Zee5	28.40%	6th
	Eros Now	3.00%	10th

The above table indicates that viewers prefer to watch Movies, Web series the most followed by OTT Series Originals and International content. They prefer using OTT services over cable or DTH services because of content quality, convenience of time to watch content and convenience of mobility to access from anywhere. The most widely used OTT platform is Disney + Hotstar, followed by Amazon Prime and Netflix.

Table 4: Section IV – Key Variables influencing use of OTT Streaming services

Variable	Responses	Frequency	Mean
Content Quality	68	310	4.55
Convenience of time to watch content	68	303	4.46
Convenience of mobility to access from anywhere	68	301	4.43
Ad-free content	68	283	4.16
Affordable cost	68	278	4.09
Private viewing	68	264	3.88
New experience	68	263	3.87
Do not have Cable / DTH connection	68	196	2.88

The above table indicates that viewers prefer OTT streaming services because of content quality, convenience of time to watch content, convenience of mobility to access from anywhere, ad-free content, private viewing and new experience. No cable or DTH connection at home is not the primary reason for most of them to view content via OTT medium.

Conclusion

It can be concluded from the study that Covid 19 Lockdown had a positive impact on the consumption patterns of the OTT streaming services. There was a steep rise in the subscriptions of these services as well as the time spent on these services had also increased. The study also identified the demographic profile of consumers using OTT streaming services. The spending patterns show that majority of the customers prefer paid subscriptions, with annual subscription plans. The customers also

prefer to purchase group plans for various devices. The viewing time is during night preferably for upto 2 hours a day. They prefer using smartphones rather than any other smart devices.
The viewers' prefer to watch movies, Original content or web series on OTT platforms. Content quality, convenience of time to watch content and convenience of mobility to access from anywhere are the major factors influencing use of OTT streaming services. Compromise on any of the above key factors will have a negative impact on the growth of the OTT streaming service.

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Sanoj Kumar
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An Analysis of Customer Perception Towards Services Offered by NBFCs in Mumbai

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Abstract

The complex and under developed credit systems being practiced in developing and under developed countries remains a bigger challenge to the financial institutions and the customer's dependent on them for their financial needs. Shadow banking ahs emerged as an alternative financial system which tries to address the issue if less coverage of formal financial systems in many of these counties and this holds true for India. With over 60% of the population still residing in rural areas the organized banking has been able to cover more than 10% of this target market which calls for the dependency on the shadow banking structure to provide a viable alternative. This has led in to a situation where the unorganized sector trying to exploit the customers in need by demanding higher interest rates and higher degree of collateral making the customers get in to a financial trap. The concept of financial inclusion which aims at reducing the gap between the non banked customers and the customers existing in a formal banking system has not been able to be highly successful owing to the vast geography and the diverse demographic presence in India. Non Banking Financial Companies remain as one of the key solutions to tackle the issue considering their presence and growth over the past few decades especially after the dawn of the current millennium. Globally the NBFC's have gained traction and momentum after the financial crisis of 2008 when people started accepting the benefit of using the alternative shadow banking structure as an alternative to the traditional banking system which provides a lower cost of service to the customers at a much closer location which the banking system was not able to do for multiple reasons leading in to a turmoil for he governments as well as their citizens. In India too the NBFC's have gained popularity more in the rural areas where the larger audience have been services majorly by the unorganized sector and slowly their penetration is also on the rise in the urban locations. At this juncture when there is a all around push to include more customers in to the formal financial structure and NBFC being seen as an option which would eventually make it a reality, it is imperative to understand what is the perception of the customers towards these NBFC's and their way of doing business. This study will focus on understanding the customer perception with regards to the functioning of the NBFCs and he services offered to them n Mumbai region and the reason for choosing the geography remains that the region has a mix of highly urbanized population and an equally higher rural migrant population who are living to make their ends meet in a better way possible.

Keywords: *Shadow Banking, NBFC, Perception, Services*

Introduction

The perils and inadequacies of the traditional banking system to include more customers in to the organized banking framework remains still elusive owing to the difficulties in geographical expansion and challenges inaddressing the dynamicity of the demography in a developing economy like India. The need for shadow banking system as an alternative has been accepted and practiced more than ever owing for the growing

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demand for finance and the reduced options of getting them from traditional banks. with the heavy diverse presence of the population of the country. With more than half of the population living in rural areas and it becomes difficult for the organized banking sector to reach more than 10% of the population then the unorganized sector comes to the rescue of the customers by rather exploiting them rather than helping them. The percentage of customers in India whoa re getting serviced by the unorganized sector is relatively high and they face many issues including higher interest rates, heavy collateral and unprofessional recovery methods. This has further validated the requirement of a parallel shadow banking system.

Shadow banking industry has made tremendous progress in the past 10 years has been highly influential in assisting and meeting the diverse financial needs of the highly unorganized and scattered public in India. The Non Banking Financial Companies'which are an integral part of the shadow banking sector have been performing commendable in the below mentioned areas:

- NBFC's have emerged as strong financial intermediariesbeing able to make financial services accessible to wider sections of the society as well be including new customer segments which never never catered by the organized sector before
- Considering the growing importance and influence of the MSME sector and their increasing contribution to the GDP the NBFC's have been able to address the financial requirements of the MSME sector.
- Many financial products including loans, insurance, money transfer services have been made accessible to the customers belonging to the bottom of the pyramid and it has made possible only through the NBFCs.
- NBFCs have been able to come up with innovative products aimed at varied needs of multiple consumer segments like housing loans, personal loans from their traditional focus on automobile loans.
- One of the major issues faced by the government in implementing financial inclusion is the lack of last mile connectivity in reaching the remotest locations where the customers reside has been addressed by the NBFC's by expanding themselves in to geographies which have a potential
- NBFCs have been able to adopt themselves to changes in the economy as well as the growing demands of the customer segments.
- After taking in to consideration of the stringent regulations that are developed to manage the NBFCs they are also able to do a commendable work in managing the risk and have a relative negligible percentage of NPA's.

Hence it can be inferred that NBFCs are playing a major role in providing an alternative financial option to the customers. The customer base for the NBFCs are expanding rapidly and this requires more consistent efforts from the NBFCs to maintain the momentum. At this outset it becomes imperative from a research point of view to understand whether the existing customers as well as the target clientele for the NBFCs are indeed satisfied about the functioning if the NBFCs and what this their perception regarding the same. In this study an effort would be made to understand what is the perception of the customers towards the services offered by NBFC companies. The area for ch study chosen is Mumbai considering it to the financial capital of the country as well as a hub for multiple levels of people living together including government employees, private sector employee's small traders and business men etc. the study will include a structured questionnaire being prepared in order to find out the consumer Perception

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and based upon the responses collected the data would be analyzed statistically and results presented herewith.

Research Objectives and Methodology:

The research has been conducted with the following objectives to be validated and presented.

- To analyze the consumer perception towards services offered by NBFCs in Pune region
- To analyze the feedback of customers with reference to NBFC's as an alternative financial option from their point of view.

A structured questionnaire be prepared in accordance with the objectives of the study which included specific questions related to consumer perception. The data was collected from a sample of 345 respondents which includes Government sector employees. Private sector employees, small traders and business men. The data collected and analyzed through SPSS and the results are presented herewith.

Hypothesis:
In this study to understand the perception the following two hypotheses are developed and validated.

H1: NBFC's improves the financial status of consumers
H2: NBFC's act as a tool for Financial development

From the analysis of data, the following findings are found out.

For the question related to do NBFC's have a huge market share in terms of catering to customer's financial needs, it was found that only 25% of the respondents have a positive perception and almost 47% have a negative perception in this regard. About 26% of the respondents have a neutral opinion on their perception in this factor.

For the question related to if NBFC's are helping in greater penetration of organized finance, it was found that only 17% of the respondents have a positive perception and almost 57% have a negative perception in this regard. About 26% of the respondents have a neutral opinion on their perception in this factor.

For the question related to respondent's perception towards whether the NBFC's are highly transparent like the banks, it was found that only 17% of the respondents have a positive perception and almost 52% have a negative perception in this regard. About 30% of the respondents have a neutral opinion on their perception in this factor.

For the question related to respondent's perception towards whether the NBFC's are offering easy loan processes to consumers, it was found that only 25% of the respondents have a positive perception and almost 47% have a negative perception in this regard. About 26% of the respondents have a neutral opinion on their perception in this factor.

For the question related to the respondents' perception towards whether the NBFC's are offering better interest rates than banks and other unorganized financial institutions and individuals, it was found that only 17% of the respondents have a positive perception and almost 57% have a negative perception in this regard. About 26% of the respondents have a neutral opinion on their perception in this factor.

For the question related to the respondent's perception towards whether the NBFC's are properly controlled and regulated by government norms, it was

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found that only 17% of the respondents have a positive perception and almost 52% have a negative perception in this regard. About 30% of the respondents have a neutral opinion on their perception in this factor.

For the question related to the respondent's perception towards the role of NBFC's on following fair trade policies, it was found that only 25% of the respondents have a positive perception and almost 47% have a negative perception in this regard. About 26% of the respondents have a neutral opinion on their perception in this factor.

For the question related to the respondent's perception towards the role of NBFC's on helping in ease of doing business, it was found that only 25% of the respondents have a positive perception and almost 47% have a negative perception in this regard. About 26% of the respondents have a neutral opinion on their perception in this factor.

For the question related to the respondent's perception towards the role of NBFC's on being an integral part of the financial system, it was found that only 17% of the respondents have a positive perception and almost 51% have a negative perception in this regard. About 30% of the respondents have a neutral opinion on their perception in this factor.

For the question related to the respondent's perception towards the role of NBFC's in the development of both unorganized and Organized sectors, it was found that only 17% of the respondents have a positive perception and almost 51% have a negative perception in this regard. About 30% of the respondents have a neutral opinion on their perception in this factor.

Hypothesis Testing:

H1: NBFC's improves the financial status of consumers

One-Sample Test

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
According to you what is the most important benefit from an NBFC?	41.587	344	.000	2.34783	2.2368	2.4589

From the analysis it can be seen that at a 5% level of significance the hypothesis is rejected. Hence we can conclude that NBFC's do not improve the financial status of the consumers significantly.

H3: NBFC's are a tool for financial development

One-Sample Test

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
According to you does NBFC's offer better offers to Small and Medium Enterprises?	49.098	287	.000	1.95833	1.8798	2.0368

Interpretation: Null hypothesis rejected

From the analysis it can be seen that at a 5% level of significance the hypothesis is rejected.

Hence we can conclude that NBFC's are not a tool for financial development.

Hence from the data analysis and the hypothesis validation it can be seen that in spite of the fact that the NBFCs are highly regarded by customers for their commendable performance yet there is a long gap between the expectations and the reality. The customers believe that the NBFC offer better services as compared to the existing organized banking services yet they have not been regarded as superior and they still have to improve a large extent on their service capabilities to be regarded as the most viable option for alternate financial services.

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Sanoj Kumar
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A Study on Non-Banking Financial Companies (NBFCs) in the Context of Growth in Shadow Banking

* Sanoj Kumar

I. ABSTRACT

In India, a considerable and substantial growth has taken place in the financial sector in last two decades. The overall financial system has witnessed a complete turnaround on all possible parameters, to be specific, there has been privatization of the financial institutions; the statutory financial institutions undergoing a change of their role in the overall economy as a whole; and most importantly offering of new financial products / services commonly known as financial innovations to the investors as well as market participants.

The Government of India has put their maximum efforts to de-regulate the banking system on the line of global requirement and maximum thrift and credit activities have been promoted by financing. The banking system have undergone huge reforms with the coming up on private as well as foreign banks.

India's financial services sector is huge. It is not just comprised of commercial banks, but also non-banking financial companies (NBFCs). These firms offer a wide array of financial services like loans, chit-funds, and are different from banks. NBFCs are often small players that largely go unnoticed. However, they are still important to the economy, especially in a developing country like India where 70% of the population lives in rural areas.

NBFCs contribute largely to the economy by lending to infrastructure projects, which are very important to a developing country like India. But they require large amount of funds, and earn profits only over a longer time-frame. As a result, these are riskier projects. This deters a lot of banks from lending to infrastructure projects. In the last few years, NBFCs have contributed more to infrastructure lending than banks.

NBFCs cater to a wide variety of customers – both in urban and rural areas. They finance projects of small-scale companies, which is important for the growth in rural areas. They also provide small-

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ticket loans for affordable housing projects. All these help promote inclusive growth in the country. There is huge scope of study because the business of the NBFC's business operations increasing day by day. This will help to create more awareness about NBFC business in India.

Keywords: Non-Banking Financial Company (NBFC), Shadow Banking, Growth, JEL (Journal of Economic Literature) Classification: G23 (Pension Funds; Non-bank Financial Institutions; Financial Instruments; Institutional Investors)

I. INTRODUCTION

A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956 engaged in the business of loans and advances, acquisition of shares / stocks / bonds / debentures / securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property.

NBFC's does not include any institution whose principal business includes agriculture or industrial activity; or the sale, purchase or construction of immovable property. A large number of banking services like merger-related procedures, money markets services, retirement planning, loan facilities and underwriting are provided by the NBFCs.

NBFCs undertake shadow banking and are less regulated than banks. NBFCs do not have statutory reserve ratios and can open branches at will. They have lower reporting requirements and less control over the rates to be charged. These features make them very agile and risky.

II. SHADOW BANKING

Shadow banking is a universal phenomenon, although it takes on different forms. In advanced economies where the financial system is more matured, the form of shadow banking is more of risk transformation through securitization; while in the economically backward economies where financial market is still in a developing stage, the activities are more of supplementary to banking activities.

However, in both the structures, shadow banking operates outside the regular banking system and financial intermediation activities are undertaken with less transparency and regulation than the conventional banking. In a sense, shadow banks are like icebergs - more deeply spread than what they seem to be. In the context of developing economies, shadow banks play a gainful role in credit delivery and financial inclusion as they can facilitate credit availability to certain sectors that might otherwise have difficulty in access to credit.

They play both a substitute and complementary role for commercial banks as they are able to map the financing needs of the borrowers with the financing provision where the formal banking systems are confronted with regulatory constraints and / or where the formal banking system's requirements are onerous for the clients to comply with.

The term 'shadow bank' was coined by Paul McCulley in 2007, by and large, in the context of US non-bank financial institutions engaging in maturity transformations (use of short-term deposits to finance long-term loans). However, a formal touch to the institutions of shadow banking was given by the Financial Stability Board, which defined 'shadow banking' as the "credit intermediation involving entities and activities (fully or partially) outside the regular banking system".

In the last two to three decades, growing innovations in the financial sector, changes in regulatory framework and growing competition with non-bank entities caused banks to shift a part of their activities outside the regulatory framework. This contributed to the growth of shadow banks. As a result, shadow banking activities have evolved over time in response to newer set of regulation and supervisory guidelines and spread in the domains where the scope for regulatory arbitrage was higher. It emerged not only as an avenue for exploiting regulatory arbitrage but also in response to market demand for innovative financial instruments that could mitigate risks and yield higher returns.

The recent global financial crisis brought to fore the need for monitoring and regulating the activities of shadow banking. There is, nevertheless, a concern that the forthcoming implementation of Basel III, which has more stringent capital and liquidity requirements for the banks, might further push the banks to shift part of their activities outside of the regulated environment and therefore increase shadow banking activities.

IV. CHALLENGES POSED BY SHADOW BANKS

Though the focus of regulation on shadow banking activities emerged in the wake of their alleged role in the recent global crisis, shadow banking system is not a new development.

The biggest challenge for the regulators is to gauge the magnitude of shadow banking as this landscape is continually evolving by arbitraging the gaps in the regulatory framework that otherwise seek to control them. Furthermore, unlike the banking sector, which have a very good statistical coverage, consistent decrease on shadow banking is not available given the heterogeneous nature of shadow banking entities, instruments and activities. Some of the challenges posed by the shadow banks to the global economy and economies, in general, are as follows:

a. Financial Stability and Systemic Risk Concerns
b. Regulatory arbitrage spread across geographical jurisdiction
c. Challenges in the conduct of Monetary Policy
d. Pro cyclical and amplification of business cycles

NBFCs too are faced with a gamut of challenges. Some of the key challenges are outlined here.

- Increasing NPAs and lower recovery of loans owing to economic slow down, poor business climate and absence of special powers like SARFESI (The Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest) Act.
- Increased competition viz. from banks which have a competitive advantage owing to regulatory bias giving rise to an uneven playing field.
- Regulatory tightening and convergence (with banks) leading to uncertainties and reduced flexibility for NBFCs without the benefits of access to CASA (Current and Savings Account) like benefits.
- Funding / resource mobilization challenges given various constraints in the banking and capital markets - squeeze on flow of bank credit, regulatory tightening with respect to raising funds through NCDs (Non-Convertible Debentures, Secured) under private placement, and changes in assignment rules.
- Increased cost of borrowings / funds due to economic and regulatory reasons and significant dependence on banks for borrowing.
- Lower leveraging capacity due to higher risk weights and higher capital adequacy requirement.
- Inadequate and unsupportive legal framework which renders recovery of dues very difficult and expensive.

The reform expectations of the NBFC sector for the coming future are:-

1) Bring NBFC's under SARFESI Act to enable recovery.
2) Restore priority sector lending status to eligible loans by NBFCs.
3) Measures to enable stable and low cost funding for NBFCs - like opening a central refinance window through agencies like National Bank For Agriculture & Rural Development (NABARD) and Small Industries Development Bank of India (SIDBI) with a cap on the spreads.

The above expected reforms if introduced could have varied impact on the sector as per the NBFC participants:

1. The Non Performing Assets (NPA) norms and introduction of SARFESI Act would aid in recovery. This along with capital adequacy norms will result in better portfolios.
2. The liquidity buffer would help NBFC plan their disbursals better and lower the cost of funds, while not penalizing them for adhering to prudent measures.
3. The restoration of priority sector status will significantly ease cost of borrowings for NBFC's with commensurate down - the - line benefits to borrowers from weaker sections.
4. Corporate governance and disclosure norms would bring about discipline in a sector which has systemic importance.

- Refinance facility would help NBFCs derive better ratings and hence lower borrowing costs, and overdependence on banks. Diversification of funding sources will reduce dependence on banks and thereby reduce risk in the banking system. Easier access to funds will enable NBFCs to drive financial inclusion and compete against the unorganized sector.

IV. OBJECTIVES OF STUDY

The present study attempts to examine the NBFCs at a greater scale separately. The present study objectives are:

1. To study the overall performance of the Non - banking financial companies (NBFC)
2. To analyse the role of NBFCs, after financial sector reforms.
3. To understand the role and importance of NBFC's in Indian banking sector.
4. To study various opportunities and challenges for NBFC's in India.

V. LITERATURE REVIEW

Goacher et. al. (1987) have reviewed the development of non-bank Sector and conducted a detailed economic analysis of its main components, with special emphasis on building societies, insurance companies and pension funds. He has attempted to study the growth of NBFCs taking into account its impact on the banking sector.

Anand (2000) analysed that Rapid growth of NBFCs during the 1990s and showed that the transition phase from a regime of controls to one based on market signals could be characterized by excessive entry into financial services. This could be particularly true where the initial conditions are marked by a weak regulatory regime.

Krishnamurthy's (2003) analyzed that Kotak Mahindra getting of license to operate as a NBFC has led to an initiative in direction of NBFC's conversion in to banks. Now, other large profitable which are NBFC's such as Sundaram Finance, Ashok Leyland Finance and Cholamandalam Finance should try to avail this option in future for competition sake. Though the initial cost would be high as there higher capital requirements.

Dubey S. (2007) analysed that NBFC's in India had a great revolution after 1991 liberalization which led to simple regulatory mechanisms and allowance to greedy investors to park their money with NBFC's. With more customers base and unwise investments start rising to have large profitability. This in turn leads to weak not compatible with strong players and fading of golden era for NBFC's.

Kroszner (2010) Role of NBFCs Now it is well established, with the practice, that the vital growth and effective performance of a monitory sector for economic growth of any country. It is universally accepted that a well functioned Monitory system is indispensable for a successful modern economy.

Dr. Yogesh Maheshwari (2013) in his paper state that "Changing Monitory scenario have opened up opportunities for NBFCs to expand their global presence through self-expansion strategic alliance etc. The Monitory reforms have brought Indian Monitory system closer to global standards".

Harsimran Kaur A. and Dr. Bhawdeep Singh Tanghi (2013) analyzed that NBFCs playing a crucial role in terms of macroeconomic prospective as well as strengthening the structure of the Indian Monitory System. Consolidation in the sector and better regulatory framework for NBFCs has become more focused.

Dr. Amardeep (2013) analyzed that "The role of NBFC's in creation of productive national assets can hardly be undermined. This is more than evident from the fact that most of the developed economies in the world have relied heavily on Lease finance route in their developmental process".

VI. GROWTH [illegible]

NBFCs typically have several advantages over banks due to their focus on niche segment, expertise in the specific asset classes, and deeper penetration in the rural and unbanked markets. However, on the flip side, they depend to a large extent on bank borrowings, leading to high cost of borrowings and face competition from banks which have lower cost of funds.

The growing asset size of the NBFC sector has increased the need for risk management in the sector due to growing interconnectedness of NBFCs with other financial sector intermediaries. The Reserve Bank of India (RBI) has been in the recent past trying to strengthen the risk management framework in the sector, simplify the regulations and plug regulatory gaps so as to prevent regulatory arbitrage between banks and NBFCs. The Reserve Bank of India released the 'Revised Regulatory Framework for NBFCs' on November 10, 2014 which broadly focuses on strengthening the structural profile of NBFC sector, wherein focus is more on safeguarding of the depositors money and regulating NBFCs which have increased their asset-size over time and gained systemic importance. Due to subdued economic growth, last two years, have been challenging period for the NBFCs with moderation in rate of asset growth, rising delinquencies resulting in higher provisioning thereby impacting profitability. However, comfortable capitalisation levels and conservative liquidity management, continues to provide comfort to the credit profile of NBFCs in spite of impact on profitability.

NBFC growing in [illegible]

NBFCs are rapidly gaining prominence as intermediaries in the retail finance space. NBFCs finance more than 80 per cent of equipment leasing and hire purchase activities in India. The public deposit of NBFCs increased from US$ 293.78 million in FY09 to US$ 6,089.52 million in FY17, registering a compound annual growth rate (CAGR) of 46.10 per cent. The gross loans of India's Non- Banking Finance Company Microfinance Institutions (NBFC-MFIs) increased 24 per cent year on-year in Q2 FY18 to Rs 38,288 crore (US$ 5.89 billion).

Recent Trend

NBFC's have served the unbanked customers by pioneering into retail asset-backed lending, lending against securities and microfinance. NBFC's aspire to emerge as a one-stop shop for all financial services. The sector has witnessed moderate consolidation activities in recent years, a trend expected to continue in the near future. New banking license-related guidelines issued by RBI in early 2013 place NBFC's ahead in competition for licenses owing largely to their rural network. New RBI guidelines on NBFC's with regard to capital requirements, provisioning norms and enhanced disclosure requirements are expected to benefit the sector in the long run.

Retail loan book of non-banking financial companies (NBFCs) is likely to grow at 19-21 per cent in the current fiscal year, driven by the high demand for commercial vehicle (CV) loans. NBFC's being the key financiers to the CV segment would benefit from the expected new vehicle sales growth and demand for used vehicles in FY19. "The NBFC-retail credit, which stood at Rs 7.5 trillion as on March 31, 2018, to expand at 19-21 per cent during 2019, as key growth drivers for large asset sub-categories remains intact."

SME credit is expected to grow at 23-25 per cent in FY19, driven by sizeable unmet demand, increased working capital requirement post GST implementation and limited credit availability from banks. The share of unsecured personal credit and microfinance together increased to 15 per cent in March 2018, from 8 per cent in March 2015, growing at a CAGR of 45 per cent. The growth in this segment to remain robust at about 40 per cent in FY19 as well.

NBFC's are focusing on unsecured credit more to improve product diversification while also chasing higher business yields. "Better borrower seasoning with NBFCs, availability of credit bureau data and access to improved information technology and credit assessment systems supplemented NBFC credit to this segment.

Meanwhile, the retail asset quality of NBFC's improved in FY18, with 90 days past due (dpd) declining to 4.4-4.5 per cent, from 4.7-4.8 per cent in FY17. This improvement in asset quality was aided by recoveries and sharp increase in portfolio observed in the second half of FY18.

Asset quality was also supported by a better or a relatively stable performance indicators of key asset classes, namely CV, SME credit (including loan against property), tractor and construction equipment. The lining in NBFCs in MSME financing has doubled to almost 18 per cent of the total book, the growth in the wholesale financing space is expected to largely remain constant in the 18-20 per cent range. The ability of NBFC's to tap 'unbanked' customer base at a time when the banks are facing headwinds in coming out of the NPA mess is driving the growth in the sector.

NBFCs vs Conventional Banks

An NBFC cannot accept demand deposits, and therefore, cannot write a checking facility.

Exhibit 1. Regulations applicable to Banks and NBFCs

Regulations	Banks	NBFCs
Scope of business	Scope of business for banks is limited by sec 6 (1) of the Banking Regulations Act	There is no bar on NBFCs carrying activities other than financial activities
Licensing requirements	Licensing requirements are quite Stringent. Transfer of shareholding also controlled by RBI	It is quite easy to form an NBFC. Acquisition of NBFCs is procedurally regulated but not approval required
Major limitations on business	No non-banking activities can be Carried	Cannot provide checking facilities
Major privileges	Can exercise powers of recovery under SARFESI and DRT law	Do not have powers under SARFESI or Debts Recovery Tribunal (DRT) law
Foreign	Upto 74% allowed to private sector banks	Upto 100% allowed
Regulations	BR Act and RBI Act lay down stringent controls over banks	Controls over NBFCs are relatively much lesser
SLR/CRR requirements	Banks are covered by Statutory Liquidity Ratio / Cash Reserve Ratio (SLR/CRR)	NBFCs have to maintain a certain ratio of deposits in specified securities; no such requirement for non-depository companies
Priority sector lending requirements	Certain minimum exposure to priority sector required	Priority sector norms are not applicable to banks

VIII. CONCLUSION

NBFCs' ground-level understanding of their customers' profile and their credit needs gives them an edge, as does their ability to innovate and customize products as per their clients' needs. This makes them the perfect conduit for delivering credit to MSMEs. However, NBFCs operate under certain regulatory constraints, which put them at a disadvantage vis-à-vis banks. While there has been a regulatory convergence between banks and NBFCs on the asset side, on the liability side, NBFCs still do not enjoy a level playing field. This needs to be addressed to help NBFCs realise their full potential and thereby perform their duties with greater efficiency.

Moreover, with the banking system clearly constrained in terms of expanding their lending activities, the role of NBFC's becomes even more important now, especially when the government has a strong focus on promoting entrepreneurship so that India can emerge as a country of job creators instead of being one of job seekers. Innovation and diversification are the important contributors to achieve the desired objectives.

The NBFC segment is a catalyst to the economic development of the country. The RBI is constantly continuing to bring necessary changes in the NBFC regulatory space to proactively provide regulatory support to the segment and also to ensure financial stability in the long run. We hope that the forthcoming changes in the pipeline will further strengthen the robustness of the NBFC sector and allow them to operate in an enabling regulatory.

The NPAs of NBFCs, in both gross and net term, as a percentage of credit exposure, have been declining in recent years. NPAs came down to 2.4 per cent in March 2017 from 12 per cent in March 1998. So the NPA of NBFCs is reduced.

NBFCs are already game changers, as can be seen from the analysis earlier in areas of financial inclusion, especially micro finance, affordable housing, second hand vehicle finance, gold loans and infrastructure finance. NBFCs can play a vital role going forward, in closing the loop as regards financial inclusion for individuals and MSME (Ministry of Micro, Small & Medium Enterprises). As regards MSMEs, NBFCs can become game changers by providing factoring and bill payment service which are of critical importance at the present juncture.

The way forward is to ensure that both the Non Banking Financial Institution (NBFI) sector and all the concerned regulators play an active part in attending on the imperatives mentioned at above. The complimentary role of the financial sector and all the regulators hardly needs overemphasis in the context of NBFCs morphing as game changers for providing the last mile connectivity and closing the loop as regards financial inclusion. In this context, NBFCs have a special responsibility against the background of the need to improve the customer service by conducting their operations as per the best practices of corporate governance.

Top-rated NBFCs have not only been successful in managing their market share but also in protecting their profitability. A combination of the factors cited earlier had helped these NBFCs earn better returns on their deployment. In fact, almost all the top-rated NBFCs enjoy a return on total assets that is higher than Banks. The higher return on assets was despite their operating cost ratio being similar to that of Banks.

Also these companies have displayed the ability to manage their portfolio without large incidence of non performing assets. For instance, LIC Housing Finance, DHFL, HDFC and Indiabulls Housing Finance Ltd. boast of net non-performing assets to net advances ratio of less than 1 per cent. This again has helped them lower the overall cost of operations and, thereby, protect their profitability. Higher profitability and innovative financing options, such as securitization, have also helped in boosting the capital adequacy ratio of these NBFCs. In other words, their balance sheets continue to be strong to accommodate further growth in disbursements.

The only major factor which is a cause of worry for NBFCs is the lack of trust of people. Still a majority of people are inclined towards the banking sector for different reasons. NBFCs will have to aggressively promote themselves and work with a customer friendly approach this will instill confidence among the customers and people will start looking at NBFC's as a direct substitute to the banking sector.

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MANAGEMENT PERSPECTIVES TO AGRIBUSINESS: EXPLORING CHALLENGES AND OPPORTUNITIES FOR RURAL DEVELOPMENT

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NON BANKING FINANCIAL COMPANIES (NBFCS) IN THE CONTEXT OF GROWTH IN AGRICULTURAL BANKING

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Abstract:

A new breed of non-banking financial companies (NBFCs) is emerging in India: Agricultural NBFCs. As agricultural marketing and warehousing companies look to expand their businesses, a number of them are seeking to provide financial services to farmers and farm-related businesses.

Some of these businesses initially started as captive finance arms intended to provide finances to their own clients but later expanded into standalone businesses. The intent of agricultural NBFCs is providing finance across the value chain in the farm sector, which in turn, will help the core warehousing business. The access to affordable finance to enhance farm productivity and agriculture infrastructure, can change the financial future of a farmer household. NBFC's are offering agri-financing solutions to farmers, traders, small agro processing units and joint liability groups.

The idea was to provide a one-stop solution to the end user with a diversified portfolio of services ranging from warehouse management, agriculture financing, collateral management to procurement. It helps the farmer and all stakeholders of the agriculture value chain to store the harvest safely and also get the finance against his collateral.

Lending to small farmers is a business where banks are traditionally active as it is part of their social objectives. However, NBFC's could create a niche in lending to farm-related businesses. "Specialized entities like these could create niches for themselves in other parts of agricultural lending, provided they manage their credit cost well. As of now, some rice mills and sugar companies already lend to farmers. With companies choosing the NBFC route, more and more such activities will come under regulatory purview and there can be better monitoring of these activities.

Keywords: *NBFC, Agriculture, Banking, MSME*

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Introduction:

Non-banking finance companies have, of late, become the go to place for micro, small and medium enterprises in need of funds. Lending to MSMEs had earlier been the forte of banks and NBFCs had a limited role in this segment. But now, this is changing. Enquiries with many small businesses showed one common and recurring theme, the absence of sufficient and timely funds from the banking sector for their working capital or investment needs.

There are over 51 million such enterprises in the country contributing to about a third of GDP so the dimensions of the problem are widespread. One facet of the problem has simply been the cornering of bank credit by large corporate of the 26 lakh crore lent by Indian banks to industry, large firms have taken away 21.5 lakh crore or about 83 per cent of those loans.

Companies are working towards the creation of a stable and inclusive financial system in India. It works with high quality originators so that they may deepen their presence and provide access to financial services to millions of under-served households. "NBFC act not only as a structure and arranger for clients, but also as an investor and liquidity provider.

Agricultural finance refers to financial services ranging from short-, medium- and long-term loans, to leasing, to crop and livestock insurance, covering the entire agricultural value chain - input supply, production and distribution, wholesaling, processing and marketing. More and more farmers are now approaching NBFCs and private banks for meeting their financial requirements, thus giving a go-by to their traditional financiers — PSU banks and co-operatives.

Clients belonging to this segment do not have formal income documentation such as income tax returns and these NBFCs have developed and perfected a model for lending, based on enterprise income and cash flow assessment through personal discussions with them, backed by local knowledge and standard business templates.

The sort of lean go-for-growth NBFC that views agriculture as a business opportunity (the government's own data shows that barely 60 per cent of Indian farmers overall access bank finance; it is even lower at 15 per cent for small and marginal farmers)

New-generation non-banking finance companies (NBFCs) breaking fresh ground in agricultural financing. Some institution, with the right policy support, could be the key to reducing the role of cash in farm financing, while bringing vast numbers of borrowers currently ignored by mainstream banks into the ambit of formal credit.

NBFC has targeted every player in the agri value chain, seeking to address their financing needs in a way that reduces and distributes risks. For example, it will offer input finance to farmers and simultaneously meet the input trader's credit requirement to build his inventory before the season's start. This ensures that even while the trader is able to place timely indents with the supplier, the inventory gets lifted by the farmers. NBFC's, at the same time, also offer trade finance to a

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buyer, who is willing to purchase produce from the farmers in advance. The above approach of risk mitigation allows an NBFC to extend loans without any hard collateral that banks usually insist upon.

NBFCs are forced to offer higher priced loans compared to banks. Besides, their borrowings from banks do not qualify as priority sector credit under RBI norms, even if this money is used exclusively for agricultural lending. Also, they cannot seek protection of the Credit Guarantee Fund (CGF) set up under the Small Farmers' Agribusiness Consortium (SFAC) to provide comfort to lenders reaching out to Farmer Producer Organizations (FPOs). CGF protection is available only on banks' lending to FPOs. It makes access to low-cost capital for expanding operations which is a key challenge for the Companies. The activities covered under Agriculture are classified under three sub-categories viz. Farm credit, Agriculture infrastructure and Ancillary activities.

NBFCs have served as important lending machinery that supports the government's financial inclusion mission. NBFCs have scripted a great success story. Their contribution to the economy has grown in leaps and bounds from 8.4% in 2006 to above 14% in March 2015. In terms of financial assets, NBFCs have recorded a healthy growth-a Compounded Annual Growth Rate of 19% over the past few years-comprising 13% of the total credit and expected to reach nearly 18% by 2018-19.

Objectives of study:

- To examine the current practices of NBFC's involved in Agricultural activities.
- To assess the trends in the Agricultural Banking activities of NBFCs.
- To examine the impact of NBFCs on the growth and development of Agricultural Banking

Research Methodology:

The study is based on the secondary information collected from literature review of various journals, articles, research papers, magazines web pages etc. A wide range of sustainability innovations across business types, industries and corporate functional areas were considered, and the types of benefits generated were looked at.

Literature Review

NBFC Funding: The Reserve Bank of India (RBI) does not allow NBFCs to take public deposits or open savings accounts. They, therefore, largely rely on borrowings from banks and development institutions to on-lend to their clients. It makes their loans more costly than conventional bank finance. Yet, banks are happy to make available bulk funds to NBFCs, as they aren't keen to lend directly to farmers, given the risks in agriculture and the distortion of interest rates by governments through untargeted credit subsidies. Rural borrowers, too, line up before NBFCs because they, unlike banks that offer a set menu of non-customised financial products, are responsive to the needs of different clients.

NBFCs are also quicker to adopt innovative technology to reach out to borrowers, as against the continued brick-and-mortar branches and

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boots-on-the-ground approach of banks. NBFCs' operating expenses are lower than banks', despite the latter's lower cost of funds from access to public deposits.

They have comprehensive solutions in providing warehousing services such as Scientific Storage for agriculture commodities, handling Day-to-Day Operations, Fumigation, Testing and Certification and Funding against Storage Receipts. The company provides its services to Farmers, Processors, Traders, Commodity Exchanges and the Government.

Agri based funding provide for agriculture, Horticulture, Irrigation Trading of all agri products, Agri products storage ware house (STOCK), Fertilizers, Imports and Exports of agri products, Agri based manufacturing unit such as Rice Mills, Oil Mills, Dhall Mills, Sugar Factories, Dairy Plant, Tea Plants & Factory, coffee plant and factory, Starch & Fertilizers producers as well as dealers, Spices manufactures, Dairy Farm, Cattle Farm, Poultries and Hatchers, Farm Equipments such as Tractors, harvesting machine, transport vehicles.

Challenges for NBFC: Current indications are that the farm sector has emerged from the initial shocks of demonetisation. Full recovery will be, however, largely predicated on how vigorously credit flows through the system in the next two crop seasons. The cash crunch has delivered a body blow for good or bad to rural commercial capital. Cooperatives are also under a cloud. This is the time to incentivise new channels of rural financing, including the new-generation NBFCs.

Three small steps in the forthcoming Union Budget can be decisive. First, lending by banks to NBFCs having at least two-thirds of their portfolio in agriculture must be covered under the priority sector category. Secondly, all loans to FPOs and rural SMEs by NBFCs should be entitled to the SFAC's CGF facility up to a limit of, say, Rs 100 lakh. Finally, allow NBFCs to sell the Pradhan Mantri Fasal Bima Yojana, this government's flagship crop insurance scheme to so-called non-loan taken farmers who don't receive credit from banks or cooperatives. These three steps can help unleash a wave of innovation in agricultural financing and incentivise institutions to look at this under-served segment of the economy.

NBFCs go rural for Growth: Financial inclusion is turning into a profitable venture for non-banking finance companies (NBFCs), as they are scurrying to fill the gap left by banks in rural markets that offer better margins. Srei BNP Paribas is entering the agriculture equipment finance market by April and hopes to disburse around Rs 500 crore in one year under the vertical. Similarly, Shriram Transport, which has been for long focusing on used truck finance, has also created a separate vertical for farm equipment finance, and hopes to disburse as much as Rs 5,000 crore in the next two years.

L&T Finance, which has been more focused on infrastructure finance, is expanding its rural network through products such as Kisan Bandhu, a product specially launched with a view on the Prime Minister Gram Sadak Yojana (PMGSY), a rural road construction scheme. The product is targeted at entrepreneurs who

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need funding for the acquisition of small-sized transport vehicles.

Magma Fincorp, which has around 70 per cent of its branches in semi-urban and rural areas, is looking at expanding its high-yield portfolio comprising tractors and loans to small and medium enterprises and used commercial vehicle finance. Even micro-finance institutions (MFIs), most of which are registered as NBFCs, are now looking at agriculture equipment finance.

The credit flow to most sectors slowed down last year, fund flows to the farm sector remained largely unaffected. Non-bank finance companies (NBFCs), focused on small business loans (SBL), have raised an equity capital of around Rs 2,000 crore, said ratings agency ICRA. This is more than the combined net worth of these entities as on March 31, 2017 and around 1.5 times the total capital raised by them over the last three financial years, said the report. The report has sampled 10 SBL-NBFCs, including three financial technology companies. The strong investor interest is expected to increase portfolio by six times to Rs 23,000 crore by March 2020. The sample SBL-NBFCs' portfolio grew by nearly four times to Rs. 3,700 crore between April 2015 and March 2017.The share of unsecured loans in total portfolio, especially for fintech companies, was on the rise.

The share of portfolio with mortgage security reduced from around 66 per cent in March 2015 to about 58 per cent in March 2017.The increase in portfolio and the rising proportion of unsecured loans is likely to result in a further rise in delinquency rates for these entities. ICRA believes that delinquencies of dues over 90 days for SBL-NBFCs are likely to increase to 3.3-3.8 per cent by March 2020, as portfolio seasons. This figure has increased steadily over the last three years to 2.8 per cent as on March 31, 2017. However, it remains lower than that of the overall NBFC-retail segment, excluding microfinance institutions, which was 5 per cent in March 2017.

Corporate lending is a new space for NBFCs: The share for non-bank finance companies (NBFCs) in corporate lending might increase as the revised stressed asset framework predicts higher non-performing assets (NPAs) for banks. "Pressure on asset quality could mean that banks would not be as aggressive about lending as before, because they would focus on resolving NPAs.

Collateral managers start lending to intermediate agricultural players: Faced with falling volumes, especially in agricultural commodities, collateral managers empanelled with commixes have now moved beyond farmers and started financing intermediaries in the agri value chain through their NBFCs (non-banking financial companies). Banks have not tapped these areas of new businesses due to a lack of adequate collateral assets with the intermediaries.

Almost all collateral managers, including National Collateral Management Services Ltd (NCML), Sohan Lal Commodity Management (SCML) and Star Agri have floated NBFCs for financing to agri intermediaries with an estimated lending potential of around 90,000

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crore. These intermediaries include small traders, farmers' organisations (FPOs), agri processing units, and small and medium enterprises (SMEs).

Kissandhan has changed the paradigm of collateral financing by providing loans purely based on agri collateral without any security and irrespective of the net worth of the borrower. SCML has turned the tables on others by offering finance against agri commodities as collateral without the need for any additional security."Market surveys found banks giving agricultural loans on collateral and insisting on securities such as land, houses and vehicles. The turnaround time for issuing loans is 7-30 days and the financial statement of borrowers is considered to evaluate their credit worthiness.

India's arable land area, used for growing various crops, spans across 159.7 million hectares (394.6 million acres), which is the second largest in the world, only next to the United States. To meet the agricultural demands for such a large area, the country requires about 16 million tractors for farming and commercial purposes. But, currently there are only about 4 million tractors used for agriculture purposes in India. The situation, therefore, opens immense growth scope for companies involved in the business of tractor financing.

The process of allotting the credit to reach a farmer needs to be looked at. It begins with the farmer mortgaging his land to get loan for the tractor. A public sector bank will then processes the loan, which takes about 45-50 days for disbursal after an exhausting process of paper work and collateral securities. The situation is further pressured with the marginal farmers being offered unattractive propositions for the business after this prolonged process.

However, with the advent of private banks and Non-banking Financial Companies (NBFCs) like Magma Fincorp Limited, the loan disbursal process has become almost hassle-free and those have successfully registered shorter turnaround time (TAT) for loan disbursements. For instance, Magma Fincorp Ltd can disburse loan for six tractors by the time a public sector bank executes a single application with simplest paper work and no collateral deposits. Although banks offer a lower rate of interest, the lower turn-around time induces the dealers prefer availing loans through NBFCs.

Moreover, contrary to the practice in banks, NBFCs offer the loan as a non-mortgaged product. Thus, lower interest is not a critical factor. Doorstep service, flexibility of repayment and no land mortgage are the prime elements leading to the growth of NBFCs in the tractor loan segment. Considering the prevalent situation, the share of NBFCs is only expected to rise in the years to come.

Nearly, 25 percent tractors are sold in cash, while the balances are financed in other ways varying from region to region. In the last five years, the share of NBFCs and private banks has doubled. This is witnessed by the growth of private players which was non-existent till five years back.

The faster availability of funds enables the farmer to buy the resources, deploy them immediately and start production. The situation

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has enabled a faster realisation of funds and a considerable reduction is achieved in the cycle of gaining financial assistance. The scenario has ultimately resulted in traditional financiers, public sector units, and co-operatives losing business on a faster scale as farmers are becoming more inclined towards NBFCs and private banks for meeting their financial needs.

Although the result is a major positive step for farmers in meeting their financial requirements and for the country as a whole in achieving the agricultural productivity, a major concern is raised about the capability of the farmers to repay the loans and achieve farm profitability. While the country's climatic condition, especially monsoon, the situation also demands for an active approach from the government in enhancing the potential of the agriculture sector. Agriculture is a major source of livelihood for a large section of our country's population, and therefore, the government must play a pivotal role in pushing the profitability of farmers through a slew of positive measures.

With an equity capital of 335 crore, the finance company plans to build a loan book of 1,500 crore in next two years. Unlike other NBFCs, it intends to tap Aadhaar card data for registering know-your-customer (KYC) details and use eSign technology to disburse loan in 24 hours.

The process will reduce the number of documents to be taken from borrowers and also eliminate the need for regular income proof, which is a major deterrent for small and marginal farmers in getting loan from banks. This apart, the system will capture historical price movement of various commodities to minimise risk and arrive at a higher loan-to-value ratio compared to banks. Typically, the company will lend 5 lakh to 6 crore for period of nine months depending on the shelf-life of the commodity. The lending rates would be about 15 per cent against 12 per cent charged by banks and about 18 per cent by unorganised local moneylenders.

Asked whether the venture has conflict of interest with its collateral management business, Kaul said the company would continue to work with banks to provide loans against its warehouse receipts while the new finance company would cover people who are not eligible for bank loans due to various reasons of the 8 lakh crore of banks' agriculture sector lending, post-harvest accounts for 15-20 per cent, of which, finance against warehouse receipt is about 30,000 crore. At present, banks have 80 per cent market share in warehouse receipt financing while NBFCs target people who are not covered by the banking system.

Conclusion:

NBFCs are in a sense supplementing what banks are doing although it would be premature to say that they will replace banks in this sector. A 90 per cent share remains with banks, but NBFCs have achieved 10 per cent of the market share, and by 2020 company expect that it would increase to 15 per cent, NBFCs and MFIs play a very critical role in our rapidly developing Indian financial system. It plays an important role in the core development of the country's infrastructure, transport, employment generation, wealth creation opportunities, and financial support for economically weaker

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sections; they also make a huge contribution to state exchequer.

It is an important segment of the economy, which is being streamlined to fund important sectors that will boost the economy. Indian non-banking financial companies (NBFCs) are growing their market share, however, they will have to keep pace with new technologies and changing customer aspirations to attract timely PE (private equity) investments. NBFCs are already game changers, as can be seen above in areas of financial inclusion, especially micro finance, affordable housing, second hand vehicle finance, gold loans and infrastructure finance, Agriculture finance. NBFCs can play a vital role going forward, in closing the loop as regards financial inclusion for individuals and MSMEs. As regards individuals, NBFCs can reach various financial products offered by the securities industry, viz., shares, mutual funds, depository services etc., as also insurance products both life and non-life together with their current product offerings. As regards MSMEs, NBFCs can become game changers by providing factoring and bill payment service which are of critical importance at the present juncture.

The way forward is to ensure that both the NBFI sector and all the concerned regulators play an active part in attending on the imperatives mentioned at Section 5 above. The complimentary role of the financial sector and all the regulators hardly needs overemphasis in the context of NBFCs morphing as game changers for providing the last mile connectivity and closing the loop as regards financial inclusion. In this context, NBFCs have a special responsibility against the background of the need to improve the customer service by conducting their operations as per the best practices of corporate governance.

In the ultimate analysis, adhering to best corporate governance and ethical practices is the only way for gaining the confidence of their customers in particular, and the society in general. Consequently, the NBFC sector would be able to garner greater trust of both its customers and the society. That would provide the springboard for increasing their business levels in the process of fulfilling their role as game changers in the areas mentioned above. NBFCs becoming true game changers would be a sweetener for financial inclusion efforts in our country.

The NBFC segment is a catalyst to the economic development of the country. The RBI is constantly striving to bring necessary changes in the NBFC regulatory space to proactively provide regulatory support to the segment and also to ensure financial stability in the long run. We hope that the forthcoming changes in the pipeline will further strengthen the robustness of the NBFC sector and allow them to operate in an enabling regulatory environment.

A great example of NBFCs is Shamrao Vitthal Cooperative Bank which started in 1906 as a small credit society on the stairwell of a 'chawl' in Girgaum locality of Mumbai.

Today, SVC Bank ranks as India's third largest cooperative bank. In those days, the would-be

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bank offered microcredit. Today, microloans in India are big business as more women and men strive for entrepreneurship.

Consequently, a large number of cooperative credit societies and groups of private entrepreneurs are applying to RBI and other concerned authorities for licenses.

The coming years will also see some large NBFCs merge. Negotiations for mergers and acquisitions of NBFCs are already underway between their senior management, RBI and concerned authorities.

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CONTENTS OF PART - IV

4. A Study about Indian Higher Education System: Challenges and Suggestions

Sanoj Kumar
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Abstract

Education is the key factor in shaping the budding superpowers. Development and progress of the citizens are defined by the Knowledge society and skilled manpower. Higher education system plays an important role for the country's overall development. The consistent growth rate of India in last two decades has been attributed to the higher education system which has been able to generate skilled manpower for the rapid industrialization and knowledge based economy. Indian higher education system is third largest in the world. The role of Indian higher educational institutes in the present time is to provide quality based education to empower youth for self sustainability. This quantitative explosion in higher education institutions has not been matched by the quality of the education they provide. In fact, the gap between quantity and quality is so large that it stands as one of the major obstacles in the way of India being a world leader. This paper includes the key challenges that India is currently facing in higher education and some initiatives taken by the government to meet those challenges.

Key Words: Higher Education System, Empowerment, Quantitative & Quality, Self Sustainability.

Introduction

The primary objective of higher education is to enhance one's abilities for his future. Higher education consists of education which is offered at colleges, universities, institute of technology, vocational institutes, career colleges etc. Higher education compromises of teaching, social involvement of universities, research works and many others. A large number of institutes offer higher education courses at different levels and subjects. Higher education degree is offered after ten years of study at different educational institutes in India. Higher education becomes input to the growth and development of industry and also seen as an opportunity to participate in the development process of the individual and the nation.

Higher Education in India

India has travelled a long way in education, from the "Guru -Shishya" practice of learning under the shade of a tree in medieval times, to becoming the third largest in the field of higher education after United States & China in terms of size and its diversity and largest in the world in terms of number of educational institutions.

India amongst the youngest nations in the world with nearly 140 million people by 2030, one in every four graduates in the world will be a product of the Indian higher education system.

Over the last two decades, India has remarkably transformed its higher education landscape. It has created widespread access to low-cost high-quality university education for students of all levels.

Framework of higher education is very complex in India. It includes various type of institutions like universities, colleges, institutes of national importance, polytechnics, Open University etc. Universities are also of different types like central universities which are formed by government of India, by an act of parliament which are responsible for arranging and distributing resources required by university grant commission (UGC), State universities & Deemed universities.

Regulatory Bodies & Research Councils Responsible For Higher Education In India

University Grant Commission (UGC)
All India Council for Technical Education (AICTE)
Distance Education Council (DEC)
Indian Council of Agriculture Research (ICAR)
National Council for Teacher Education (NCTE)
Indian Council of Historical Research (ICHR)
Indian Council of Social Sciences Research (ICSSR)
Indian Council of Philosophical Research (ICPR)
National Council of Rural Institute (NCRI)
Project of History of Indian Science Philosophy and Culture (PHISPC)

Research Objectives

- Reorientation of Higher Education System in India
- Assurance of Quality in Higher Education

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Data Collection

The data has been collected purely on secondary basis.

Challenges Of Higher Education System In India

Higher education in India faces problems ranging from income and gender disparities in enrolment, to poor quality of faculty and teaching and even to a general lack of motivation and interest amongst students. Indian higher education is facing with the problem of poor quality of curriculum. In most of the higher educational institutes curriculum is out-dated and irrelevant.

Financing

A growing numbers of institutions are forced to resort to self-financing courses at high tuition costs by catering to only an elite few. The private sector's primary mode of financing includes charging exorbitant fee rates. This in turn limits general accessibility to quality higher education. States inability to fund the expanding higher education system has resulted in the rapid growth of private higher education which in affects small and rural educational institutions.

Enrolment

As per the report of AISHE total enrolment in higher education has been estimated to be 35.7 million with 19.0 million boys and 16.7 million girls. Girls constitute 46.8% of the total enrolment. Gross Enrolment Ratio (GER) in Higher education in India is 25.2%, which is calculated for 18-23 years of age group. GER for male population is 26.0% and for females, it is 24.5%. For Scheduled Castes, it is 21.1% and for Scheduled Tribes, it is 15.4% as compared to the national GER of 25.2%.

Inadequate Infrastructure Facilities

Most of the colleges and universities lack basic facilities apart from the highly recognized higher educational institutes in India. Many institutes are running without proper infrastructure and basic facilities like library, hostels, transport, sports facility etc. which is desirable to rank the quality institution.

Student-Faculty Ratio

In most of the state and central universities more than 30% of faculty positions are lying vacant. While the student enrolment in higher education is growing with faster rate in the last few years appointment of faculties are not done at the pace as enrolment of students.

Curriculum

Curriculum remains more or less stagnant for number of years, whereas the changes and trend in the society take place in quick succession.

Quality Research work

Due to the limited focus on Research, very few Indian higher educational institutes are globally recognized. There is no shortage of funding for the top Indian Institutions such as IITs, IIMs and other institutes of national importance. However, budget for the Research is not spending due to insufficient good quality research work.

Suggestions For Improving The System Of Higher Education

- Higher educational institutes need to improve quality, reputation and establish credibility through student exchange, faculty exchange programs, and other collaborations with high- quality national and international higher educational institutes.
- Industry and students are expecting specialized courses to be offered so that they get the latest and best in education and they are also industry ready and employable. Vocational and Diploma courses need to be made more attractive to facilitate specialized programs being offered to students. Incentives should be provided to teachers and researchers to make these professions more attractive for the younger generation.
- Need for innovative and transformational approach form primary to higher education level to make Indian educational system globally more relevant and competitive.
- In higher educational institutes-industry interface must be there for development of curriculum based on industry requirements, organizing expert lectures, compulsory internships, live projects, career counseling and placements.
- Government must promote collaboration between Indian higher education institutes and top International institutes and also generates linkage between national research laboratories and research centers of top institutions for better quality and collaborative research.
- There is a need to focus on the graduate students by providing them such courses in which they can achieve excellence, gain deeper knowledge of subject so that they will

get jobs after recruitment in the companies which would reduce unnecessary rush to the higher education.

- The new technologies offer vast opportunities for progress in all walks of life. It offers opportunities for economic growth, improved health, better service delivery, improved learning and socio-cultural advances. Though efforts are required to improve the country's innovative capacity, yet the efforts should be to build on the existing strengths in light of new understanding of the research innovation-growth linkage.
- A compulsory Skill Oriented course along with the regular curriculum is a need of an hour. Based on students skills, courses needs to be designed by the industry experts.

Conclusion

This paper was written keeping in mind the present situation of higher education sector in India. The progress of any nation depends on the quality of its education system. The quality of education depends on the quality management, quality teachers and quality students. Quality infrastructure is also a vital part of the quality institution. Though the number of higher educational institution has been rising day by day, it is very disheartening to observe that the quality of education is not improved. We also identified the challenges like demand-supply gap, lack of quality research, problem of infrastructure and basic facilities, shortage of faculty etc in the higher education. There is also a need to introduce more need based vocational courses along with the core subject for the academically and economically backward students with an entrepreneurial dimension to make them self dependent. The implementation framework for twelfth plan aims to focus on improving quality of state institutions, to revamp financial aid programs, to interlink expansion, equity and excellence. To improve the higher education system we need to improve teaching pedagogy, build synergies between research and teaching, and facilitate alliance of higher institutions among themselves, research centers and industries. With the help of modern technology, teacher can introduce their students with the advance world of knowledge. It is to be mentioned that a little will and well conceived plan will make the teacher capable of utilizing projectors, power point presentation, interactive white boards, video films, slide and digital imaging, electronic information resources like e-learning, portals and printed hand outs etc. This type of technology will help in rapid transmission of educational inputs by the fast developing information highway This is necessary not only to take care of economic growth, but it is also essential for social cohesion and to empower the country's youth. Quality

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output will be the result of joint venture of the authority, teachers, non-teaching staff, students and their parents.

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A STUDY ON GST AND ITS IMPACT ON EDUCATION SECTOR

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ABSTRACT

This study aims to understand the taxation system of our Country and its impact on educational sector in India. GST (Goods and service tax) is major tax reform, in indirect tax structure of India since Independence. It was designed to provide the support and enhancing the economic growth of India. The idea to set up GST in India was put forth by Atal Bihari Vajpayee government in 2000. It is the biggest tax reform in India since Independence and was implemented by the Government of India on 1st of July 2017. Prior to this date, the system to collect indirect tax was complex as there were different heads of Indirect taxes but GST introduces the system which unifies 17 heads of Indirect taxes into one single set. At present, taxes are levied on the goods and services by the collective effort of central and state governments Goods and Services Tax is the tax that is levied on all goods and services based on their destination and India adopts a dual GST system by introducing Central GST (CGST) and State GST (SGST). It improves the taxation system of our Country by reducing the multiplicity and cascading effects of taxes and by bringing out transparency and improves compliances in every transaction. GST is the only indirect tax that affects all the sectors and sections of our economy.

Education is one of the major sectors of any economy and the future of any country depends on the quality of education provided to the youth. Education promotes understanding, vision, creativity and productivity of people which helps in advancement of a country. In India, Education is provided by public as well as private sector. Indian government's foremost priority is to provide low-cost education to one and all. That's ***why education sector*** *enjoys lots of tax exemption. GST council tried to provide maximum exemptions or keep away from the GST regime to the educational sector.*

This study analyses GST and its impact on educational Sector based on the secondary data.

Keywords:- *Goods and Service Tax, Education Sector, Indirect Tax, Students*

INTRODUCTION

Education: As per Wikipedia "*Education* is a purposeful activity directed at achieving certain aims, such as transmitting knowledge or fostering skills and character traits". Education is the backbone of a Nation and it directly affects the growth of an economy and providing education is always seen as a social activity rather than a business one. India is one of fastest growing economy in the world, moreover it is one of youngest economy in the world. So for it education plays crucial role for the social and economic growth of India. Education is one of the major service sectors for the economy like India because it will decide how the country will flourish. It promotes knowledge, skills, vision, innovation and creativity etc. of people which help in the growth of a country. India is a mixed economy. Education is provided by both the private and government sector. Central government passes the "Compulsory Education Act 2009" which makes the education compulsory for every child. In India, there are two types of educational institutions, viz public and private. Indian Government supports low-cost education to each people. That's why in India educational sector avails lots of tax exemption in Indirect taxes as well as direct taxes. Direct taxes are those taxes that are directly paid to the government like income tax, TDS, and indirect taxes are indirectly levied and paid to the government like, excise, GST, custom, etc. The Goods and Service Tax (GST) is a very vast concept that simplifies the taxation system and enhances the economy of our country by reducing the multiplicity of taxes and their evasion. GST is an indirect tax and levied on all goods and services supply in India. It is a destination-based tax and it applies to where the goods and services are supplied not by produced. GST has four types of rates of Tax: 5%, 12%, 18%, and 28%.2 The government of India passed the GST bill on 1st July 2017 to subsume all the indirect taxes to avoid the cascading effects of indirect taxes and to reduce the cost of products and services raised due to multiplicity of taxes. Goods and Services Tax Council, GSTN, and all government agencies, etc., have been regularly deciding to resolve the problems encountered being at different levels to ensure a smooth transition. With the introduction of the goods and services tax at the state level, the extra load of the CENVAT, as well as service tax, is eliminated and the major central and state taxes are included in GST, plummeting the multiplicity of taxes.

OBJECTIVE OF THE STUDY: -

- To know the impact of GST on education
- To check the positive and negative sides of GST

- To furnish information for further research work on GST

NEED OF THE STUDY:

This study will help us to understand the present taxation system followed by the educational sector. This study is necessary to analyse the positive and negative impact of the implementation of GST on the educational sector. This study also analyse the exempted and non-exempted services from GST of the educational sector

REVIEW OF LITERATURE

- Radha Dhaked (2022) in her study Impact of GST Tax on Education Sector helped in defining the education institutes under GST and elaborate various taxable and exempt education service as per GST Regime and a complete list of exemption offered to education institutions.
- Amit Khiyani (2021) in his study elaborate impact of GST and rates of GST in Education Services
- CMA Amit A. Apte (2019) published a book on "GST on Educational Sector" and concluded that only primary services are exempted from GST and any ancillary or incidental services related to primary services are taxable under GST.13
- ICAI (2019) in their study had given all the details about GST on Education Sector, Exempted and Non exempted education educational services and practical approach in collecting GST.
- Dr. Duggappa M.C (2018) in his study "An Empirical Study on Goods and Service Tax" said that the GST system is favourable and brought changes in the tax regime.
- Subhadeep Dutta (2018) in her study "A Study of Goods and Service Tax and its impacts" concluded that after implementation of GST tax rates will be increased by 3-5% resulting in an increase in the cost of services to the end-user. Challenges and issues find out by using SWOT analysis in her study and analyse the impact of GST on student's lifestyles.
- B. Anbuthambi and N. Chandrasekaran (2017) studied "Goods and Services Tax (GST) and Training for its Implementation in India: A Perspective" and concluded that GST was implemented at the national level. Government must provide training and help desk facility for trainers on GST rules and regulations.
- Alpna Yadav (2017) in her study "Impact of Goods and Services Tax on Indian Economy" concluded that GST will solve the problem of complexity of the tax system because it replaces all the indirect taxes into one indirect tax. GST also reduces the cost of goods and services by reducing the cascading effects (tax on tax).
- Dr. R Vasanthagopal (2011) in his study evaluated the impacts of GST on the various sectors like education, agriculture etc and also assessed the positive and negative impacts of GST on various sectors and concluded that it will be the biggest tax reform in India which will increase the revenue of the nation.

METHODOLOGY

This study is based on secondary data and does not include any statistical data. The data used for this study has been collected from various online sources, official websites, journal articles, newspapers, related to GST.

IMPACTS OF GST ON EDUCATIONAL SECTOR

GST was implemented to avoid double taxation effects but there are some Positive and Negative impacts of GST as below:

POSITIVE IMPACTS OF GST

- Educational Institutions providing only education services to students and receiving money as fees for educational services are not required to be registered under GST
- Institutions up to Higher Secondary are exempt from paying any tax and avail tax exemptions.
- Institutions runs by Charitable Trust can avail Tax Exemption U/s 12A after taking approval from the Income Tax Department.
- Education Services, Training Programs, Vocational Skill Development Course or any other Type of Services Provided by National Skill Development Corporation, Sector Skill Council are fully Exempt from GST.

NEGATIVE IMPACTS OF GST

- Most of the educational Institutions opt for third-party service providers for Transport, Catering Services, etc. to fulfil their daily requirements but with the implementation of GST, cost of

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educational sector will rise due to increase in tax rates from 5-12% to 18% and it directly or indirectly affects the education system.

- Coaching fee is subject to 18% and Non-Conventional courses were under the tax bracket of 15 % in the previous tax system but under GST it comes to the tax bracket of 18%.
- Educational training/events organized by foreign entities in India come under the tax bracket of 18% that are attended by professionals, students, corporates, etc.
- Some products shall become more expensive and some products shall be cheaper. For instance, Schoolbag was taxed at 12.5 % under previous taxation system while under GST regime it comes under 18 % tax bracket.
- Ball pen and exercise book under the old system was taxed at 18.68 % and now it comes under the tax bracket of 12 % and become less expensive.

LIMITATION OF THE STUDY

One of the biggest problem is the repeatedly changes in GST rates by the GST council. It is one of the biggest problem in this specific research study. There are lots of scopes available for further researchers with the up-dated and redesigned data.

CONCLUSION

Education Services provided from preschool up to higher secondary or its equivalent are exempt from GST and those educational institutions provided only education as a service need not be registered under GST. Due to implementation of GST, the cost of educational is increasing due to an increase in the tax rate on different items, and those Institutions and universities who provided education after higher secondary are required to pay GST for services which means transportation, catering, housekeeping, etc. will levy GST and the cost will have to be borne by the institutions. Education is free from GST means output service of institutions.

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2. Book review must contain the name of the author and the book reviewed, the place of publication and publisher, date of publication, number of pages and price.
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EXAMPLES OF REFERENCES

All references must be arranged first alphabetically and then it may be further sorted chronologically also.

- **Single author journal article:**

Fox, S. (1984). Empowerment as a catalyst for change: an example for the food industry. *Supply Chain Management*, 2(3), 29–33.

Bateson, C. D.,(2006), 'Doing Business after the Fall: The Virtue of Moral Hypocrisy', Journal of Business Ethics, 66: 321 – 335

- **Multiple author journal article:**

Khan, M. R., Islam, A. F. M. M., & Das, D. (1886). A Factor Analytic Study on the Validity of a Union Commitment Scale. *Journal of Applied Psychology*, 12(1), 129-136.

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PERFORMANCE OF IPO IN INDIAN STOCK EXCHANGES

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ABSTRACT

An Initial Public Offer (IPO) is said to be the largest source of funds with long maturity for the company. It is considered to be a quick source of financing for expansion and growth of the business. A number of companies raising capital through IPOs is observed to be increasing. However, investors investing in the IPOs consider it as a means to earn speculative. The average returns by the selected IPOs being quite impressive, investing in IPOs for a short – term can prove to be a lucrative option. Inspite of the pandemic situation, a good number of IPOs were observed to be launched and the number still increases till date with a good number of total issue size. The research paper thus, tries to identify the sector wise successful IPOs at NSE and BSE in the last two years. It also tries to explore the relationship between size of the IPO and success rate of the IPOs. The research paper enables to identify the response received by the entrepreneurs from the capital markets, and the businesses for which investors have a positive perception. The research is conducted by referring to real time data of all the IPOs listed on NSE as well as BSE from year 2020

Keywords: Initial Public Offerings (IPOs), success rate of the IPOs, price band and subscription level of the IPOs

INTRODUCTION

A corporate may raise capital in the primary market by way of an initial public offer, rights issue or private placement. An Initial Public Offer (IPO) is the selling of securities to the public in the primary market. It is the largest source of funds with long or indefinite maturity for the company. An IPO is an important step in the growth of a business. It provides a company access to funds through the public capital market. An IPO also greatly increases the credibility and publicity that a business receives. In many cases, an IPO is the only way to finance quick growth and expansion. In terms of the economy, when a large number of IPOs are issued, it is a sign of a healthy stock market and economy. IPOs listed on SMEs board are more efficient in price discovery than IPOs listed on Main board. At the same time IPOs listed on SME board have seen lower demand even though they were under-priced. SME IPOs are yet to catch full attention of the research community. The SME IPO market is still evolving and facing issues with respect to transparency and risk. (Wazal Makarand, Sharma Sudesh Kumar, 2020). Even though number of companies raising capital through IPO method are increasing, the investors investing in these

IPOs still view this option as a means to earn speculative. The average total return provided by the selected IPOs on the listing day is 23.67 and the abnormal return provided by these IPOs over and above the market return is 23.14 which are quite impressive. Thus, investing in IPOs for short term can prove to be very lucrative option and can help the investors to make handsome gains in very short period of time. (Manu K.S., Saini Chhavi, 2020). The IPO market has moved towards a trend where a large amount of capital is raised from a small number of issues which also indicated an overall increase in the quality of issues, instead of quantity. Further, the behaviour of the Indian IPO market across various policy periods analysed through dummy regression model shows that due to the introduction of book building concept in 1995 which marked major structural reforms in the IPO market, both number of issues and amount raised gave a negative ACGR during globalisation period. (Singh Amit Kumar, Mohapatra Amiya Kumar, 2020). Book Building is an important concept in the IPO. SEBI guidelines defines Book Building as "a process undertaken by which a demand for the securities proposed to be issued by a body corporate is elicited and built-up and the price for such securities is assessed for the determination of the quantum of such securities to be issued by means of a notice, circular, advertisement, document or information memoranda or offer document". As per SEBI guidelines, an issuer company can issue securities to the public though prospectus in the following manner

- 100% of the net offer to the public through book building process
- 75% of the net offer to the public through book building process and 25% at the price

Determined through book building. The Fixed Price portion is conducted like a normal public issue after the Book Built portion, during which the issue price is determined. The concept of Book Building is relatively new in India. However it is a common practice in most developed countries. Difference between Book Building Issue and Fixed Price Issue: In Book Building securities are offered at prices above or equal to the floor prices,

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whereas securities are offered at a fixed price in case of a public issue. In case of Book Building, the demand can be known everyday as the book is built. But in case of the public issue the demand is known at the close of the issue.

OBJECTIVES:

i) To study the success rate of IPOs in Indian Market After covid 2019

ii) To Study The investor pattern of IPO

iii) To Study the buying behaviour of Customer

RESEARCH METHODOLOGY

The research conference in which the paper is being published is based on themes of leadership, entrepreneurship. With the help of this paper one will be able to identify how the entrepreneurs have received response from capital markets. Which are the businesses for which investors have a positive perception. The research is conducted by referring to real time data of all the IPOs listed on NSE as well as BSE from year 2020 to 20th May 2022. This will help to analyse quantitative factors like success rate of IPOs on listing day, post listing performance. Also a qualitative aspects of selective IPOs is done which takes into consideration various factors like governance, stakeholders and sectoral analysis. The data is collected using real time live updated NSE and BSE website and trading terminals. It is also supported by various research paper published, articles published and Mutual funds house reference material is used.

Detailed Analysis of the IPOs:

In spite of COVID-19 disturbance 14 IPOs launched in the year 2020 with total issue size 26180 crore rupees. All the IPOs were oversubscribed, highest oversubscription garnered by FMCG and consumer service sector. Whereas lowest response received by financial services sector. In an unpredictable and volatile year 2021 total 59 IPOs were launched with total issue size of 122112.98 crore rupees raised by primary market. In the first quarter of 2022 and May first half 9 IPOs have already been registered and 31851 crore rupees have already been raised.

Talking about the success of the IPOs, it is categorized on two parameters first is gains on listing day, second is gains post listing. It is observed that stocks of companied from healthcare sector, Chemical, IT has more success on listing day as well as post listing. In 2020 13 IPOs were launched out of which 9 saw a positive listing with average return of 71 %. As on date 11 are trading above IPO price. In 2021 59 IPOs were launched out of which 41 listed with positive returns, 18 with negative returns. Average return for IPOs trading was 30% in year 2021. As on date 33 are trading at price above the IPO price. From January 2021 till first half of May 2022 9 IPOs have been launched, 6 from the same gave positive returns on listing with average of 12%, as of now 5 are trading with price above IPO offer price.

- 56 stocks were hit on listing, number of stocks were not successful on listing.
- 25 stocks were trading negatively on listing day,
- 15 Stocks hit on listing but today trending at below IPO offer price.
- 17 stocks which not hit on and still trading below the IPO offer price.
- 9 Stocks were listed ate below IPO offer price but gained momentum later and are trading positively.

There are multiple factors that affect the listing day performance of in IPO. The traders who bet on listing day, not interested in holding stock for long have to bear with the risk of tanking down on the listing day. There are many investors who are now a days applying for IPOs with the intention of making money in short term, as the whole process of application, allotment and listing hardly takes 15- 21 days. Getting allotment of IPOs on your wish-list is a part of luck too. Also, allotment depends on the rate of oversubscription and undersubscription. Short term gains may seem lucrative. If you total the listing day gain for all of the IPOs mentioned above, one would still make decent profit. But one thing that has to be kept in mind is not all IPOs will be allotted to one investor. Secondly, to be become a listing day trader one must be mentally prepared to clear the position on same day not matter you are making profits or losses. However, investors will tend to hold on loss making IPO positions. This will block the capital and one has to pour more money to catch next IPOs. Otherwise situation can be like where one has stuck money in loss making IPOs and no capital to invest further. So trading on IPOs and making profit on listing days has two important aspects; first is getting allotment of a good IPO secondly choosing IPOs after fundamental analysis and then if IPO get allotted then deciding exit point. Here we put some of the case by case IPOs performances as on listing and post listing

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1. SBI Cards – Much discussed, potentially good IPO but got hit by COVID-19 and listed at 12% discount it took almost 6 moths to gain positive returns.
2. It was observed that in spite of second wave fears of COVID 19, when businesses found out ways to continue in spite of lockdown type restrictions, IPOs like Burger King India, Happiest Mind Technologies, Rossari Biotech gave great listing gains.
3. Year 2021 saw great liquidity also great hike in national indices making favourable environment and optimistic investors.
4. In the year 2021, 9 out of 10 IPOs got oversubscribed more than 20 times of the size of the issue.
5. More than 20 IPOs launched in 2020 gave positive results on listing day giving more than 10% returns however, only 14 from them continued to maintain positive returns post listing also.
6. The companies issuing fresh capital, with less size IPO gave a surprise to its investors Sighachi Industries gave a whopping 207% returns. Paras defence and space technologies gave 185% returns..
7. Whereas One 97 communications(Paytm), Shri Ram Properties, Aditya Birla Sunlife AMC like reputed names disappointed investors on listing days.
8. Tatvachintan Pharma Chemicals was expected to be good an proved good, however many analysts, fundamentalists were not expecting a loss making Zomato IPO to give positive returns on listing day, however it was trading at premium on listing howver later the boom based on brand name and social media influence vanished and it tanked low.
9. LIC the big name in Financial Institutions has done lot of market research to find out right pricing, size of issue, waited patiently for right time of launching IPO, went through cumbersome legal formalities. Majority of the markets players expected to gain good however it turned out a heart-breaking failed IPO as on listing.
10. Nazara technologies, G R Infra, Anand Rathi Wealth gained good results.

CONCLUSION

Efficient market hypothesis has its own charm. It never fails to shock market participants and proves that market discounts everything. There can be not a sing strategy to select IPOs with high success rate also weather IPO or secondary market there cannot be success formula. However it does not mean one cannot get returns by trading on IPOs. Technique for making money from IPOs is to first undertake fundamental analysis. Analyse the companies from bottomup approach. Even though the study says, Healthcare, Chemical IT have done great job one has to be selective while choosing the right candidate from every sector. Also from above study it is observed that out of 81, 80 IPOs were oversubscribed. The pricing of the issue is still a matter of concern. Even though IPO lot size is more or less same still pricing range also holds a greater impact on subscription level, this level ultimately creates a buzz and reflects on listing day pricing as well as listing day trades. It can be conclude there is no direct relationship between size of the IPO and its success, some big ticket IPOs like LIC has failed and some small size IPOs like Sighachi Industries gave enormous returns It can be concluded that IPOs with high price range has given average returns but majority of IPOs has followed mid-range pricing have seen better chances of getting higher returns. One has to also pay attention of level of stake of promoters offered in IPO, % allocation to QIBs, HNIs and retail investors and the subscription level. One has to thoroughly understand prospectus or red herring prospectus. One should not go on blindly following market tips and bet in IPOs. One should consult the financial advisor, stock broker before investing in IPOs. Liquidity also should be taken into account because if one invests with intentions of short term gains and if IPO fails then your money may get stuck. Also there are maximum possibilities of gaining from IPO by giving it time to prove itself in the market make money in long term.

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A STUDY ON GST AND ITS IMPACT ON EDUCATION SECTOR

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ABSTRACT

This study aims to understand the taxation system of our Country and its impact on educational sector in India. GST (Goods and service tax) is major tax reform, in indirect tax structure of India since Independence. It was designed to provide the support and enhancing the economic growth of India. The idea to set up GST in India was put forth by Atal Bihari Vajpayee government in 2000, It is the biggest tax reform in India since Independence and was implemented by the Government of India on 1st of July 2017. Prior to this date, the system to collect indirect tax was complex as there were different heads of Indirect taxes but GST introduces the system which unifies 17 heads of Indirect taxes into one single set. At present, taxes are levied on the goods and services by the collective effort of central and state governments Goods and Services Tax is the tax that is levied on all goods and services based on their destination and India adopts a dual GST system by introducing Central GST (CGST) and State GST (SGST). It improves the taxation system of our Country by reducing the multiplicity and cascading effects of taxes and by bringing out transparency and improves compliances in every transaction. GST is the only indirect tax that affects all the sectors and sections of our economy.

Education is one of the major sectors of any economy and the future of any country depends on the quality of education provided to the youth. Education promotes understanding, vision, creativity and productivity of people which helps in advancement of a country. In India, Education is provided by public as well as private sector. Indian government's foremost priority is to provide low-cost education to one and all. That's ***why education sector*** *enjoys lots of tax exemption. GST council tried to provide maximum exemptions or keep away from the GST regime to the educational sector.*

This study analyses GST and its impact on educational Sector based on the secondary data.

***Keywords**:- Goods and Service Tax, Education Sector, Indirect Tax, Students*

INTRODUCTION

Education: As per Wikipedia "*Education* is a purposeful activity directed at achieving certain aims, such as transmitting knowledge or fostering skills and character traits. Education is the backbone of a Nation and it directly affects the growth of an economy and providing education is always seen as a social activity rather than a business one. India is one of fastest growing economy in the world, moreover it is one of youngest economy in the world. So for it education plays crucial role for the social and economic growth of India. Education is one of the major service sectors for the economy like India because it will decide how the country will flourish. It promotes knowledge, skills, vision, innovation and creativity etc. of people which help in the growth of a country. India is a mixed economy, Education is provided by both the private and government sector. Central government passes the "Compulsory Education Act 2009" which makes the education compulsory for every child. In India, there are two types of educational institutions, viz public and private. Indian Government supports low-cost education to each people. That's why in India educational sector avails lots of tax exemption in Indirect taxes as well as direct taxes. Direct taxes are those taxes that are directly paid to the government like income tax, TDS, and indirect taxes are indirectly levied and paid to the government like, excise, GST, custom, etc. The Goods and Service Tax (GST) is a very vast concept that simplifies the taxation system and enhances the economy of our country by reducing the multiplicity of taxes and their evasion. GST is an indirect tax and levied on all goods and services supply in India. It is a destination-based tax and it applies to where the goods and services are supplied not by produced. GST has four types of rates of Tax: 5%, 12%, 18%, and 28%.2 The government of India passed the GST bill on 1st July 2017 to subsume all the indirect taxes to avoid the cascading effects of indirect taxes and to reduce the cost of products and services raised due to multiplicity of taxes. Goods and Services Tax Council, GSTN, and all government agencies, etc., have been regularly deciding to resolve the problems encountered being at different levels to ensure a smooth transition. With the introduction of the goods and services tax at the state level, the extra load of the CENVAT, as well as service tax, is eliminated and the major central and state taxes are included in GST, plummeting the multiplicity of taxes.

OBJECTIVE OF THE STUDY: -

- To know the impact of GST on education
- To check the positive and negative sides of GST

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- To furnish information for further research work on GST

NEED OF THE STUDY:

This study will help us to understand the present taxation system followed by the educational sector. This study is necessary to analyse the positive and negative impact of the implementation of GST on the educational sector. This study also analyse the exempted and non-exempted services from GST of the educational sector

REVIEW OF LITERATURE

- Radha Dhaked (2022) in her study Impact of GST Tax on Education Sector helped in defining the education institutes under GST and elaborate various taxable and exempt education service as per GST Regime and a complete list of exemption offered to education institutions.
- Amit Khiyani (2021) in his study elaborate impact of GST and rates of GST in Education Services
- CMA Amit A. Apte (2019) published a book on "GST on Educational Sector" and concluded that only primary services are exempted from GST and any ancillary or incidental services related to primary services are taxable under GST.13
- ICAI (2019) in their study had given all the details about GST on Education Sector, Exempted and Non exempted education educational services and practical approach in collecting GST.
- Dr. Duggappa M.C (2018) in his study "An Empirical Study on Goods and Service Tax" said that the GST system is favourable and brought changes in the tax regime.
- Subhadeep Dutta (2018) in her study "A Study of Goods and Service Tax and its impacts" concluded that after implementation of GST tax rates will be increased by 3-5% resulting in an increase in the cost of services to the end-user. Challenges and issues find out by using SWOT analysis in her study and analyse the impact of GST on student's lifestyles.
- B. Anbuthambi and N. Chandrasekaran (2017) studied "Goods and Services Tax (GST) and Training for its Implementation in India: A Perspective" and concluded that GST was implemented at the national level. Government must provide training and help desk facility for trainers on GST rules and regulations.
- Alpna Yadav (2017) in her study "Impact of Goods and Services Tax on Indian Economy" concluded that GST will solve the problem of complexity of the tax system because it replaces all the indirect taxes into one indirect tax. GST also reduces the cost of goods and services by reducing the cascading effects (tax on tax).
- Dr. R Vasanthagopal (2011) in his study evaluated the impacts of GST on the various sectors like education, agriculture etc and also assessed the positive and negative impacts of GST on various sectors and concluded that it will be the biggest tax reform in India which will increase the revenue of the nation.

METHODOLOGY

This study is based on secondary data and does not include any statistical data. The data used for this study has been collected from various online sources, official websites, journal articles, newspapers, related to GST.

IMPACTS OF GST ON EDUCATIONAL SECTOR

GST was implemented to avoid double taxation effects but there are some Positive and Negative impacts of GST as below:

POSITIVE IMPACTS OF GST

- Educational Institutions providing only education services to students and receiving money as fees for educational services are not required to be registered under GST
- Institutions up to Higher Secondary are exempt from paying any tax and avail tax exemptions.
- Institutions runs by Charitable Trust can avail tax exemption U/s 12A after taking approval from the Income Tax Department.
- Education Services, Training Programs, Vocational Skill Development Course or any other Type of Services Provided by National Skill Development Corporation, Sector Skill Council are fully Exempt from GST.

NEGATIVE IMPACTS OF GST

- Most of the educational Institution depends on third-party service providers for Housekeeping, Transport, Catering Services, etc. to fulfil their daily requirements but with the Implementation of GST, cost of educational sector will rise due to increase in tax rates from 5-12% to 18% and it directly or indirectly affects the education system.

- Coaching fee is subject to 18% and Non-Conventional courses were under the tax bracket of 15 % in the previous tax system but under GST it comes to the tax bracket of 18%.
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Education Services provided from preschool up to higher secondary or its equivalent are exempt from GST and those educational institutions provided only education as a service need not be registered under GST. Due to implementation of GST, the cost of educational is increasing due to an increase in the tax rate on different items, and those Institutions and universities who provided education after higher secondary are required to pay GST for services which means transportation, catering, housekeeping, etc. will levy GST and the cost will have to be borne by the institutions. Education is free from GST means output service of institutions.

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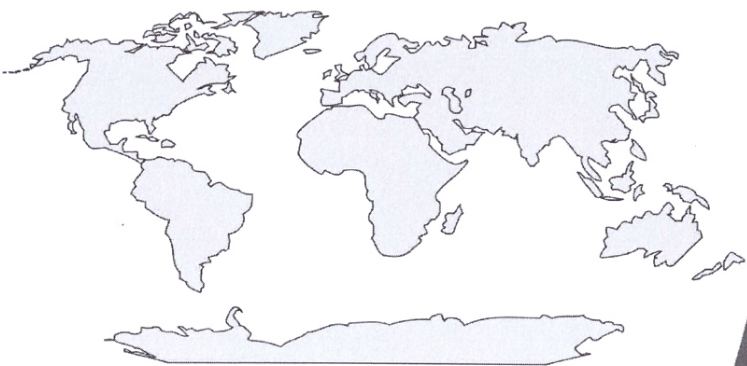

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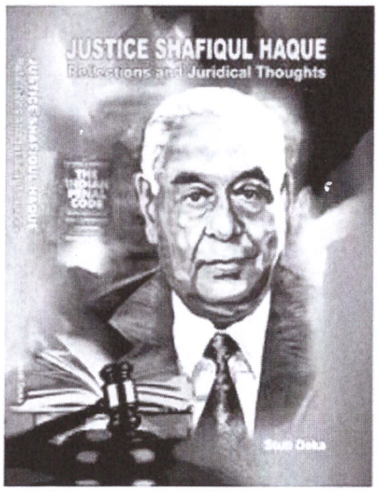

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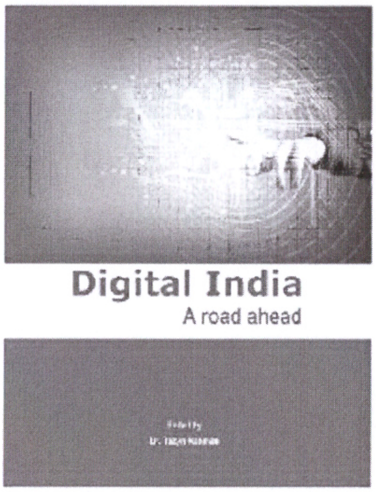

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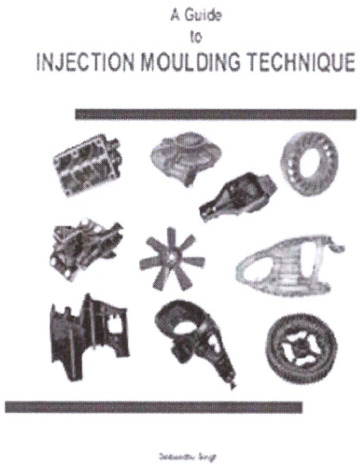

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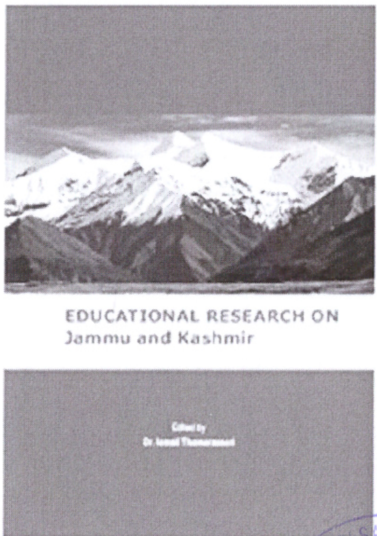

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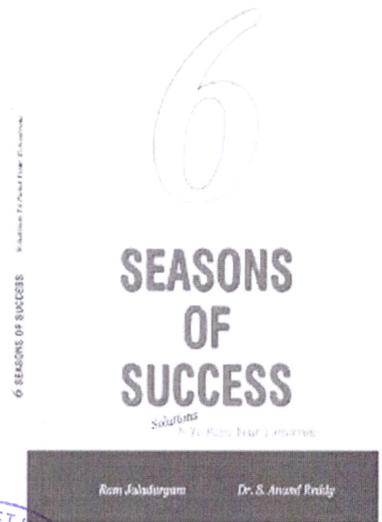

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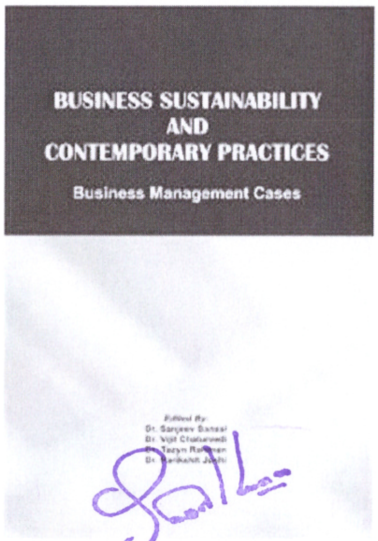

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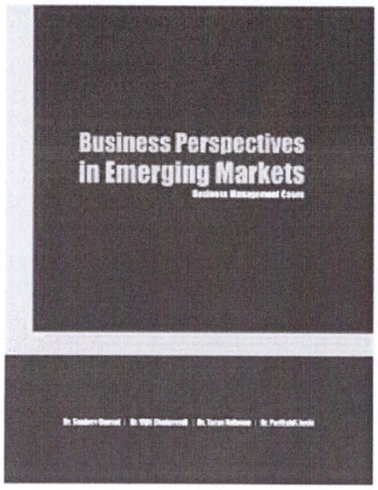

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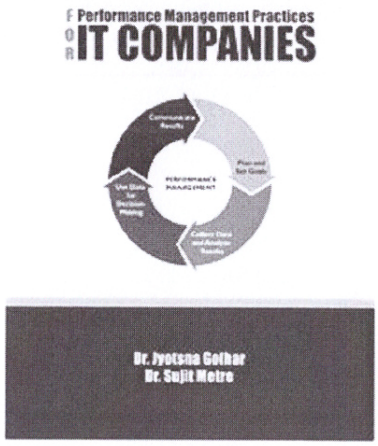

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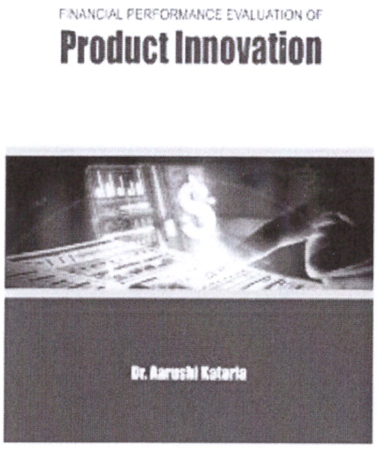

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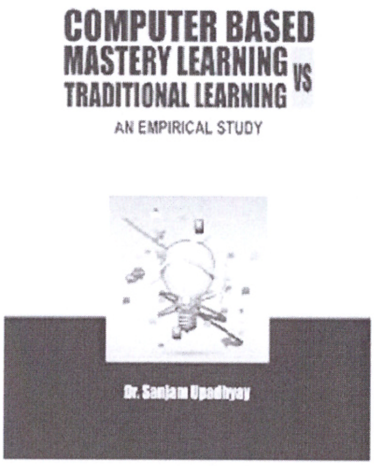

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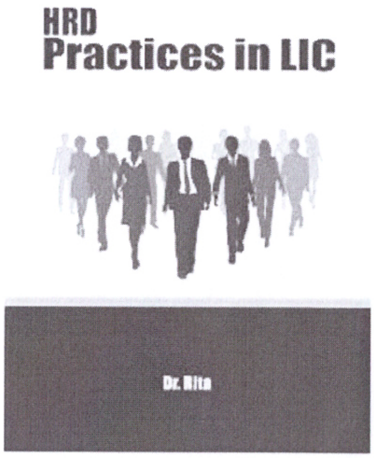

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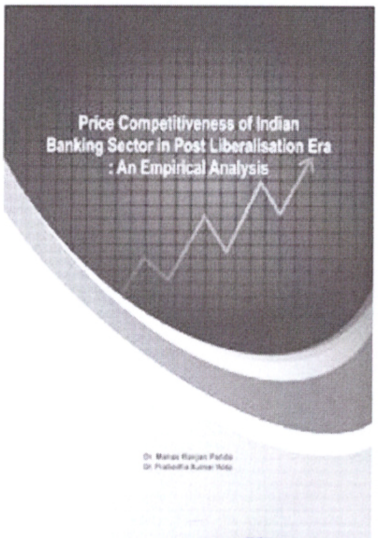

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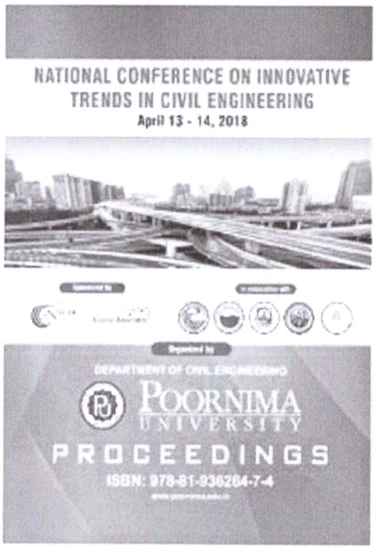

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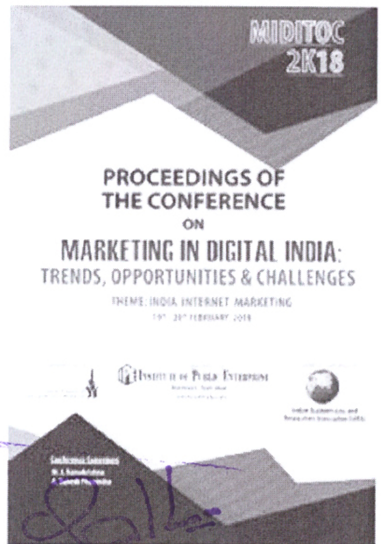

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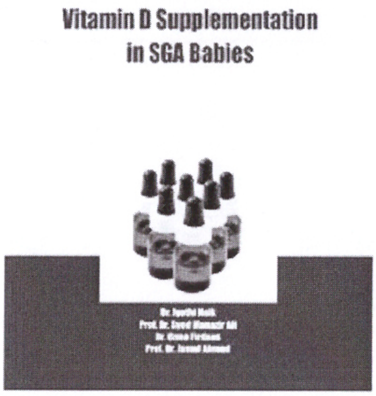

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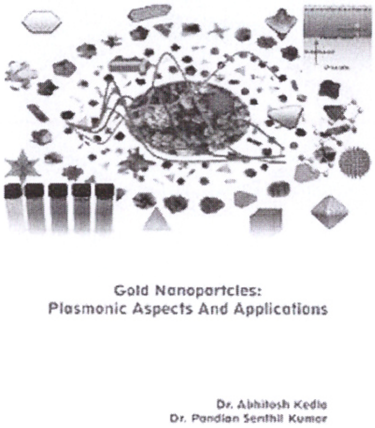

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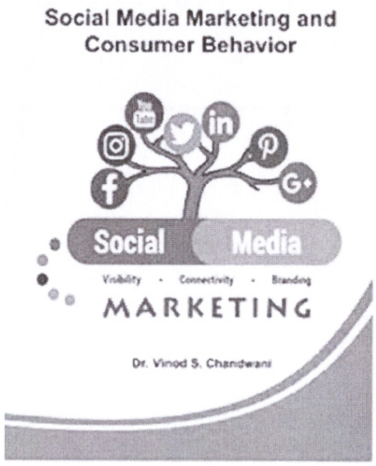

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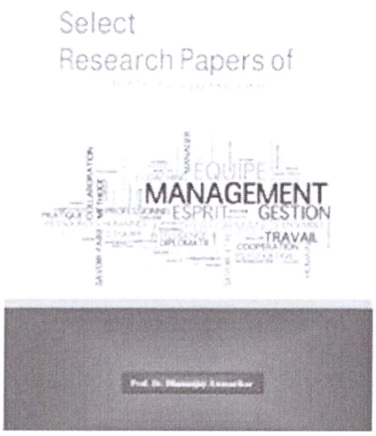

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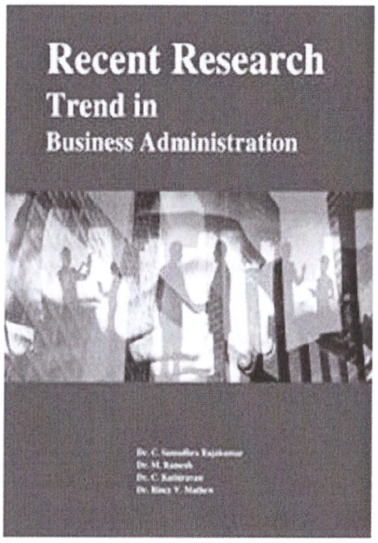

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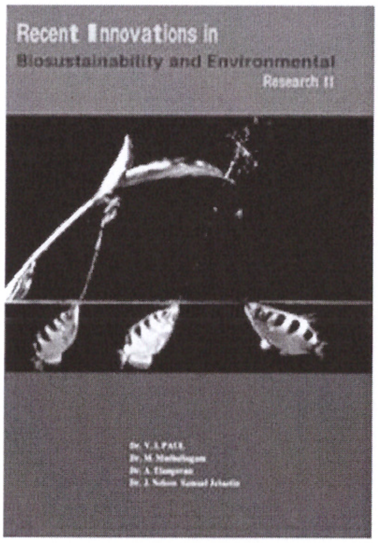

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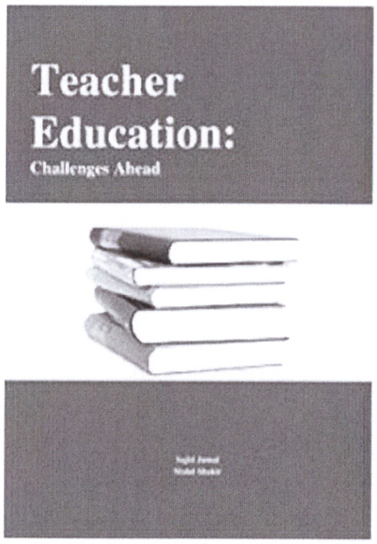

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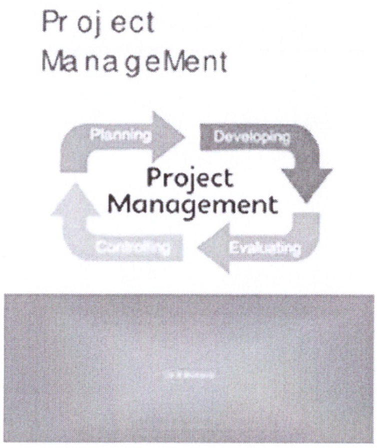

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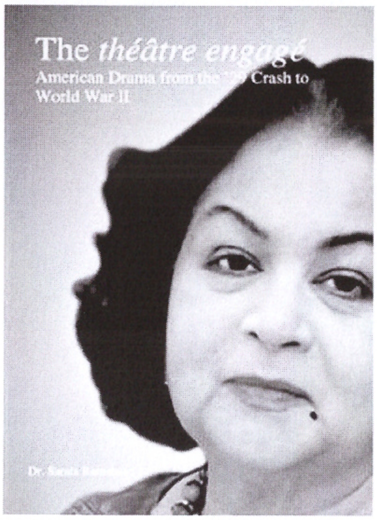

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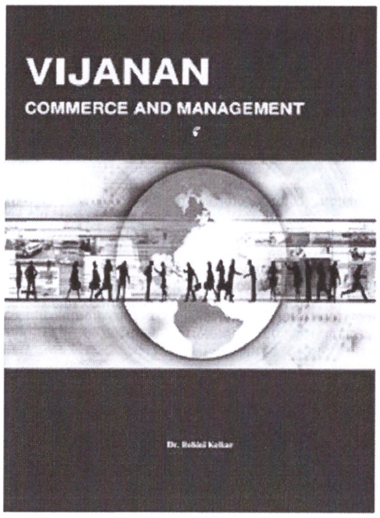

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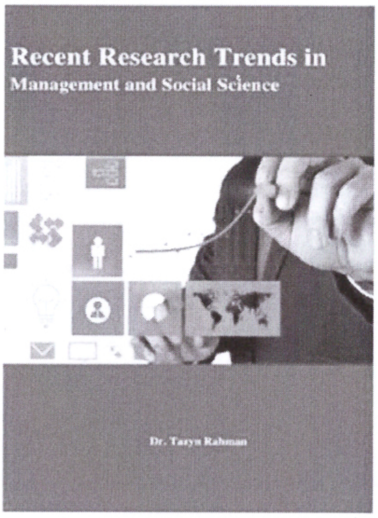

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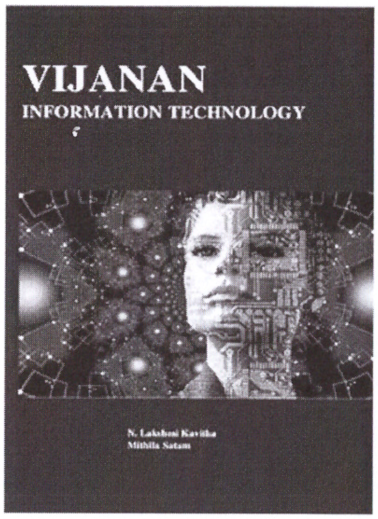

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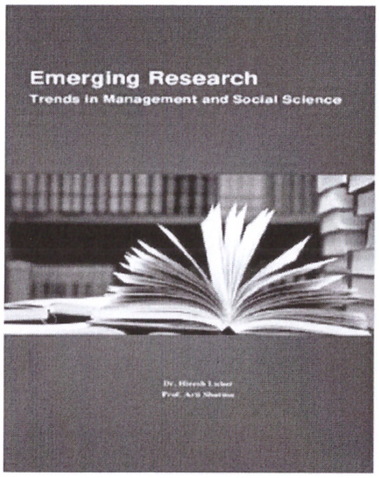

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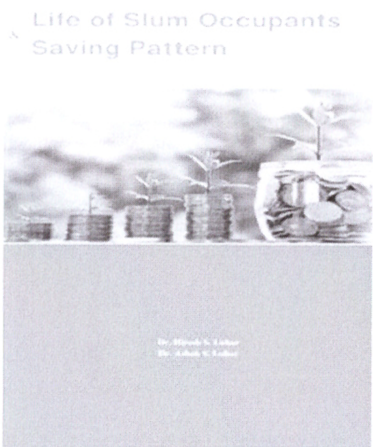

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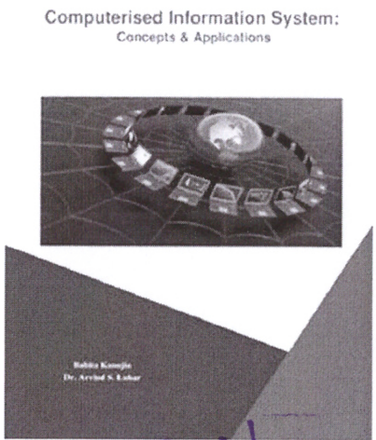

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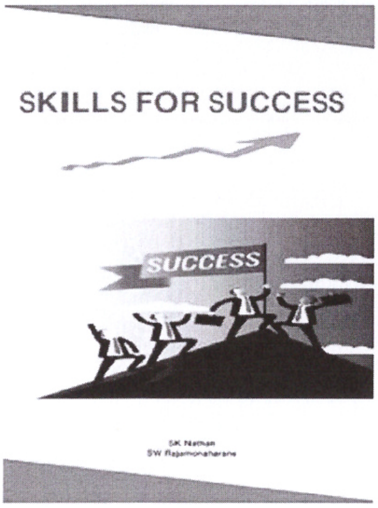

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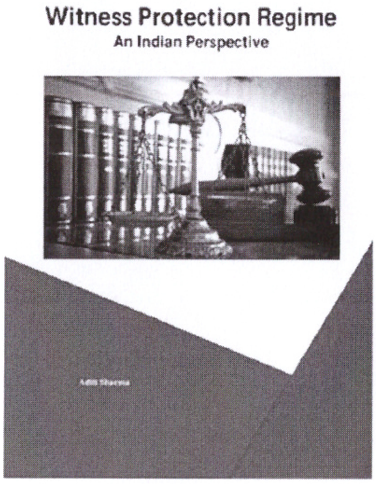

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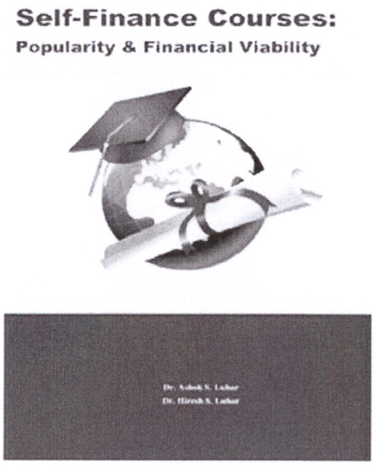

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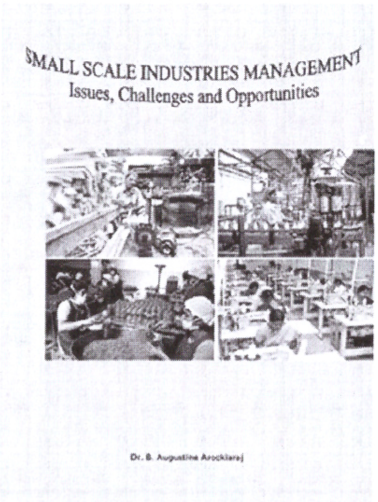

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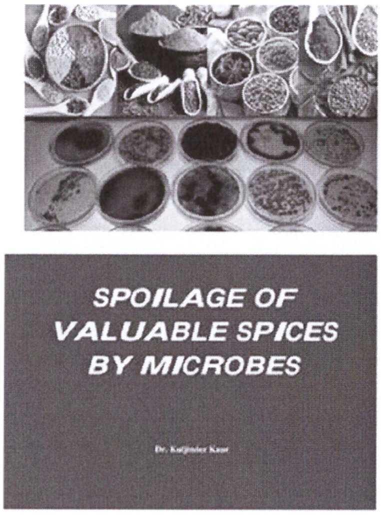

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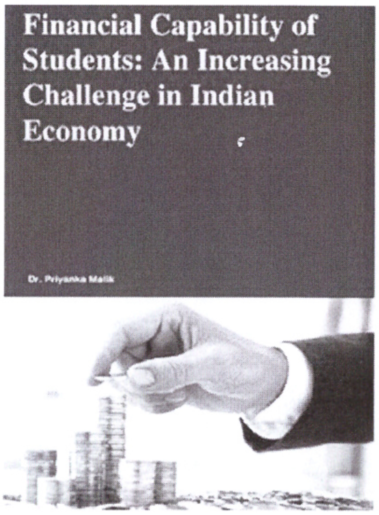

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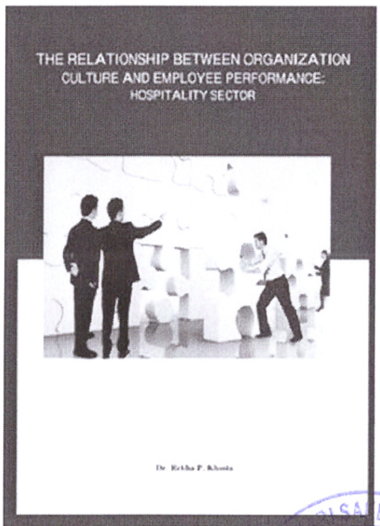

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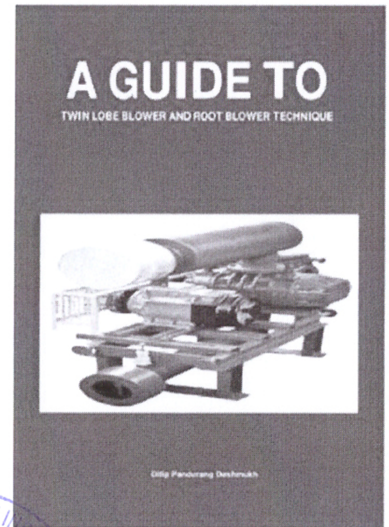

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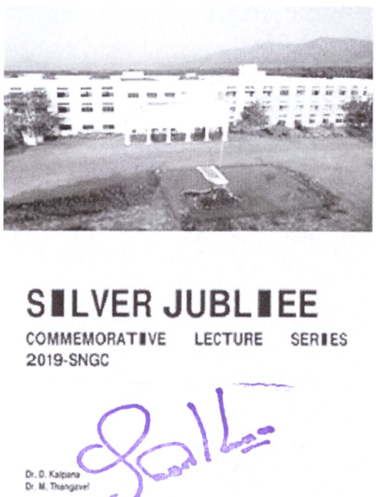

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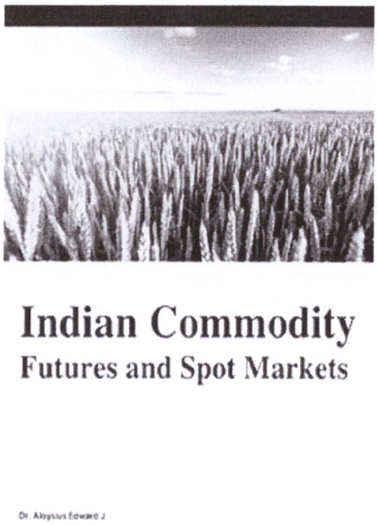

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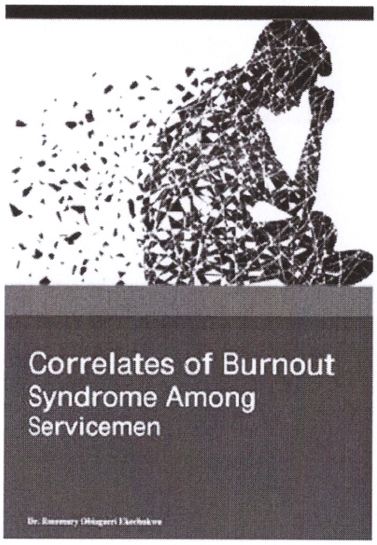

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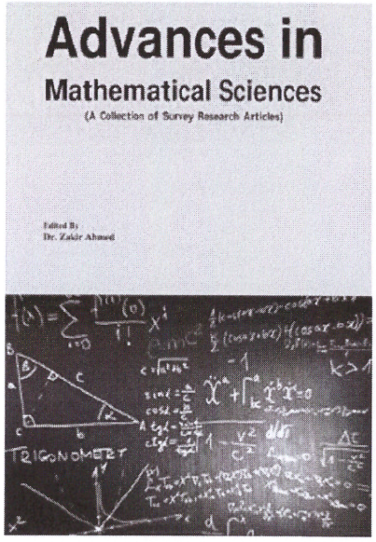

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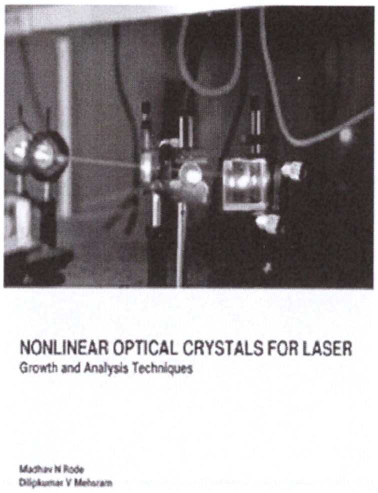

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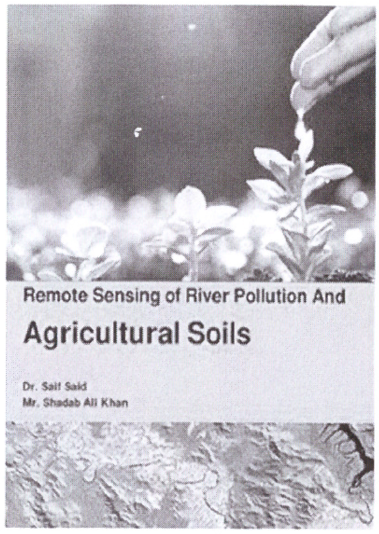

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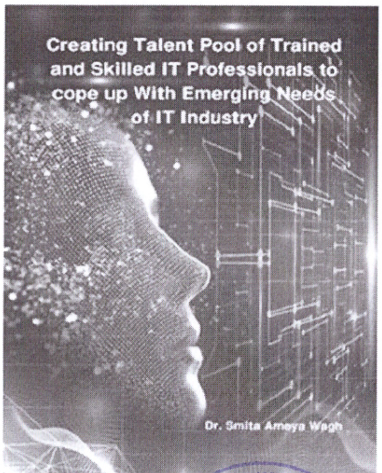

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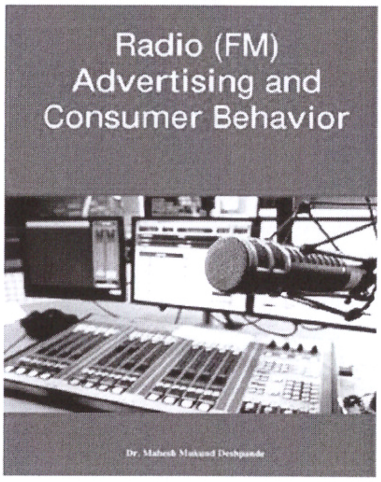

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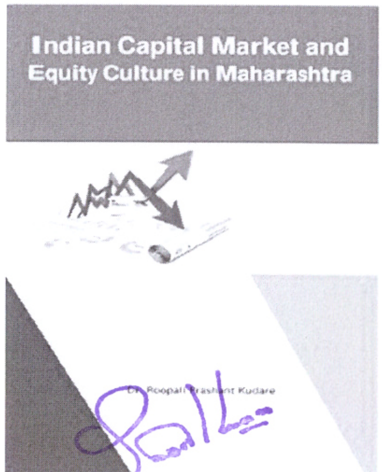

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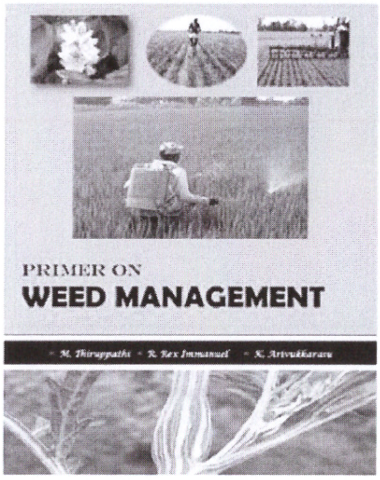

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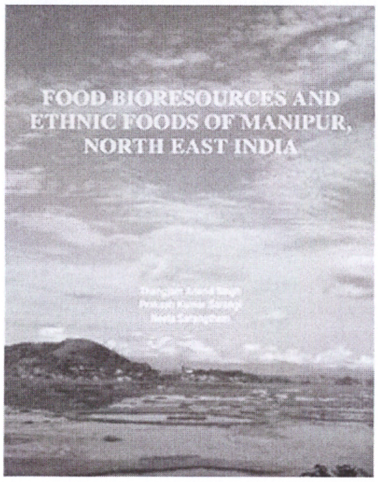

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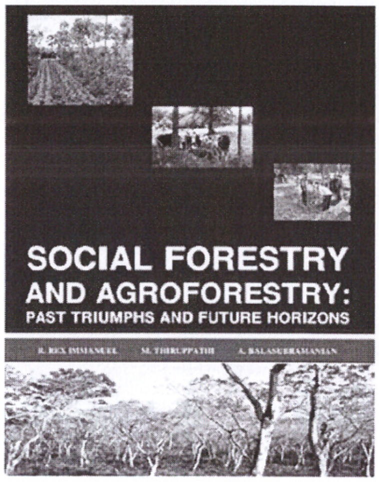

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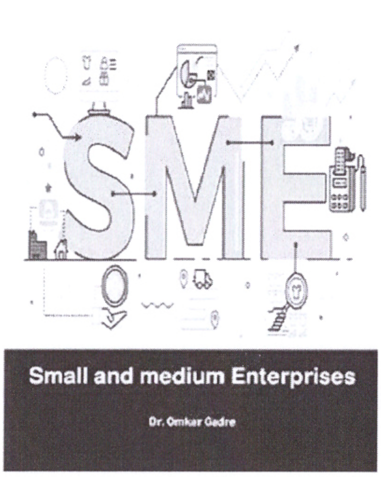

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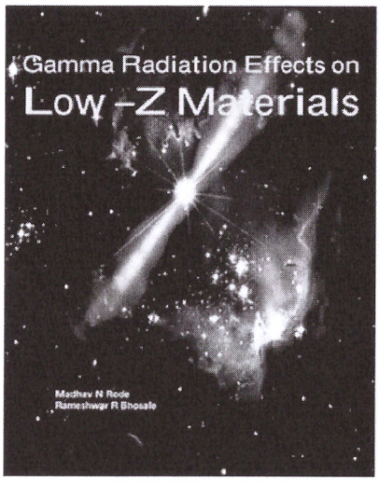

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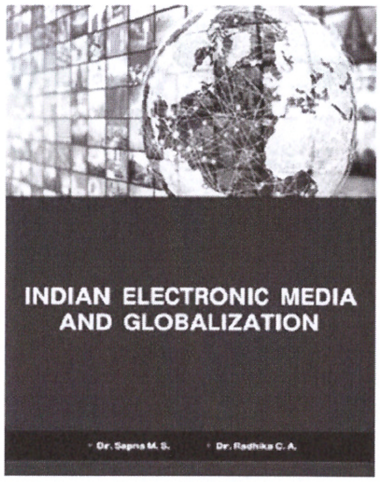

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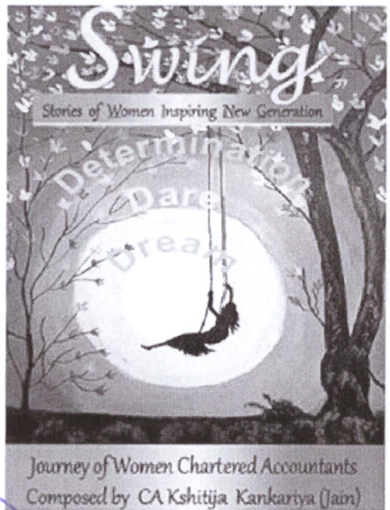

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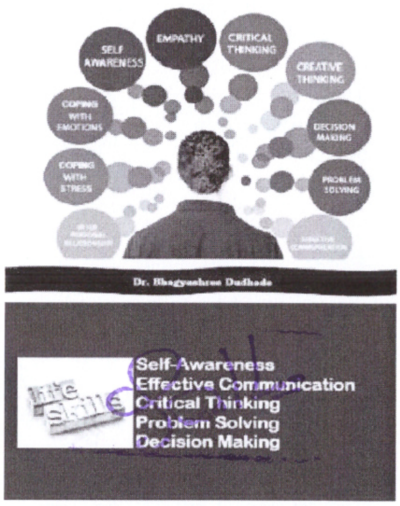

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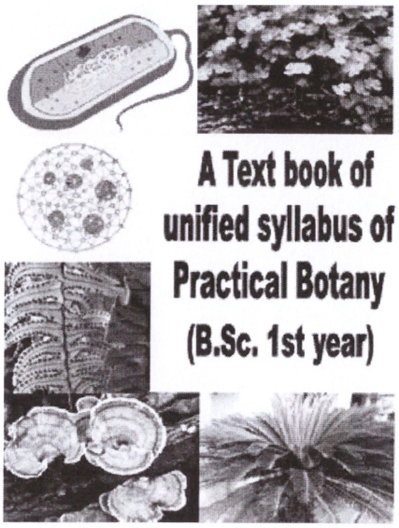

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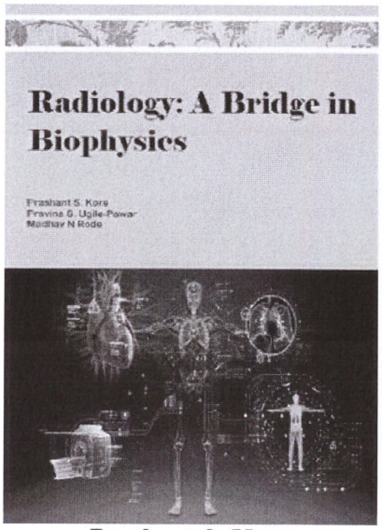

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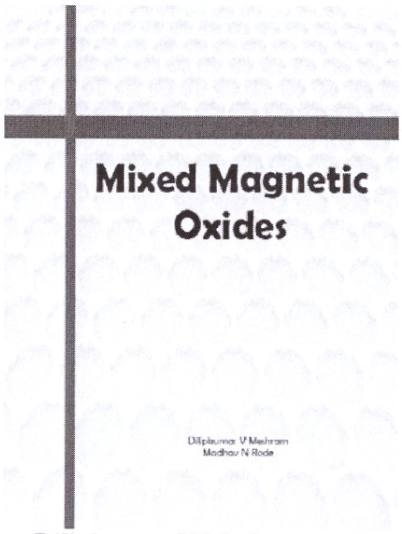

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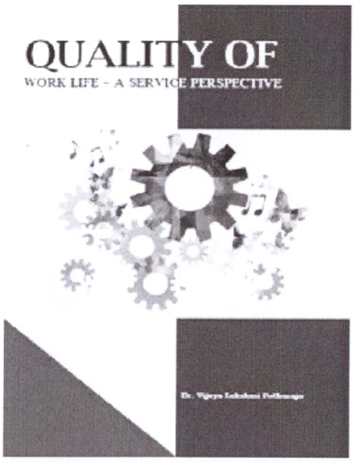

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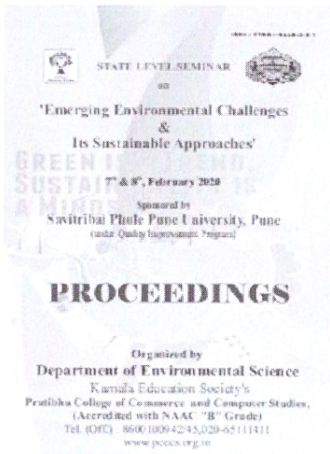

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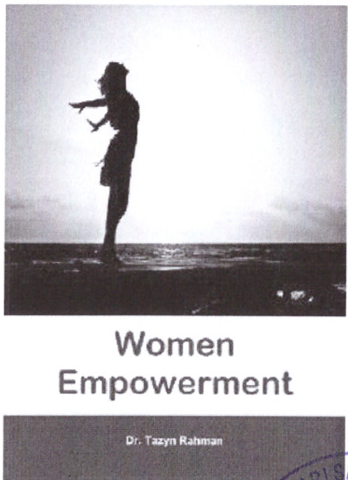

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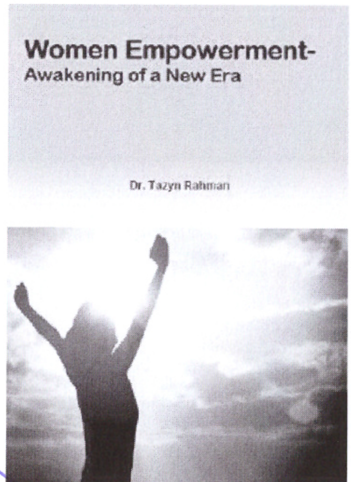

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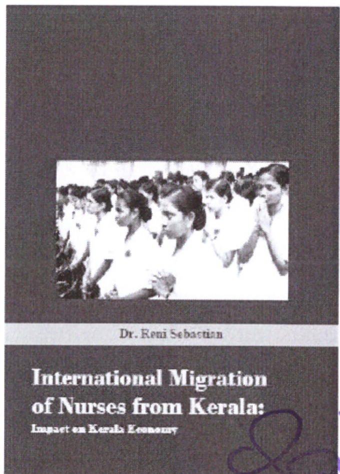

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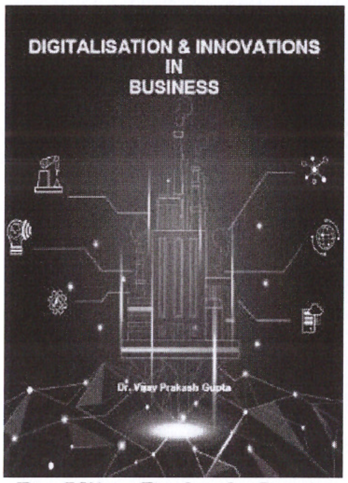

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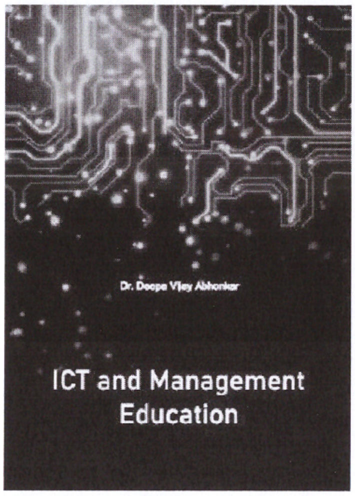

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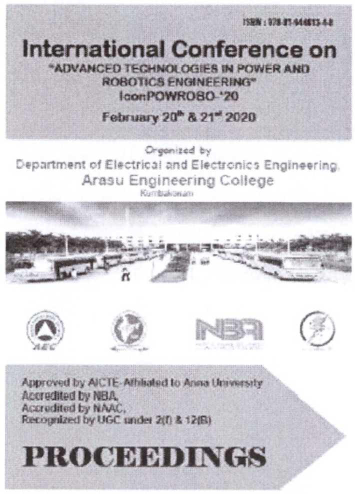

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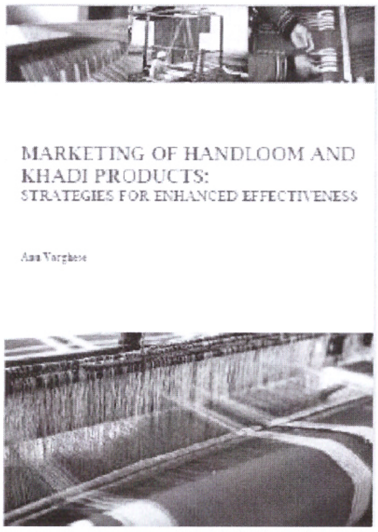

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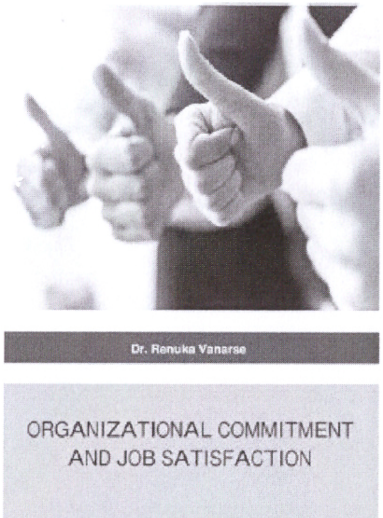

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Growth in Shadow banking with reference to Greater Mumbai

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Abstract-The Anomalies of operating in a complex and unorganized and underdeveloped credit system remains a challenge to many financial institutions in a developing country especially a country like India. Being a country with more than 6 lakhs plus villages, the penetration of a bank in these villages is very merger up to the tune of about 10% only. Like what was started in the developed economies. In India too, the initial focus was to make the commercial banks to include the portfolio of these non-customers and bringing them in to the mainstream financial service sector. The simplest reason which attributed to the failure of the commercial banks is the demographics of the employees of the bank with reference to their existing customer demographics and the demographics of the new segment of rural and low-income customers.

Then came the new idea of "Financial Inclusion" spearheaded by current government in Power which aimed at reducing he gap being under-privileged citizens and others by bringing them in to banking system to provide them security as well as making all the transactions as accountable. Many commercial banks joined the bandwagon of financial inclusion and started opening 'no-frills' accounts for new customers who did not have the usual documents which were required to open a bank account and were not able to maintain the minimum balance. Even though during the initial days there was much 'hype' around these initiatives but end of the day the results are not something which could be boasted as an achievement in itself. Out of the 74 million accounts reportedly opened in the initial reports, the average number of active accounts stood at a pathetic 3 to 20% which means that the system has not been able to derive the intended benefits. This leads into a totally new alternate system which can cater specifically to the new segments which has to be included so that the segment gets due attention and efforts. The concept of shadow banking which holds relevance in the developed world comes as an amicable solution to many of the problems being faced by financial service industry in a complex scenario as such as prevalent in India.

INTRODUCTION

Shadow Banking system has there been in existence for years but have gained spotlight after the global financial crisis of 2008. In the words of Laura Kourdes of International Monetary Fund (IMF), Shadow banking can be understood as "'If it looks like a duck, quacks like a duck, and acts like a duck, then it is a duck. What about an institution that looks like a bank and acts like a bank? Often it is not a bank. It is a shadow bank".

Many researchers have done extensive research on the topic o shadow banking but a clear definition of the term has not been arrived herewith as on date. The financial stability board simply defines it as "Credit intermediation involving entities and activities (fully or partially) outside the regular banking system". This is a simple definition of what shadow banking is but it has attracted a lot of criticisms from organisations such as the IMF which state that the concept has to be defined with a more granular approach. All the financial activities except for banking which require a public or public backstop to operate come under the purview of shadow banking (Claessens and Ratnovski, 2014) provides a more accurate base for the measurement of activities as performed under shadow banking.

NEED OF THE STUDY

Shadow banking industry has proved itself as a viable alternative to the existing traditional banking system especially in an emerging economy like India. They have made tremendous progress in the past 10 years and have been highly influential in assisting and meeting the diverse financial needs of the highly unorganized and scattered public in India. NBFC's in particular have had a made a highly positive influence in the following areas:

- Emerging as a strong financial intermediary in making financial services accessible to wider sections of the society and new customer segments which were never part of the mainstream banking system in India.

- Have been instrumental in extending support to the Small and Medium Enterprises by offering a wider portfolio of product and service which would cater to the unique requirement of that segment.
- Loans, savings, insurance and money transfer services have for the first-time bee accessible to the poorer sections of the society through the micro finance companies which are an integral category under NBFC's.
- Affordable housing schemes have been made a reality only because of the NBFC's which are able to process loans for the weaker section of the society.
- The last mile connectivity problem faced by the financial services industry in reaching out to all customer segments has been reduced due to the existence of NBFC's across villages and rural areas in the entire geography of this vast country.
- They have been traditionally complementing the banks in their services and especially in prevention of credit concentration.
- They have a great role to play in the government's vision of financial inclusion
- They have been ready to adopt lot themselves to changes in the economy as well as the growing demands of the customer segments.
- In spite of the stringent regulations that they are governed with in reference to the banking sector many of the NBFC's are able to do a decent job in managing the risk and NPA's.

In spite of all these positives the NBFC's have also had their fair share of 'downs' and issues which are dealt in detail in the "Literature review" chapter. The basic needs based upon

OBJECTIVES OF THE RESEARCH

- The objectives of the research are formulated in accordance with the research questions and careful validation of the objectives with the help of data properly being collected and analyzed will give a clear answer to the research questions being developed. The research objectives of the study are
- To analyze the market share of NBFC's as a constituent of shadow banking inIndia and its trend with special reference to Greater Mumbai
- To analyze the implication of NBFCs on the financial aspects relating to Greater Mumbai vis-a- vis other institutions in financial intermediation and how this has generated the growth of shadow banking
- To assess the trends in the activities of NBFCs
- To examine whether NBFCs extending loans has any role in influencing the pricing pattern of instruments with reference to financial intermediation
- To examine the sources of funds of NBFCs for loans, especially their borrowings from the banking system, to make an assessment of systemic implications;
- To examine the current practices of NBFCs involved in financial activities in Greater Mumbai
- To review the extant regulatory norms relating to NBFC activities and recommend any modifications, if necessary;
- To assess whether NBFCs adhere to fair practices code including the KYC norms in extending loans
- To examine the impact of NBFCs on the growth and development of industry, trade and commerce with special reference to Greater Mumbai and formulate suggestions and recommendations, if any.
- To examine the regulatory gaps calling for attention of less regulated shadow banking growth

RESEARCH DESIGN

- The researcher has used Descriptive research in this study. Descriptive research is a type of research in which the opinions of the respondents are taken in to consideration to arrive a solution to the research problem under consideration.
- In this study the opinions of the customers as well as stakeholders in NBFC business which includes banking personnel. Employees, financial analysts are being asked and based upon their opinion the impact of NBFC's has been analyzed.
- The type of research is qualitative as it is all about the responses of the respondents based upon which the analysis is done and the results are derived herewith.

DATA COLLECTION

- Data is the ultimate and most vital aspect of any research. Studies which are conducted in different fields of study can be different in methodology but every research will be based on data which is analyzed and interpreted to arrive at the findings. There are two
  - i) Primary sources
  - ii) ii) Secondary sources of data collection.

A. Primary Data:

- In this study, a structured Limited probing questionnaire was developed and used to elicit responses from the NBFC's Customers about their preferences, needs, expectations and satisfaction with regard to the NBFC's that they are either associated with or have associated in the past. Primary data collected from the sample is representative of the target population of NBFC customers who are not accessible to the traditional banking system and it will yield data that will be valid for the entire population.
- The geographical scope of the study was pre decided as Greater Mumbai, the customers belonging to greater Mumbai which extends from Colaba in the south to Mulund and Dahisar in the north is taken in to consideration. This gives the researcher a blend of financially savvy customers as well customers who do not fall in to the category of traditional banking system. And then for the stakeholders the same geography is being taken and stakeholders are chosen with reference to the same geographical area to provide spread of opinion.

Primary data collection needs plan and execution schedule: accordingly, researcher the prepared the research plan for this study and collected primary data required within time span of six months.

LIMITATIONS OF THE STUDY

The major limitations of the study are

- The time can be a limiting factor as since the length and breadth of the city are high the timings required to complete the city may have some effect on the responses that the researcher may have got from the respondents
- The respondent's responses cannot be trusted 100% or cannot be taken as true and the inferences may have slight variances upon the end results.
- The closed ended questions may have made the respondents stick to the choices given rather than coming out with their responses which did not fall within the purview of the choices given to answer in the questionnaire.

Shadow Banking concept may not have been completely understood by the respondents and some of their answers would have been more of a personal experience rather than a knowledge about the topic under discussion.

AREAS OF IMPROVEMENT FOR NBFC

When the respondents were asked about they expect improvement in terms of Faster processing time from NBFC's it can be seen that almost 61% of the respondents feel that there needs to be improvement in terms of Faster processing time from NBFC's while 40 % of the respondents feel that there needs to be no improvement.

When the respondents were asked about they expect improvement in terms of transparency in processing from NBFC's it can be seen that almost 65% of the respondents feel that there needs to be improvement in terms of transparency in processing from NBFC's while 35% of the respondents feel that there needs to be no improvement.

When the respondents were asked about they expect improvement in terms of increase in interest rate in case of deposits from the NBFC's it can be seen that almost 61% of the respondents feel that there needs to be improvement in terms of increase in interest rates while 40% of the respondents feel that there needs to be no improvement.

When the respondents were asked about they expect improvement in terms of reduction in interest rate from the NBFC's it can be seen that almost 65% of the respondents feel that there needs to be improvement in terms of reduced interest rates while 35% of the respondents feel that there needs to be no improvement.

When the respondents were asked about whether they feel that they expect a better customer service from the NBFC's and do the NBFC's have to improve their customer service, it can be seen that 61% of the respondents feel that the customer service in NBFC's

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have to improve whereas 39% of them feel that the existing customer service is ok and do not need much improvement.

For the questions related to whether the grievances that they have is being handled with diligence by the NBFC, the responses show that almost two-thirds of the respondents feel that their grievances are being handled properly and 35% of the respondents feel otherwise.

ROLES OF A NBFC

- Data shows that among the respondents 42% of them feel that NBFC's role is of broad based economic development.
- Data shows that among the respondents 38% of them feel that NBFC's role is of Financial Inclusion.
- Data shows that among the respondents 21% of them feel that NBFC's role is to help the financially weaker sections of the society.
- Data that among the respondents 21% of them feel that NBFC's role is to bring in new customer segments which were ignored by traditional banking system.
- Data shows that among the respondents 37.5% of them feel that NBFC's role includes all of the benefits including broad based economic development, financial Inclusion, helping the financially weaker sections of the society and bringing in new customer segments which were ignored by traditional banking system.

REASONS FOR PREFERRING NBFC'S

- Rate of Interest provided by the NBFC is the primary reason for choosing them as citied by 62.5% of the respondents.
- Providing loans without collateral is the primary reason for choosing NBFC's as citied by 62.5% of the respondents.
- Better and faster processing times provided by the NBFC is the primary reason for choosing them as citied by 62.5% of the respondents.
- The ease of access provided by the NBFC is the primary reason for choosing them as citied by 75% of the respondents.
- 62.5% of the respondents feel that the NBFC provide all the benefits such as better rate of interest, provide loans without collateral, better and faster processing times and ease of access which are the reasons for preferring them
- For the question related to their opinion on whether the NBFC's follow all the banking sector norms, it can be seen that 38% of believe that the NBFC's follow all the norms whereas 46% do not believe so. On the contrary 17% are still unclear with their opinion on the same.
- For the question related to whether the NBFC's are able to provide better offer to consumers than SME Financial service unit and individuals who are unorganized, it can be seen that 25% of them believe that NBFC's provide better offers but 54% of them do not believe so. About 21% of them are still unclear about their opinion.
- For the question related to their opinion on the NBFC's providing better offers to women, it can be seen that 46% of the respondents are positive about NBFC's provide better offers to women whereas 33% do not think that they provide better offers to women and 21% of them do not have a clear opinion regarding the same.

PERCEPTION REGARDING NBFC'S

- 50% of the respondents have a perception that NBFC's have a huge market share in terms of catering to customer's needs.
- 50% of the respondents have a perception that NBFC's have helped in penetration if organized finance among customers.
- 50% of the respondents have a perception that NBFC's have transparency in operations like banks.
- 50% of the respondents have a perception that NBFC's have an easy loan process.
- 50% of the respondents have a perception that NBFC's provide better interest rates than banks and other unorganized financial institutions.
- 50% of the respondents have a perception that NBFC's are properly controlled and regulated by governmental norms.
- 50% of the respondents have a perception that NBFC's have fair trade practices.
- 50% of the respondents have a perception that NBFC's have helped in ease of doing business among customers.

- 50% of the respondents have a perception that NBFC's are an integral part of the financial system in India.
- 50% of the respondents have a perception that NBFC's help in future development of both organized and Unorganized sectors of the society

SATISFACTION ON SERVICE QUALITY

- 75 % of the respondents are satisfied on the service quality in relation to financial advice and counseling provided by the NBFC's.
- 71 % of the respondents are satisfied on the service quality in relation to friendliness of the staff and counter service provided by the NBFC's.
- 75 % of the respondents are satisfied on the service quality in relation to speedy service being provided by the NBFC's.
- 70 % of the respondents are satisfied on the service quality in relation to reliability in the accounting provided by the NBFC's.
- 70 % of the respondents are satisfied on the service quality in relation to complaint handling procedures provided by the NBFC's.
- For the question related to the overall satisfaction with reference to the functioning of the NBFC's it can be seen that there is an equal no of respondents about 37.5% of them who are either satisfied or dissatisfied and one fourth of the respondents are neutral in their response.
- For the question related to whether they would refer to their friends and family to use an NBFC's services it can be seen that 33% of them would definitely refer but 42% of them would not refer and 25% have a mixed response regarding the same.

SCOPE FOR IMPROVEMENT OF AN NBFC

- 58% of the respondents feel that the NBFC's have a lot to improve in terms of faster processing times.
- 62.5% of the respondents feel that the NBFC's have a lot to improve in terms of transparency in processes.
- 42% of the respondents feel that the NBFC's have a lot to improve in terms of providing better interest rates for deposits.
- 54% of the respondents feel that the NBFC's have a lot to improve in terms of reduced interest rates for
- 58% of the respondents feel that the NBFC's have a lot to improve in terms of better customer service.

OBJECTIVE VALIDATION

Objective 1: To analyze the market share of NBFC's as a constituent of shadow banking in India and its trend with special reference to Greater Mumbai:
The following findings of the study are being used to validate the objective.

- Customers:

In case of NBFC's it can be seen that 60% of them visit an NBFC for at least 2 to 3 times a month with both at 30% respectively. Also it can be seen that 22% of them make a single visit at least to an NBFC.
When the respondents were asked about their perception towards whether the NBFC's are helping in greater penetration of organized finance, it was found that only 17% of the respondents have a positive perception and almost 57% have a negative perception in this regard. About 26% of the respondents have a neutral opinion on their perception in this factor.
When the respondents were asked about their perception towards the role of NBFC's on helping in ease of doing business, it was found that only 25% of the respondents have a positive perception and almost 47% have a negative perception in this regard. About 26% of the respondents have a neutral opinion on their perception in this factor.

- Stakeholders:

In case of NBFC's it can be seen that 54% of the respondents visit at least once in a month to a NBFC followed by 12.5% of them who would visit not even once and another 33% of them who would visit at least twice a month.
Data shows that among the respondents 42% of them feel that NBFC's role is of broad based economic development.
Data Shows that among the respondents 38% of them feel that NBFC's role is of Financial Inclusion.
Data shows that among the respondents 21% of them feel that NBFC's role is to help the financially weaker sections of the society.

Data that among the respondents 21% of them feel that NBFC's role is to bring in new customer segments which were ignored by traditional banking system

Data shows that among the respondents 37.5% of them feel that NBFC's role includes all of the benefits including broad based economic development, financial Inclusion, helping the financially weaker sections of the society and bringing in new customer segments which were ignored by traditional banking system.

50% of the respondents have a perception that NBFC's have a huge market share in terms of catering to customer's needs.

50% of the respondents have a perception that NBFC's have helped in penetration of organized finance among customers.

From the analysis it can be seen that at a 5% level of significance the hypothesis is rejected.

Hence we can conclude that NBFC's do not have a huge market share among the other shadow banking companies.

Hence it can be seen that NBFC have even though become an important constituent of shadow banking institutions in India and especially in greater Mumbai, there is a lot of scope of improvement for the NBFC's in order to improve their market share with special reference to the region of greater Mumbai.

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Hence it can be seen that NBFC have even though become an important constituent of shadow banking institutions in India and especially in greater Mumbai, there is a lot of scope of improvement for the NBFC's in order to improve their market share with special reference to the region of greater Mumbai.

2. Objective 2: To ana[illegible] the implication of NBFCs on the financial [illegible]ects relating to Greater Mumbai vis-a- vis [illegible] institutions in financial intermediation and how this has generated the growth of shadow banking:

The following findings th[illegible] light in to the validation of the objective.

Customers:

- To the question re[illegible] to the institution that the respondents regu[illegible]k with, data shows that there is an equal [illegible] of respondents of about 26% of them wh[illegible] regularly banking with Public sector, priv[illegible] and NBFC's. Around 22% of the resp[illegible] do not use any mains stream financial se[illegible] providers and still are dependent on unor[illegible]d money lenders for their financial needs.
- For the question [illegible] as to whether the NBFC's have a banking [illegible] to operate, it can be understood from [illegible] that about 35% of them believe [illegible] a banking license to operate and 44[illegible] believe that they don't have a banking [illegible] Around 22% of them are not sure [illegible] which shows that there is still a la[illegible] the respondents on the licensing requi[illegible] the NBFC's.
- For the question[illegible] to whether there is any differenc[illegible] ks and the NBFC's it can be [illegible] e respondents believe that th[illegible] e[illegible] rence between them whereas [illegible] them feel there is no differen[illegible] and a NBFC. About 26% [illegible] are unsure of whether there [illegible] etween a bank and an NBFC. [illegible] at there is a mixed respons[illegible] ng the respondents.
- To the [illegible] whether the NBFC's follow [illegible] the [illegible] ns, the responses show that th[illegible] respondents both tied at 39[illegible] BFC's follow all the bankin[illegible] who believe that they don't, a[illegible] stomers do not have a clear o[illegible] me.
- For the [illegible] to the basic reason becaus[illegible] C's are preferred over the re[illegible] ta clearly shows that provi[illegible] e hassle of collateral and p[illegible] by the NBFC's in providing financial services are the top reasons both at 26% because of which they prefer the NBFC's over banks and unorganized sector. The rate of interest provided by the NBFC's is the next major reason for preferring which is at 21% and easy access to a NBFC which is at 13% is the next reason. 13% of the respondent's states that all the reasons included make them prefer NBFC's.
- For the query related to the most important benefit being derived from a NBFC the respondents are of the view that Economic Development is the first and most important benefit. This has been endorsed by almost [illegible]% of the respondents. Increase in wealth cr[illegible]ion and availability of easy finance seems to [illegible] benefits which 26% of the respondents derive from being a part of the NBFC. 17% of the re[illegible]pondents feel that easy loans for people who [illegible]n't have a good credit track has influenced th[illegible] to be a part of NBFC.
- When the respondent[illegible] were asked about they expect improvement i[illegible] rms of Faster processing time from NBFC's it [illegible] e seen that almost 61% of the respondents fe[illegible] that there needs to be improvement in terms [illegible] Faster processing time from NBFC's while [illegible] of the respondents feel that there needs to be [illegible] improvement.
- When the responden[illegible] were asked about they expect improvement [illegible] rms of transparency in processing from N[illegible] it can be seen that almost 65% of the [illegible] ndents feel that there needs to be improv[illegible] n terms of transparency in processing from [illegible]C's while 35% of the respondents feel th[illegible] ere needs to be no improvement.
- When the responden[illegible] were asked about they expect improvem[illegible] terms of increase in interest rate in case [illegible] osits from the NBFC's it can be seen that al[illegible] 61% of the respondents feel that there needs [illegible] improvement in terms of increase in inte[illegible] tes while 40% of the respondents feel th[illegible] ere needs to be no improvement.
- When the responde[illegible] were asked about they expect improvem[illegible] terms of reduction in interest rate from [illegible]C's it can be seen that almost 65% of the [illegible] dents feel that there needs to be impr[illegible] in terms of reduced

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interest rates whil[illegible] of the respondents feel that there needs [illegible] improvement.

- When the respon[illegible] were asked about whether they feel that the [illegible] better customer service from the NBFC [illegible] the NBFC's have to improve their c[illegible]vice, it can be seen that 61% of the re[illegible] feel that the customer service in NBFC [illegible] to improve whereas 39% of them fe[illegible] existing customer service is ok and do not [illegible] improvement.

Stakeholders:

- Reasons [illegible]FC's:

Rate of Intere[illegible] NBFC is the primary reason for cho[illegible] citied by 62.5% of the respondents.

Providing lo[illegible]llateral is the primary reason for cho[illegible] citied by 62.5% of the respondents.

Better and f[illegible] times provided by the NBFC is th[illegible] for choosing them as citied by 62.5[illegible]ts.

The ease of [illegible] by the NBFC is the primary reason [illegible]em as citied by 75% of the responden[illegible]

62.5% of the re[illegible]at the NBFC provide all the benefi[illegible]te of interest, provide loans witho[illegible] and faster processing times and ea[illegible] are the reasons for preferring the[illegible]

Hence the obj[illegible]

3. Objective [illegible] trends in the activities of NBFC's

- Servic[illegible] basis of customer feedback

When the res[illegible] asked about what is their satisfaction [illegible] to the NBFC on financial serv[illegible] being provided, it can be seen th[illegible] of the respondents have a good fee[illegible] the same and 17% do not have a good [illegible] Almost 26% of the respondent[illegible] about their level of satisfaction [illegible]

When the re[illegible]d about what is their satisfaction [illegible] the NBFC on the friendliness [illegible] counter service being provided, it can be [illegible] more than 50% of the respondents have a good feedback regarding the same and 17% do not have a good feedback. Almost 30% of the respondents have a neutral opinion about their level of satisfaction regarding the same.

When the respondents were asked about what is their satisfaction level with respect to the NBFC on the speed of the services being provided, it can be seen that more than 50% of the respondents have a good feedback regarding the sa[illegible] and 17% do not have a good feedback. Almost 26[illegible] the respondents have a neutral opinion about t[illegible] level of satisfaction regarding the same.

When the respondents were asked about what is their satisfaction level with respect to the NBFC on reliability of the acc[illegible] procedures being followed, it can be seen [illegible] more than 50% of the respondents have a good [illegible] regarding the same and 17% do not have a go[illegible] feedback. Almost 26% of the respondents have a [illegible] opinion about their level of satisfaction rega[illegible] the same.

When the respondents we[illegible] asked about what is their satisfaction level with [illegible] to the NBFC on the complaint handling pr[illegible] followed, it can be seen that more than 50[illegible] respondents have a good feedback regardi[illegible] and 17% do not have a good feedback. [illegible] the respondents have a neutral opinion [illegible] level of satisfaction regarding the same.

Satisfaction on Servic[illegible] on the basis of stakeholder's feedback:

75 % of the responden[illegible] on the service quality in relation to [illegible] and counseling provided by the NBFC[illegible]

71 % of the respond[illegible] on the service quality in relation to [illegible] of the staff and counter service provid[illegible]'s.

75 % of the respond[illegible] on the service quality in relation to sp[illegible]ing provided by the NBFC's.

70 % of the respond[illegible] on the service quality in relation [illegible] the accounting provided by the NB[illegible]

70 % of the respond[illegible] on the service quality in relation t[illegible]ing procedures provided by the NB[illegible]

Hence the objective i[illegible]

4. Objective 4: [illegible] whether NBFCs extending loans [illegible] influencing the

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pricing pattern of ... ments with reference to financial interme...

From the data analysi... be seen the NBFC's have a significant role in i... ing the pricing pattern of Instruments with refe... financial intermediation. The followi... findi... ... used to validate the objective.

Customers:

For the question relat... basic reason because of which the NBFC's ... erred over the regular banks, the ... ta clea... ws that providing loans without the ... ssle ... ral and processing time taken by the NBFC ... ding financial services are the top re... sons bo... ecause of which they prefer the NBFC's over ... nd unorganized sector. The rate of interest pr... the NBFC's is the next major reason ... ich is at 21% and easy access to a ... 13% is the next reason. 13% of the ... ate that all the reasons included ma... e ... FC's.

When the ... asked about their perception to... ards ... NBFC's are offering better interest rates t... nd other unorganized financial ins... ... nals, it was found that only 17% ... its have a positive perception ... e a negative perception in this rega... he respondents have a neutral opi... ion in this factor.

When the ... ked about they expect improveme... ter... ease in interest rate in case of dep... C's it can be seen that almost 61% ... feel that there needs to be improve... crease in interest rates while 40% ... feel that there needs to be no impr...

When the ... ked about they expect improveme... ction in interest rate in loans from ... e seen that almost 65% of the re... there needs to be improveme... ed interest rates while 35% of the ... t there needs to be no improveme...

Stakeholde...

Rate of Int... e NBFC is the primary reason for ... ified by 62.5% of the responden...

54% of the responden... ... the NBFC's have a lot to improve in ter... ... interest rates for loans

58% of the respondents ... that the NBFC's have a lot to improve in terms ... customer service.

Hence the objective i...

5. Objective 5: To e... ... sources of funds of NBFCs for loans, ... their borrowings from the bankin... sy... ... e an assessment of systemic implic...

The source of funds ... of an NBFC are dealt in detail as a ... tensive literature review done as a part ...

6. Objective 6: To ex... ... current practices of NBFCs involved in ... ... ities in Greater Mumbai

The entire findings of the ... testimony to the understanding of ... of the NBFCs involved in financial ... ter Mumbai.

Objective 6: To revi... ... egulatory norms relating to NBFC a... ... recommend any modifications, if neces...

The findings sugges... ... rs as well as the stakeholders believe ... are governed as well as they are adh... ... latory norms as specified. The nece... ... are dealt as a part of the suggestion s

7. Objective 7: To a... het... FCs adhere to fair practices co... ... KYC norms in extending loans

The following findi... ... e processing as well as documentati... ... ted by NBFC's are easy and this ... etrospection in adherence to KYC ...

- For the questi... ... basic reason because of whic... ... preferred over the regular ba... ... ly shows that providing loan... ... e of collateral and processin... ... he NBFC's in providing fina... ... e top reasons both at 26% ... ey prefer the NBFC's over b... ... zed sector. The rate of interest ... ... C's is the next major reason ... is at 21% and easy access to ... 13% is the next reason. 13% of the r[illegible]ndent's state that all the reasons included [illegible]n prefer NBFC's.

- When the respon[illegible]were asked about their perception towa[illegible]ther the NBFC's are offering easy loa[illegible]ses to consumers, it was found that only [illegible] the respondents have a positive percepti[illegible] almost 47% have a negative percepti[illegible]s regard. About 26% of the respon[illegible]al opinion on their percepti[illegible]
- When [illegible] were asked about they expect [illegible]ms of transparency in process[illegible] it can be seen that almost [illegible]ents feel that there needs to [illegible] impr[illegible] terms of transparency in proc[illegible] while 35% of the respon[illegible] needs to be no improv[illegible]

Stakeholder[illegible]

- 62.5% [illegible]s feel that the NBFC provide[illegible] as better rate of interest [illegible] collateral, better and [illegible] ease of access which [illegible]ring them

Hence the [illegible]

8. Objectiv[illegible] impact of NBFCs on the grow[illegible] industry, trade and comme[illegible] reference to Greater Mumb[illegible] suggestions and recom[illegible]

This objec[illegible] of the suggestions and recom[illegible]

9. Objective [illegible] the regulatory gaps callin[illegible] regulated shadow bankin[illegible]

This objec[illegible] of the suggestions and recom[illegible]dings there seems to be very [illegible]APS in regulatory procedure[illegible]

Suggestion[illegible]

- Sugge[illegible] data collected from custo[illegible]
- If we [illegible] about the NBFC's amon[illegible] can be understood that [illegible]mers do not have

a positive perception [illegible]rding all aspects of NBFC's. This shows that there is a huge lack on part of the N[illegible] in relation to their performance which [illegible] caused the customers have to have a negat[illegible]ption regarding the following aspect[illegible]

- Catering to finan[illegible] of all segments of customers
- Penetration of org[illegible] finance
- Transparency [illegible]
- Easier loan [illegible]
- Better intere[illegible]
- Adherence [illegible]
- Fair trade po[illegible]
- Ease of doing b[illegible]
- Integral part of [illegible]l system
- Developmen[illegible] organized and unorganized [illegible]

This shows that there [illegible] to [illegible]up of the way how NBFC's operative [illegible] retrospection is needed in order to [illegible]dibility and trust which will ensure [illegible] about NBFC's among the customers

- On the basis of [illegible]lity ratings as per the satisfaction [illegible]nsumers it can be seen that at [illegible] overall level the respondents are [illegible] service being provided but [illegible] there is a considerable [illegible] who are not satisfied. This [illegible] performance in service paramet[illegible]
  - Financial [illegible]ling
  - Friendline[illegible]er service
  - Speed of [illegible]
  - Reliability [illegible]dures
  - Complai[illegible]

This calls for bet[illegible] employees of the NBFC's by their [illegible] quality rating improves and [illegible] customers get satisfied leading [illegible] back regarding NBFC's.

- Suggestions [illegible] collected from the stakeholders [illegible]
- The percei[illegible] believe that the NBF[illegible] to SME enterprises [illegible] which clearly shows that [illegible] been able to stand up as [illegible] traditional banking

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system and their ... has not impacted much on the ... target segment. NBFC's should be ... develop special products and customize ... order to cater to this segment.

- Regarding to the ... about NBFC's it can be seen ... respondents who are clear ... perception on the NBFC's ... a relative high percentage ... who by themselves have a ... This is something which is ... the NBFC's to address because of ... by themselves are not convinced ... cascading effect on the ...
- In terms ... of the service quality ... that the NBFC's are able ... satisfaction metrics among ... and have to work consistently ... capabilities to increase ...

In this ... on Non-Banking Financial ... the context of Growth in ... reference to Greater Mumbai ... understanding the role of NBFC ... financial system in India and ... the growth of alternate ... geography. The primary objective ... of NBFC's their operations ... customers and stakeholders ... C's. With these objectives ... undertaken a comprehensive ... the topics of Shadow ... NBFC's which gave a ... concepts of shadow banking and ... NBFC's as well as the issue ... were taken into consideration ... the researcher had developed ... research design and started ... two sets of questionnaires ... customers of NBFC's ... NBFC business. The questionnaire ... questions related to the objectives of ... data collection was undertaken.

Then the collected data was ... with the help of SPSS and hypothesis ... were validated. Based upon the analysis of ... the findings and recommendations are being ... and presented. From the study the researcher ... to understand the fact that NBFC's have been ... an integral part of the banking system in India ... they have not been able to create the impact ... are expected to. Also from the study ... that there are many issues with ... perception that the customers and stakeholders ... NBFC's as well as their satisfaction ... about lot of parameters related to ... findings and suggestions have ... researcher in order to provide ... NBFC business forward.

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Non Banking Financial Companies (NBFCs) in the Context of Growth in Shadow Banking With Reference to Greater Mumbai

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ABSTRACT

The accessibility and acceptance among the rural and underdeveloped population has not reached to the levels as expected by the Government and the efforts dedicated towards this has not yielded the expected results unlike what was started in the developed economies. In India too, the initial focus was to make the commercial banks to include the portfolio of these non-customers and bringing them in to the mainstream financial service sector. But unfortunately, the acceptance rate has not been very good in this regard. It took a while for the policy makers to understand the fact that the commercial banks with their multi-product and complex operating structures would not be ideal to serve the new segment of customers whose needs, interests, and expectations on one hand and the banks existing capabilities and resources do not match which resulted in widening the anomalies.

The simplest reason which attributed to the failure of the commercial banks is the demographics of the employees of the bank with reference to their existing customer demographics and the demographics of the new segment of rural and low income customers. The development needs of a commercial bank customer whose average earnings cross 5 lakhs per annum is far different from that of a customer whose annual income is less than a lakh per year. These differences initially pose a huge vacuum in understanding the development needs of the new set of consumers by the employees of commercial banks who has to serve these customers. Another important grey area is the lack of proper documentation for the process of credit among the new target segment, which ideally would pose to be a huge risk in terms of credit being provided to them. This in fact leads in to a state of unsecured credit, which the commercial banks are not very comfortable with considering their existing outstanding and operational processes. This leads the banks to deploy human resources who aren't very much interested in satisfying the objectives for which they have been assigned onto leading to disinterest in them and not performing their tasks and delivering as per expectations.

INTRODUCTION

Over the past decade the Non banking Financial Institutions (NBFI), which are an integral part of shadow banking has gained importance in terms of financial stability owing tothe growing interconnectedness among the banking sector. Their potential impact on financial stability have urged many policy makers as well as researchers to drive their attention towards this sector of shadow banking in particular. In emerging markets like India these institutions as apart of the shadow banking structure provide a peculiar structure, which is directly related to overall development of the economy by catering to unique consumer segments which were not considered before. India has a unique financial landscape which consists of chit funds, gold loan companies, Nidhis, pawn brokers, plantation companies which have always been a part of the shadow banking system, and has helped in catering to the needs of the rural and underprivileged customer segments who were not a part of the commercial banking systems. They had to be included in a proper system which is accountable and that is where the NBFC's in India come in to the picture. In a research report published by PWC, India entitled "Non banking financial companies- the changing landscape", in 2016, the following are the key points regarding the status of NBFC's in India.

CONTRIBUTION TO THE ECONOMY:

The contribution of the NBFC's towards the economy has been growing significantly since 2006 as it can be seen that their contribution has grown from 6.4% to almost 14% by the end of the year 2015.

• CAGR of the Sector:

From the period 2005 to 2015 the NBFC's have shown a compounded annual growth rate of over 19% and is also expected to be in similar levels till the end of 2018-19.

• Opportunity:

The mounting bad debts and Net performing assets (NPA) growing drastically in terms for the commercial banks, their appetite towards lending is definitely going to be deteriorating which will provide a huge opportunity for the NBFC's to tap in to the void and gain mileage by catering to many new customer segments.

- To assess the trends in the activities of NBFCs
- To examine whether NBFCs extending loans has any role in influencing the pricing pattern of instruments with reference to financial intermediation
- To examine the sources of funds of NBFCs for loans, especially their borrowings from the banking system, to make an assessment of systemic implications;

Data Collection

Data is the ultimate and most vital aspect of any research. Studies that are conducted in different fields of study can be different in methodology but every research will be based on data, which is analyzed and interpreted to arrive at the findings. There are two

i) Primary sources

ii) Secondary sources of data collection.

- Secondary sources as the name suggests gives a basic idea about the topic of discussion and can be collected from diverse source of documents, past literature or electronically stored information available from trusted sites.
- Primary data is a data originated by the researcher for the specific purpose of addressing the research problem and collected from the sample or targeted population whereas secondary data collected from available sources for some purpose other than the problem at hand, but related to the topic of the discussion.

A. Primary Data:

• In this study, a structured Limited probing questionnaire was developed and used to elicit responses from the NBFC's Customers about their preferences, needs, expectations and satisfaction with regard to the NBFC's that they are either associated with or have associated in the past. Primary data collected from the sample is representative of the target population of NBFC customers who are not accessible to the traditional banking system and it will yield data that will be valid for the entire population.

• The geographical scope of the study was pre decided as Greater Mumbai, the customers belonging to greater Mumbai which extends from Colaba in the south to Mulund and Dahisar in the north is taken in to consideration. This gives the researcher a blend of financially savvy customers as well customers who do not fall in to the category of traditional banking system. And then for the stakeholders the same geography is being taken and stakeholders are chosen with reference to the same geographical area to provide spread of opinion.

Primary data collection needs plan and execution schedule: Accordingly researcher the prepared the research plan for this study and collected primary data required within time span of six months. The well designed and well structured 'Questionnaire', used in this study to collect the responses from the NBFC customers as well as stakeholders is being discussed in the following section.

Tool Used for Data Collection: Questionnaire.

In this study we have used 2 questionnaires, first for the stakeholders of financial Services and the second for the customers of NBFC's. let's discuss about the structure of these questionnaires in detail.

Secondary data

The researcher is well aware of the importance of secondary data and how it can aid in a research study. According to the understanding, secondary data is the type of quantitative data that has already been collected by someone else for a different purpose other than the current research.

There are several uses to Secondary data. They are

It can be directly used in the study as a source of information and act as source for information clarity and can be in the main introduction or literature review as support or evidence for the argument.

Secondary data can used to analyze it or re-interpret it for a different purpose to the original then the most likely place would be in the 'Analysis of findings' section of the dissertation.

Since secondary data has been collected for a different purpose rather than the current study it should be treated with care. The basic questions about secondary data that should be asked before using it are:

- Source of the data

- Rate of Interest provided by the NBFC is the primary reason for choosing them as citied by 62.5% of the respondents.

- Providing loans without collateral is the primary reason for choosing NBFC's as citied by 62.5% of the respondents.

- Better and faster processing times provided by the NBFC is the primary reason for choosing them as citied by 62.5% of the respondents.

- The ease of access provided by the NBFC is the primary reason for choosing them as citied by 75% of the respondents

- 62.5% of the respondents feel that the NBFC provide all the benefits such as better rate of interest, provide loans without collateral, better and faster processing times and ease of access which are the reasons for preferring them

SUGGESTIONS:

- NBFC's have a huge market share among other shadow banking companies
- NBFC's improves the financial status of consumers
- NBFC's are a tool for financial development:
- There is a positive correlation between the quality of services offered by NBFC and customer satisfaction
- NBFC's help in financial development of SME businesses in Greater Mumbai:
- NBFC's follow all the regulatory norms in taking care of customer needs:
- There is a positive correlation between NBFC and development of unorganized business.

RECOMMENDATIONS FOR NBFC BUSINESS:

• The Financial inclusion schemes can be used as an opportunity by the NBFC's to spread their existence. The Pradhan Mantri Jan-DhanYojna(PMJDY), has caused a substantial increase in bank accounts yet there is a huge number of customers who are yet to make those accounts active. This provides an opportunity for the NBFC's.

• Principal banking licenses are in the process to be handled over to many financial institutions to qualify as banks and this is the time when the existing NBFC's have a scope to emerge out of the shadow and become full fledged financial institutions.

• Several unified payment systems are in place like the Unified Payment interface(UPI), NCPI and Bharat Bill payments systems. For the NBFC's this provides a scope for expanding their lines in the digital payment verticals, which further enhance their acceptance among the customers.

• If the NBFC's are able to develop a partnership with the payment banks, bill payment providers and other financial institutions including he insurance and asset management companies it will provide them an opportunity to come up with a comprehensive set of financial services under a single umbrella.

• As the growth of digital life among the citizens of India is growing at unprecedented levels, including the rapid growth in smartphones which has taken India as the second largest smartphone market in the world, it provides an opportunity for the NBFC to capitalize on this. They can work on their product and positioning, processes and end to end experience of the customers.

The social and digital data available also provides an opportunity for NBFC where they can use the digital social data as a surrogate in order to make better credit decisions.

CONCLUSION

In this research paper we have done the effort towards understanding the role of NBFC's an integral part of the financial system in India and how they have been impacting the growth of alternate banking in the specified geography. The primary objectives include the impact of NBFC's their operations, their impact and what do the customers and stakeholders think about the NBFC's. With these objectives the researcher had undertaken a comprehensive literature review on the topics of Shadow banking and especially the NBFC's which gave a first hand idea about the concepts of shadow banking and NBFC's. The growth of NBFC's as well as the issues faced by them was taken in to consideration. With this understanding the researcher had developed a descriptive research design and started data collection by using tow sets of questionnaires targeted towards the customers of

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A STUDY ON GST AND ITS IMPACT ON EDUCATION SECTOR

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ABSTRACT

This study aims to understand the taxation system of our Country and its impact on educational sector in India. GST (Goods and service tax) is major tax reform, in indirect tax structure of India since Independence. It was designed to provide the support and enhancing the economic growth of India. The idea to set up GST in India was put forth by Atal Bihari Vajpayee government in 2000, It is the biggest tax reform in India since Independence and was implemented by the Government of India on 1st of July 2017. Prior to this date, the system to collect indirect tax was complex as there were different heads of Indirect taxes but GST introduces the system which unifies 17 heads of Indirect taxes into one single set. At present, taxes are levied on the goods and services by the collective effort of central and state governments Goods and Services Tax is the tax that is levied on all goods and services based on their destination and India adopts a dual GST system by introducing Central GST (CGST) and State GST (SGST). It improves the taxation system of our Country by reducing the multiplicity and cascading effects of taxes and by bringing out transparency and improves compliances in every transaction. GST is the only indirect tax that affects all the sectors and sections of our economy.

Education is one of the major sectors of any economy and the future of any country depends on the quality of education provided to the youth. Education promotes understanding, vision, creativity and productivity of people which helps in advancement of a country. In India, Education is provided by public as well as private sector. Indian government's foremost priority is to provide low-cost education to one and all. That's ***why education sector*** *enjoys lots of tax exemption. GST council tried to provide maximum exemptions or keep away from the GST regime to the educational sector.*

This study analyses GST and its impact on educational Sector based on the secondary data.

Keywords:- *Goods and Service Tax, Education Sector, Indirect Tax, Students*

INTRODUCTION

Education: As per Wikipedia "*Education* is a purposeful activity directed at achieving certain aims, such as transmitting knowledge or fostering skills and character traits. Education is the backbone of a Nation and it directly affects the growth of an economy and providing education is always seen as a social activity rather than a business one. India is one of fastest growing economy in the world, moreover it is one of youngest economy in the world. So for it education plays crucial role for the social and economic growth of India. Education is one of the major service sectors for the economy like India because it will decide how the country will flourish. It promotes knowledge, skills, vision, innovation and creativity etc. of people which help in the growth of a country. India is a mixed economy, Education is provided by both the private and government sector. Central government passes the "Compulsory Education Act 2009" which makes the education compulsory for every child. In India, there are two types of educational institutions, viz public and private. Indian Government supports low-cost education to each people. That's why in India educational sector avails lots of tax exemption in Indirect taxes as well as direct taxes. Direct taxes are those taxes that are directly paid to the government like income tax, TDS, and indirect taxes are indirectly levied and paid to the government like, excise, GST, custom, etc. The Goods and Service Tax (GST) is a very vast concept that simplifies the taxation system and enhances the economy of our country by reducing the multiplicity of taxes and their evasion. GST is an indirect tax and levied on all goods and services supply in India. It is a destination-based tax and it applies to where the goods and services are supplied not by produced. GST has four types of rates of Tax: 5%, 12%, 18%, and 28%.2 The government of India passed the GST bill on 1st July 2017 to subsume all the indirect taxes to avoid the cascading effects of indirect taxes and to reduce the cost of products and services raised due to multiplicity of taxes. Goods and Services Tax Council, GSTN, and all government agencies, etc., have been regularly deciding to resolve the problems encountered being at different levels to ensure a smooth transition. With the introduction of the goods and services tax at the state level, the extra load of the CENVAT, as well as service tax, is eliminated and the major central and state taxes are included in GST, plummeting the multiplicity of taxes.

OBJECTIVE OF THE STUDY:

- To know the impact of GST on education
- To check the positive and negative sides of GST

educational sector will rise due to increase in tax rates from 5-12% to 18% and it directly or indirectly affects the education system.

- Coaching fee is subject to 18% and Non-Conventional courses were under the tax bracket of 15 % in the previous tax system but under GST it comes to the tax bracket of 18%.
- Educational training/events organized by foreign entities in India come under the tax bracket of 18% that are attended by professionals, students, corporates, etc.
- Some products shall become more expensive and some products shall be cheaper. For instance, Schoolbag was taxed at 12.5 % under previous taxation system while under GST regime it comes under 18 % tax bracket.
- Ball pen and exercise book under the old system was taxed at 18.68 % and now it comes under the tax bracket of 12 % and become less expensive.

LIMITATION OF THE STUDY

One of the biggest problem is the repeatedly changes in GST rates by the GST council. It is one of the biggest problem in this specific research study. There are lots of scopes available for further researchers with the up-dated and redesigned data.

CONCLUSION

Education Services provided from preschool up to higher secondary or its equivalent are exempt from GST and those educational institutions provided only education as a service need not be registered under GST. Due to implementation of GST, the cost of educational is increasing due to an increase in the tax rate on different items, and those Institutions and universities who provided education after higher secondary are required to pay GST for services which means transportation, catering, housekeeping, etc. will levy GST and the cost will have to be borne by the institutions. Education is free from GST means output service of institutions.

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7. The submission implies that the work has not been published earlier elsewhere and is not under consideration to be published anywhere else if selected for publication in the journal of Indian Academicians and Researchers Association.

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Impacation of GST in Indian Education Sector

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Abstract - This study aims to understand the taxation system of our Country and its impact on educational sector in India. GST (Goods and service tax) is major tax reform, in indirect tax structure of India since Independence. It was designed to provide the support and enhancing the economic growth of India. The idea to set up GST in India was put forth by Atal Bihari Vajpayee government in 2000, It is the biggest tax reform in India since Independence and was implemented by the Government of India on 1st of July 2017. Prior to this date, the system to collect indirect tax was complex as there were different heads of Indirect taxes but GST introduces the system which unifies 17 heads of Indirect taxes into one single set. At present, taxes are levied on the goods and services by the collective effort of central and state governments Goods and Services Tax is the tax that is levied on all goods and services based on their destination and India adopts a dual GST system by introducing Central GST (CGST) and State GST (SGST). It improves the taxation system of our Country by reducing the multiplicity and cascading effects of taxes and by bringing out transparency and improves compliances in every transaction. GST is the only indirect tax that affects all the sectors and sections of our economy.

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Key Words - Goods and Service Tax, Education Sector, Indirect Tax, Students

INTRODUCTION

Education: As per Wikipedia "Education is a purposeful activity directed at achieving certain aims, such as transmitting knowledge or fostering skills and character traits. Education is the backbone of a Nation and it directly affects the growth of an economy and providing education is always seen as a social activity rather than a business one. India is one of fastest growing economy in the world, moreover it is one of youngest economy in the world. So for it education plays crucial role for the social and economic growth of India. Education is one of the major service sectors for the economy like India because it will decide how the country will flourish. It promotes knowledge, skills, vision, innovation and creativity etc. of people which help in the growth of a country. India is a mixed economy, Education is provided by both the private and government sector. Central government passes the "Compulsory Education Act 2009" which makes the education compulsory for every child. In India, there are two types of educational institutions, viz public and private. Indian Government supports low-cost education to each people. That's why in India educational sector avails lots of tax exemption in Indirect taxes as well as direct taxes. Direct taxes are those taxes that are directly paid to the government like income tax, TDS, and indirect taxes are indirectly levied and paid to the government like, excise, GST, custom, etc. The Goods and Service Tax (GST) is a very vast concept that simplifies the taxation system and enhances the economy of our country by reducing the multiplicity of taxes and their evasion. GST is an indirect tax and levied on all goods and services supply in India. It is a destination-based tax and it applies to where the goods and services are supplied not by produced. GST has four types of rates of Tax: 5%, 12%, 18%, and 28%.2 The government of India passed the GST bill on 1st July 2017 to subsume all the indirect taxes to avoid the cascading effects of indirect taxes and to reduce the cost of products and services raised due to multiplicity of taxes. Goods and Services Tax Council, GSTN, and all government agencies, etc., have been regularly deciding to resolve the problems encountered being at different levels to

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ensure a smooth transition. With the introduction of the goods and services tax at the state level, the extra load of the CENVAT, as well as service tax, is eliminated and the major central and state taxes are included in GST, plummeting the multiplicity of taxes.

OBJECTIVE OF THE STUDY

- To know the impact of GST on education
- To check the positive and negative sides of GST
- To furnish information for further research work on GST

NEED OF THE STUDY

This study will help us to understand the present taxation system followed by the educational sector. This study is necessary to analyse the positive and negative impact of the implementation of GST on the educational sector. This study also analyse the exempted and non-exempted services from GST of the educational sector

REVIEW OF LITERATURE

- Radha Dhaked (2022) in her study Impact of GST Tax on Education Sector helped in defining the education institutes under GST and elaborate various taxable and exempt education service as per GST Regime and a complete list of exemption offered to education institutions.
- Amit Khiyani (2021) in his study elaborate impact of GST and rates of GST in Education Services
- CMA Amit A. Apte (2019) published a book on "GST on Educational Sector" and concluded that only primary services are exempted from GST and any ancillary or incidental services related to primary services are taxable under GST.13
- ICAI (2019) in their study had given all the details about GST on Education Sector, Exempted and Non exempted education educational services and practical approach in collecting GST.
- Dr. Duggappa M.C (2018) in his study "An Empirical Study on Goods and Service Tax" said that the GST system is favourable and brought changes in the tax regime.
- Subhadeep Dutta (2018) in her study "A Study of Goods and Service Tax and its impacts" concluded that after implementation of GST tax rates will be increased by 3-5% resulting in an increase in the cost of services to the end-user. Challenges and issues find out by using SWOT analysis in her study and analyse the impact of GST on student's lifestyles.
- B. Anbuthambi and N. Chandrasekaran (2017) studied "Goods and Services Tax (GST) and Training for its Implementation in India: A Perspective" and concluded that GST was implemented at the national level. Government must provide training and help desk facility for trainers on GST rules and regulations.
- Alpna Yadav (2017) in her study "Impact of Goods and Services Tax on Indian Economy" concluded that GST will solve the problem of complexity of the tax system because it replaces all the indirect taxes into one indirect tax. GST also reduces the cost of goods and services by reducing the cascading effects (tax on tax).
- Dr. R Vasanthagopal (2011) in his study evaluated the impacts of GST on the various sectors like education, agriculture etc and also assessed the positive and negative impacts of GST on various sectors and concluded that it will be the biggest tax reform in India which will increase the revenue of the nation.

METHODOLOGY

This study is based on secondary data and does not include any statistical data. The data used for this study has been collected from various online sources, official websites, journal articles, newspapers, related to GST.

IMPACTS OF GST ON EDUCATIONAL SECTOR

GST was implemented to avoid double taxation effects but there are some Positive and Negative impacts of GST as below:

POSITIVE IMPACTS OF GST

- Educational Institutions providing only education services to students and receiving money as fees for educational services are not required to be registered under GST
- Institutions up to Higher Secondary are exempt from paying any tax and avail tax exemptions.

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- Institutions runs by Charitable Trust can avail tax exemption U/s 12A after taking approval from the Income Tax Department.
- Education Services, Training Programs, Vocational Skill Development Course or any other Type of Services Provided by National Skill Development Corporation, Sector Skill Council are fully Exempt from GST.

NEGATIVE IMPACTS OF GST

- Most of the educational Institution depends on third-party service providers for Housekeeping, Transport, Catering Services, etc. to fulfil their daily requirements but with the Implementation of GST, cost of educational sector will rise due to increase in tax rates from 5-12% to 18% and it directly or indirectly affects the education system.
- Coaching fee is subject to 18% and Non-Conventional courses were under the tax bracket of 15 % in the previous tax system but under GST it comes to the tax bracket of 18%.
- Educational training/events organized by foreign entities in India come under the tax bracket of 18% that are attended by professionals, students, corporates, etc.
- Some products shall become more expensive and some products shall be cheaper. For instance, Schoolbag was taxed at 12.5 % under previous taxation system while under GST regime it comes under 18 % tax bracket.
- Ball pen and exercise book under the old system was taxed at 18.68 % and now it comes under the tax bracket of 12 % and become less expensive.

LIMITATION OF THE STUDY

One of the biggest problem is the repeatedly changes in GST rates by the GST council. It is one of the biggest problem in this specific research study. There are lots of scopes available for further researchers with the up-dated and redesigned data.

CONCLUSION

Education Services provided from preschool up to higher secondary or its equivalent are exempt from GST and those educational institutions provided only education as a service need not be registered under GST. Due to implementation of GST, the cost of educational is increasing due to an increase in the tax rate on different items, and those Institutions and universities who provided education after higher secondary are required to pay GST for services which means transportation, catering, housekeeping, etc. will levy GST and the cost will have to be borne by the institutions. Education is free from GST means output service of institutions.

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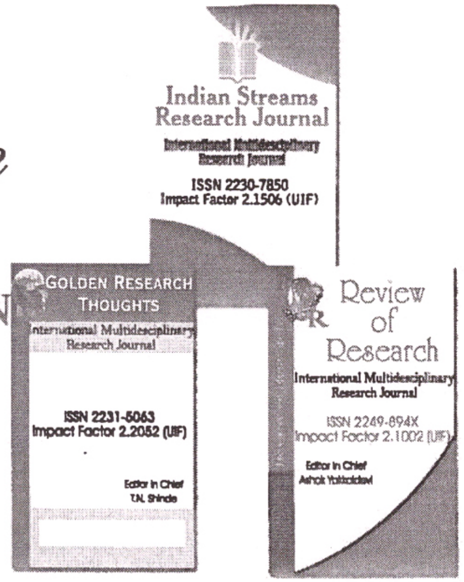

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