KLE Society's

S. Nijalingappa College

II Block, Rajajinagar, Bengaluru-560010
Re-accredited by NAAC at 'A+' grade with 3.53 CGPA
College with UGC STRIDE Component–I

UGC – STRIDE Sponsored IQAC Initiated
Two Day International Seminar

Organized by
Department of Commerce

On
"Good Governance & Sustainable Financial Markets"

8th & 9th October 2021

K.L.E Society's S. Nijalingappa College
Reaccredited by NAAC at "A+" grade with 3.53 CGPA
College with UGC Stride Component – 1
II Block, Rajajinagar, Bengaluru – 560010

Title: Proceedings of UGC stride sponsored IQAC initiated two day International Seminar on "Good Governance and Sustainable Financial Markets"

Author's Name: Dr. Arunkumar B Sonappanavar

Editorial Committee Details:

Sl. No.	Author Details	Designation	Contributor Details
1	Dr. Arunkumar B. Sonappanavar	Principal	Scientific Editor
2	Dr. C. V. Koppad	Associate Professor, Head of the department	Associate Editor
3	Dr. Mahananda B. Chittawadagi	Associate Professor, IQAC Coordinator, PG coordinator and Research Guide	Associate Editor
4	Mr. Shivakumar M Sajjan	Assistant Professor, UG Commerce Coordinator	Associate Editor
5	Mr. Yogesh Kumar A B	Assistant Professor	Associate Editor
6	Smt. Babita Naik	Assistant Professor	Associate Editor
7	Mr. Chethan Kumar M	Assistant Professor	Associate Editor
8	Smt. Nandini B R	Assistant Professor	Associate Editor
9	Mr. Kittu R S	Assistant Professor	Associate Editor
10	Ms. Divya R	Assistant Professor	Associate Editor
11	Mr. Venkatesh Kumar R	Assistant Professor	Associate Editor
12	Ms. Rakshana R	Assistant Professor	Associate Editor
13	Smt. Vidhya Shree N	Assistant Professor	Associate Editor
14	Dr. Jagadish M Hudagi	Assistant Professor	Associate Editor

Published By: Self published

Publisher's Address: Dr Arunkumar B. Sonappanavar, Principal, K.L.E Society's S.Nijalingappa College, II Block, Rajajinagar, Bangalore-10, Karnataka

Email: klesnccomis@gmail.com Website: http://www.klesnc.org Tel: 080-23526055

Publisher's Details: Dr Arunkumar B. Sonappanavar, Principal, K.L.E Society's S.Nijalingappa College, II Block,Rajajinagar, Bangalore-10, Karnataka

Email: principal@klesnc.org **Mobile: 9483946362**

Printer's Details: Principal, K.L.E Society's S. Nijalingappa College, II Block, Rajajinagar, Bangalore-10 Karnataka

Edition details: I (First Edition), 2021 **Date:** 09-10-2021

ISBN: 978-93-5627-223-1

KLE Society's

S. Nijalingappa College

II Block, Rajajinagar, Bengaluru-560010

Re-accredited by NAAC at 'A+' grade with 3.53 CGPA

College with UGC STRIDE Component–I

PROCEEDINGS

Of

UGC – STRIDE Sponsored IQAC Initiated Two Day International Seminar

Organized by Department of Commerce

On

"Good Governance & Sustainable Financial Markets"

8th & 9th October 2021

CONTENTS

Chief Patron

Dr. Prabhakar B. Kore Ex.MP

Chairman Board of Management, KLE Society, Belagavi

Patrons

Sri. Mahantesh M. Kavatagimath

Chief Whip, Government of Karnataka

Director, Board of Management, KLE Society, Belagavi

Shri. Shankaranna I. Munavalli

Director, Board of Management, KLE Society, Belagavi

Shri. Jayanand M. Munavalli

Director, Board of Management, KLE Society, Belagavi

Organizing Committee

Convener : Dr.C.V.Koppad

Organizing secretary : Dr. Mahananda B. Chittawadagi

Joint Secretary : Mr. Shivakumar M Sajjan

Paper Review Committee members

Dr. C. V. Koppad	Dr. Mahananda B. Chittawadagi
Mr. Shivkumar M. Sajjan	Mr. Yogesh Kumar A B
Smt. Babita Naik	Mr. Chethan Kumar M
Smt. Nandini B R	Mr. Venkatesh Kumar R
Ms. Divya R	Ms. Rakshana R
Dr. Jagadish M. Hudagi	Mr. Kittu R. S
Smt. Sunitha K N	Ms. Angel Jaya Kirubha
Smt. Vidhya shree N	

About the KLE Society

The K.L.E. Society, the largest Educational Organization in South Asia, established in 1916 by seven dedicated and selfless teachers "Saptharishis". It has been transformed into a veritable movement in providing quality education over 100 years. The legacy of Society and its core values are being led by our Honorable Chairman Dr. Prabhakar B. Kore, since 1983. The K.L.E. family now encompasses over 16,000 staff serving in 282 Institutions catering to the needs of more than 1.25 lakh students. The K.L.E. Society has one of the rarest distinctions of being conferred with two 'Deemed Universities Status', one in Medical Education and the other in Technical Education.

About the College

S. Nijalingappa College is one of the premier higher educational institutions managed by the K.L.E. Society. Since its inception in 1963, the college has carved a niche for its quality education. The College is re-accredited at 'A+' Level by NAAC 3rd Cycle with CGPA of 3.53 on 4.0 scale, recognized as "College with Potential for Excellence"– Phase II by UGC and UGC STRIDE Component I. The college sprawls over 4.92 acres in the heart of the city with the State-of-the-Art infrastructure. It offers a wide variety of programs at undergraduate and postgraduate levels with a judicious focus on traditional and professional domains.

About the Department

The department of commerce, set up in 1971, has the legitimate claim and pride of being the premier department with research centre status conferred on it by the affiliating university. In its history spanning over five decades, it has produced doctorates, university ranks, excellent academicians, researchers and entrepreneurs. It offers B.Com, M.Com. & PhD programs affiliated to Bengaluru City University, Bengaluru, along with Value Added & Certificate Courses. It is well equipped with e-Class Rooms, Computer Labs, Business Labs & Department Library with more than 50 National and International Journals.

About the Seminar

We the part of sustainable financial fraternity of the 21^{st} century, have moved and transformed so far from mere survival. Primarily, it is now the greater adaptability, transparency and accountability what we consider in the financial markets with the foundation of tenets of Good Governance, than just the mere profit maximization. The capitalistic idea about financial markets has been revamped into "Sustainable Financial Markets". Truly the credit goes to "Good Governance" and the nations that are successfully implementing it in their public policies. It just works very naturally, since the Good Governance practically believes in sustainable developments in all the aspects of public policies and respective administration. Good Governance Policies are enacted with the help of real time experiences on Environmental, Social and Corporate Governance (ESG) issues. It is a compulsive proves to expand ever more societal subsystems in a nation. In the economic system the impact of financial markets is prevalent. Where sustainability has advanced to a general societal principle, as socially responsible investment (SRI) has arrived on the financial markets and has developed into an additional decision criterion for investments. Companies that proactively manage ESG risks and opportunities are more likely to have stronger long-term financial performance and platform. Businesses that are transparent build trust and contribute to a strong and fair market, are better in investments and truly sustainable. We the people with the need for transformation and with the massive ability to influence the ESGs according to however our civilization is getting enhanced, let us explore in detail about Good Governance and Sustainable Financial Markets

Seminar Theme

"Good Governance & Sustainable Financial Markets"

Sub-themes:

Transparency & Accountability	Participatory & Responsive
1. Statutory Institutional Guidance on Good Governance 2. e-Governance 3. Mergers & Acquisitions 4. Scams & Impacts 5. RBI's Prompt Corrective Action 6. Sustainable Development Index 7. MSMEs & Startups 8. NITI Aayog 9. RBI's OMBUDSMAN scheme 10. Financial Inclusion Index (FI-Index) 11. Good Governance Index (GGI)	1. Environmental Finance 2. FDI, FII & FPI 3. External Commercial Borrowings 4. Bonds 5. Behavioral Finance 6. Startup Financing 7. Angel Investing 8. Crowd Funding 9. Gig Economy 10. NBFCs, Payment Banks & Small Finance Banks 11. Mutual Funds & ETFs 12. Credit Derivatives 13. Circular Economy 14. Refinitiv Analytics
Fin-Tech Innovations	**Equitable, Effective & Efficient**
1. Financial Technology Innovations 2. E-Banking Services 3. AI in BFSI 4. Block Chain Technology 5. Crypto Currency 6. IoT in BFSI 7. Unified Payment Interface (UPI) 8. e-RUPI 9. Robotic Process Automation in Banking Industry 10. Data Science & Big Data Analytics	1. Assets Backed Security (ABS) 2. Securitized Bonds 3. IPOs & FPOs 4. Credit Rating Agencies 5. Risk Management in Financial Markets 6. Factoring Mechanism 7. Depository Services 8. ADRs & GDRs 9. IFRS & IND AS 10. Triple Bottom Line

Participants:

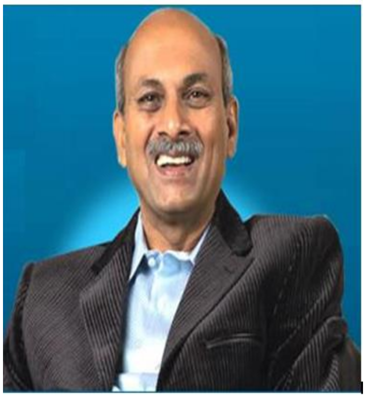
Academicians, Research scholars, UG and PG students

Award: Balaji Ashok Kumar, Research Scholar, Bangalore University, Bengaluru have been awarded "best paper" along with a certificate to be conferred at the valedictory.

PROGRAMME

Day 1: 8th October 2021			
Registration & Breakfast			8:30am – 9:15am
Inauguration & Key Note Speech			9:30am– 11:30am
Technical Session – I	Speaker: **Prof. Ravinder Rena** Professor, North-West University, South Africa	Chairman: **Dr. Girish B. N.** Asst. Prof, GFGC, Frazer Town, Bengaluru	11: 30am – 1:00pm
Lunch Break	-		1:00pm – 2:00pm
Technical Session - II	Speaker: **Prof. M. Sumathy** Professor & Head School of Commerce, Bharathiar University, Coimbatore, Tamil Nadu	Chairman: **Dr. Ravikumar Minajigi** Associate Professor, GFGC, Bengaluru	2:00pm – 5:00pm
Tea Break			5:10pm

Day 2: 9th October 2021			
Breakfast			8:45am – 9:45am
Technical Session – III	Speaker: **Dr. B. Mahadevappa** Professor, University of Mysore, Mysore	Chairperson: **Dr. D. S. Pratima** Principal, GFGC, Malleshwaram, Bengaluru	10:00am – 1:00pm
Lunch Break			1:00pm – 2:00pm
Technical Session - IV	Speaker: **Dr. G. Kotreshwar** Professor, University of Mysore, Mysore	Chairman: **Dr. G. Prahlad Chowdri** Associate Professor, Govt. R C College, Bengaluru	2:00pm – 4:30pm
Tea Break			4:30pm – 5:00pm
Valedictory Session			5:00pm



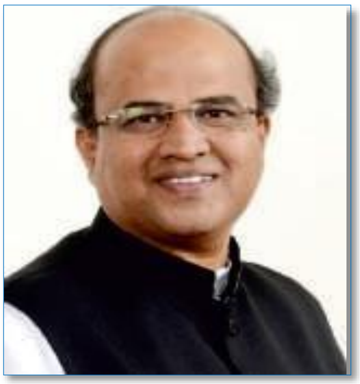
Message by

Dr. Prabhakar B. Kore.

Chairman, Board of Management
KLE Society, Belagavi

I am happy to learn that IQAC of K.L.E. Society's S. Nijalingappa College, Bengaluru is organizing UGC-STRIDE Sponsored IQAC initiated Two Day International Seminar on "Good Governance and Sustainable Financial Markets" on 8th and 9th of October 2021 and invited eminent resource personalities. I am sure that the international seminar will enrich the knowledge of academicians, Research Scholars and administrators of higher education institutions across the nation.

I congratulate the organizers and I wish all the best for the successful conduct of the seminar and also call upon higher educational institutions to increase the focus on research.



Message by

Shri. Mahantesh M. Kavatagimath

Member of Legislative Council,
Board of Management
KLE Society, Belagavi

Warm Greetings…

Being in the framework of this national seminar, I take immense pleasure to welcome all the attendees of the seminar on "**Good Governance & Sustainable Financial Markets**". This is a timely arranged national level platform organized to offer novel thoughts and research findings of students, academicians. I hearty congratulate the principal and his team for their timely organization of this national level seminar and providing an easy and safe platform.

I wish the seminar a huge hit and thought provoking in formative proceedings that disseminate knowledge to the entire stake holder of this organization.

Message by

Shri. Shankaranna I. Munavalli
Member, Board of Management
KLE Society, Belagavi

Warm Greetings…

This is my privilege and I am so enthusiastic to welcome you all for UGC-STRIDE Sponsored Two day International seminar on "**Good Governance & Sustainable Financial Markets**" An Approach to Research on 8th & 9th Oct 2021 organized by KLE Society's S. Nijalingappa College, Bengaluru. It is worth mentioning that the sub-themes of the seminar are related to the national level Research. The seminar will help in understanding the concept of Entrepreneurial Spirit of Youth and latest innovation/technology in the field of Commerce.

I am very sure that this international level seminar including keynote address, special talk and academic/research work presentations will be helpful for the participants.

Message by

Shri. Jayanand M. Munavalli
Member, Board of Management
KLE Society, Belagavi

Warm Greetings…

This is my privilege and I am so enthusiastic to welcome you all for UGC-STRIDE Sponsored Two day International seminar on "**Good Governance & Sustainable Financial Markets**" An Approach to Research on 8th & 9th Oct 2021 organized by KLE Society's S. Nijalingappa College, Bengaluru. We are always focused on ensuring relevant knowledge is applied to encourage the quality of research in sustainable growth in transparency, accountability, Fin tech innovation and other governing aspects. This seminar will induce innovative ideas among the participants of commerce and management.

I am very sure that this international level seminar will provide an opportunity for all the participants to hone their skills and also help then for better future. I wish the seminar all success.

Message by

Dr.Arunkumar B. Sonappanavar

Principal,

KLE Society's S Nijalingappa College

Rajajinagar, Bengaluru-560010

It gives me immense pleasure to welcome all the eminent speakers and delegates to the IQAC initiated UGC-STRIDE sponsored Two-day international seminar on "**Good Governance & Sustainable Financial Markets**". On 8th &9th Oct 2021 organized by Department of Commerce, KLE Society's S Nijalingappa College, Bengaluru.

The Seminar covers a keynote address followed by technical sessions. I hope the two day academic deliberations in the seminar will enlighten the faculty, researchers and students on recent strides in commerce and management for the benefit of trade, business humanity and encourage them to take up further research in these crucial fields of study.

On this occasion, I extend a heartfelt welcome to all the delegates to KLE Society's S. Nijalingappa College, Bengaluru. The College will bring out proceedings of the conference. I congratulate the organizing committee members of seminar on conducting such an event to boost the knowledge of faculty, researches and students.

Dr Arunkumar B. Sonappanavar

PRINCIPAL

INDEX

"CUSTOMERS PERCEPTION ON E-BANKING IN RURAL ECONOMY-A CASE STUDY OF HAVERI DISTRICT"

Mrs. Rishika D
Department of Commerce
KLE's Gudleppa Hallikeri Arts, Science and Commerce College
P.B.Road, Haveri.
Karnataka - 581110
Email Id : rishikadina@gmail.com
Contact : 7760863239/9535815942

Abstract

India, a country which still remains in the category of developing nation, one of the major reasons could be the non development of rural economy compared to urban. The people from this sector primarily rely on agriculture and ancestors business which in a way restricts them to move towards urbanization. The rural economy holds a major share for the country's growth in all economic activities as the National Income includes a vast share generated from rural sectors. The Industrial revolution 4.0, artificial intelligence, robotic process automation is some of the major technological developments happening across the nation. Hence, we the citizens hold a major responsibility in contributing for the country's development and moving in par with the digital world. The present paper is an effort made to analyze the extent of e banking usage in Haveri district. Primary data through structured questionnaire was collected and secondary data from various refereed journals and news articles were studied. The data collected was further analyzed using statistical tools and suggestions were drawn based on the findings of the study.

Key words: Awareness, E-Banking, Level of Satisfaction and Resistance to Change.

Introduction

The Information and communication technology specifically, the digital media is ruling the world economy in every walk of life. Banking is one of the most prominent service sector that cater to the needs of the general public in depositing and granting credit that acts as a basic function of banks. As per 2011 census, there are 6,40,867 villages and about 83.3 crores of

Indian population lives in these villages. Further, following is the data published by Provisional Population Totals of Census 2011,

Percentage share of total population in 2001		**Percentage share of total population in 2011**	
Rural	**Urban**	**Rural**	**Urban**
66.01	33.99	61.43	38.57

Source: Census of India 2011

The literacy rate in rural areas is 68.91 million and in urban areas it is 84.98 million. The number of literates in India was 778.5 million, of this 493.0 million literates were in rural areas and 285.4 million in urban areas, it was an increase of 217.8 million literates over the decade 2001-2011. The above statistics clearly states that the literacy rate in rural India is increasing at a faster phase, and the role of digitalization and technology plays a vital role to be in par with the current changes. The present competitive scenario in all fields has led to the automation process which is the crust of Industry 4.0 and automation in the field of banking services has made people to experience convenience and faster service. Electronic banking is a extended service rendered by banks virtually for its customers, providing a wide range of services such as Automated Teller Machines, smart cards, fund transfers, mobile/telephone/internet banking enabling the customers to save time and cost. The demonetization and the present pandemic have made more customers to shift from traditional banking to virtual banking. The ability and acceptance of this change is a major challenge faced by the rural part of our country.

Objectives of the study

1. To study the demographic factors of the respondents on e banking perception.
2. To know the challenges and issues faced by the customers in availing e-banking services.
3. To know the preferences of priority under various services and the reason for not using e banking services.

Review of Literature

R. Renuka & Dr. V. Karthik (2013), published a paper titled “E-Banking Services to Rural Customers – A Study with Special Reference to Thirupur District”, the author highlighted the E-banking facilities available in the rural areas, analyzed the importance of E-banking services and suggested recommendations for the problems identified. One of the basic problems was high installation charges, people preferring conventional banking and awareness on internet usage was the major drawback in rural villages.

Mrs. Namitha Krishnan Dr. Sheeja (2020), in their paper titled “A study on customer’s problems and prospects towards e-banking with special reference to Palakkad district, Kerala” has analyzed the challenges, opportunities and problems faced in the E-banking system, also the paper reveals that the users poor education, low income and security issues are the drawback for not using web banking and have suggested for effective implementation of cyber laws which will increase the confidence level of customers.

Reshma S , Aiswarya Devi S , Sr. Binu K J (2017), in the paper titled “Awareness of E-Banking Services among Rural Customers” highlighted demographic factors relation with e banking usage and the satisfaction level of e- banking customers, his findings stated that the demographic factors depend on the usage pattern, using of smart cards are moderate and competency, economical aspect do not lead to customer satisfaction.

Bhupendra Singh Hada (2020), in his paper titled “Impact of Internet Banking on the Customer Satisfaction: Evidence from the Indian Banking Sector” has studied the satisfaction gained and benefits offered to the customers through the e - banking facilities provided by public and private sector banks, as per the author’s findings, the private bank customers are more satisfied than public bank customers and highlighted suggestions namely good marketing executives to spread more awareness, making the apps user friendly and earn the trust.

Asma K. Bagwan Dr. Sarang S. Bhola (2018), in their study titled “Awareness and Significance of E-Banking among Rural India” has made an effort to find out the value delivered to rural customers by e-banking services, the outcome of the study stated that 66.5% samples are not aware about e-banking and suggested banks to arrange training programme for customers on how to use e-banking services which will reduce the fear of machines and unfaith on e-banking.

Dr. Nithya Ramachandran (2018), in her study titled “Impact of E Banking In Rural India with Special Reference to Selected Taluk In Erode District, Tamil Nadu” has aimed to study the impact of demographic factors on e banking, analyze the factors influencing e banking and the respondents opinion on challenges faced in mobile banking. The findings of the paper indicate that the bank's website needs to be more user friendly and lack of high speed internet are drawbacks.

Statement of the Problem

Rural economy is slowly developing in all phases of technology in par with urban development. There is digital world in every dimension of sectors, particularly in banking industry, as it is a service oriented sector which involves all classes of people. Haveri is a district comprising of seven taluks and people from this district regularly visit the banks for availing various services, though the pandemic has made people to adapt the change in every business, few sectors of the community have resistance to adapt the change due to many reasons such as, fear of technology, trust issues, lack of computer literacy, illiterate etc. additionally, both private and public sector banks have take up initiatives in making the customers understand the need and convenience of using e banking and making it user friendly to a wider section of the society.

In this context, the paper aims to know the challenges involved in adopting the e banking facility and recommends suggestions for banks and customers to make optimum utilization of technology.

Research Methodology

The study was conducted by collecting sources from primary and secondary data. Primary data included circulation of structured questionnaire comprising of 20 questions to 101 respondents of Haveri district. The target audience included students, business men, agriculturist and employees from government and private sector.

Random sampling method was used in selecting the sample size of 101 respondents to collect the data and analyzed the collected data using statistical tools namely, Z test and Regression analysis to know the impact and influence of one variable over the other. Based on the outcome of the study, interpretations are drawn, suggestions and recommendations are given.

Secondary data included collecting sources from various published articles in referred journals, magazines, government portals, referring of news paper articles and bank websites.

Data Analysis and Interpretation

Frequency Distribution – Qualitative(male and female number)

2. Gender		
	frequency	*percent*
Male	52	51.5
Female	49	48.5
	101	100.0

The above table represents the frequency distribution of male and female respondents among the sample size of 101 respondents.

Z Test

The following Z test is applied to know the significant difference in the level of satisfaction in using E-banking services among male and female respondents.

H0: There is no significant difference in the level of satisfaction in using E-banking services among male and female respondents.

H1: There is significant difference in the level of satisfaction in using E-banking services among male and female respondents.

Hypothesis Test: Independent Groups (z-test)

Male level of Satisfaction	Female level of Satisfaction	
2.08	2.04	mean
0.97	0.89	std. dev.
52	49	n
	0.036	difference (Male level of Satisfaction - Female level of Satisfaction)
	0.185	standard error of difference
	0	hypothesized

	difference
0.20	z
.8450	p-value (two-tailed)

Interpretation

Since the calculated value of Z = 0.20 lies within the critical limits of -1.96 to +1.96, the null hypothesis gets accepted, also p value is greater than the alpha of 0.05 hence, there is no significant difference in the level of satisfaction in using E-banking services among male and female respondents.

Decision

The banks need not take individual initiative, on the basis of gender for the usage of E-banking services.

Regression Analysis

To know the impact and analysis of one variable over the other, regression analysis is used. In this study, measures initiated in spreading awareness by banks and the reasons for not utilizing the E-banking services by the family members of respondents have been chosen as dependent and independent variable.

Y= Not utilizing the E-banking services by the family members of respondents (Dependent variable)

X= Measures initiated in spreading awareness by banks (Independent variable).

H0: There is no significant relationship between the dependent and Independent variable.

H1: There is significant relationship between the dependent and Independent variable.

Y=a + bX

Y=dependent variable

X=independent variable

a=intercept 2.469019286

b=beta coefficient or slope -0.029065791

$$\boxed{Y=2.46-0.029X}$$

The above is the equation for the linear regression of the study.

Interpretation

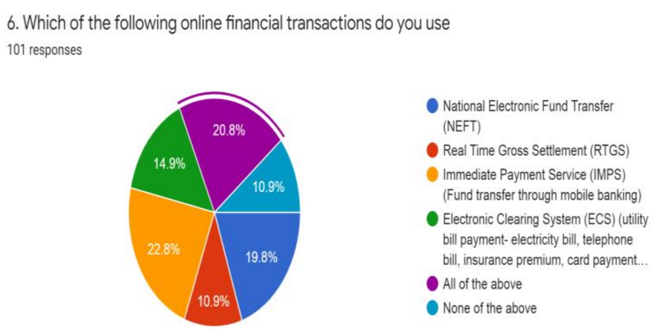
The above regression equation indicates that, if awareness initiatives by banks increase by one time the chances of non usage of E-banking services by respondents would decrease by 0.029 points.

Decision

The private and public sector banks need to take more initiatives in spreading awareness on the usage on E-banking services in Haveri district to make the people of the region to adopt digitalization, to make use of flexibility and convenience.

Additional analysis from the study

1.

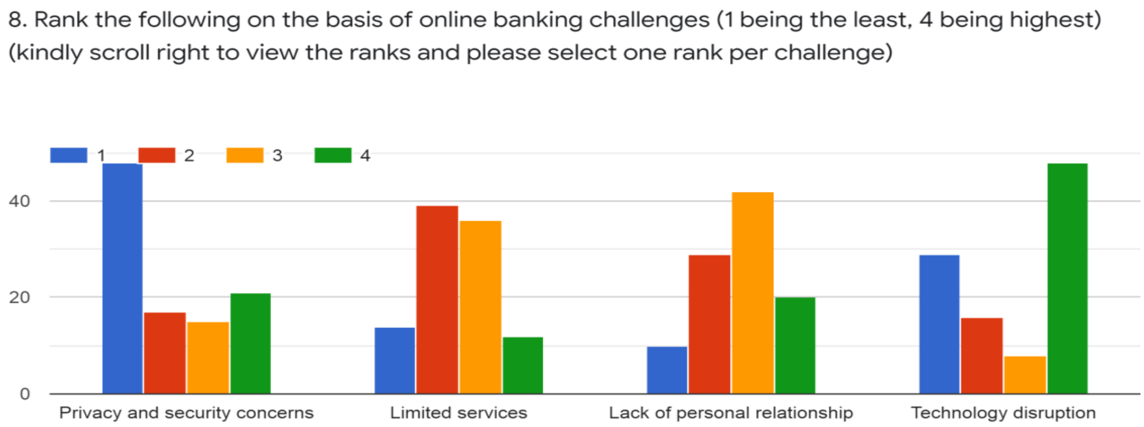


Source: Primary data

Interpretation

The above graph reveals the percentage of respondents using online financial transactions, were in majority of them use IMPS service and 11 respondents do not use any of the services. Probably, those respondents use ATM services only.

2.



Source: Primary data

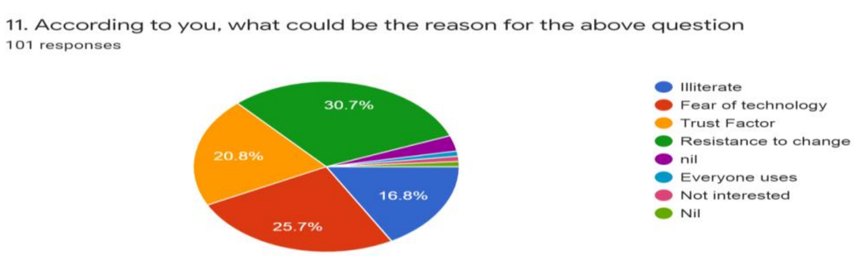
Interpretation

The above graph reveals the challenges faced by respondents in online banking services. Out of the total 101 respondents, 48 of them have ranked privacy, security concerns and technology disruption as the most common challenge faced in online banking.

Source: Primary data

Interpretation

The above graph interprets that, 31 respondents have chosen resistance to change and 26 of them have chosen fear of technology as the main reasons for not adopting E-banking services by their family members.



Findings of the study

- Out of the total respondents, 49 of them prefer Phone pay and 42 prefer Google pay for online payments.
- On the basis of user friendly mechanism of online banking services, 45 respondents have chosen quality service as the top rank, 38 of them have chosen convenience as the second rank and 27 respondents have chosen 24*7 services as third rank.
- The overall analysis of the data reveals that, 59 respondents rarely face technical disruption while doing online transaction, 69 respondents chose electronic banking over traditional banking
- 54 respondents use unified payment services and 35 respondents use card payment for online shopping, these are the most services used on regular basis.

Suggestions

To the bankers

- Private and public sector banks should conduct more awareness programmes and demonstrate the usage of online banking in rural villages.
- The bankers need to counsel and convince the customers on the usage of e banking and its benefits through face to face interaction.
- The banks should organize seminars and guest lectures in Government schools and colleges and make the students adapt to digitization.
- The bankers need to respond immediately in case of technical disruption or transaction error, in order to increase the customer confidence and loyalty.

To the customers

- The customers can approach the bankers to adapt the new technology which will overcome their “resistance to change” factor.
- Confidence among the customers can be improved by asking the students to teach their own family members on the usage of e banking.

Conclusion

As the centuries pass, things in every sphere changes and one can survive moving in the direction of development and modernization. From the study, it is observed that few customers do use e banking services at Haveri district but the major drawback from the study revealed that, none of the banks have established e-lobby centres, if the bankers look into establishing the same for its customers, the level of reach would improve. The past and present pandemic has made each one of us to adapt to a new normality of life in which technology takes the lead. Therefore, taking initial steps towards small change may lead to big favorable differences in everybody's life.

References

Asma K. Bagwan Dr. Sarang S. Bhola, "Awareness and Significance of E-Banking among Rural India", *Pravara Management Review* ISSN: 2278-0165, Volume *17* No.1, January – June 2018.

Bhupendra Singh Hada, "Impact of Internet Banking on the Customer Satisfaction: Evidence from the Indian Banking Sector", *International Journal of Recent Technology and Engineering (IJRTE)* ISSN: 2277-3878, Volume-*8* Issue-6, March 2020.

Dr. Nithya Ramachandran, "Impact of E Banking In Rural India with Special Reference to Selected Taluk in Erode District, Tamil Nadu", No 2456-6470, Conference Issue – ICDEBI- 2018, *International Journal of Trend in Scientific Research and Development*.

Namitha Krishnan Dr. Sheeja, "A study on customer's problems and prospects towards e-banking with special reference to Palakkad district, Kerala", *Indian Institute Of Management Kozhikode 04th International Conference on Marketing, Technology & Society 2020*, Peer-review under responsibility of the 04th ICMTS 2020 ISBN: 978-93-5419-748-2.

Renuka & Dr. V. Karthik, "E-Banking Services to Rural Customers – A Study with Special Reference to Thirupur District", *International Journal of Multidisciplinary Research and Modern Education*, Volume *3*, Issue 1, Page Number 195-200, 2017.

Reshma S , Aiswarya Devi S , Sr. Binu K J, "Awareness of E-Banking Services among Rural Customers", *International Journal of Innovative Science and Research Technology* ISSN No: - 2456 – 2165, Volume *2*, Issue 4, April– 2017.

DECLARATION FORM

I, the undersigned author of the study entitled "CUSTOMERS PERCEPTION ON E BANKING IN RURAL ECONOMY- A CASE STUDY OF HAVERI DISTRICT".

Hereby declare that,

a. The above study which is submitted for presentation is NOT under consideration elsewhere.
b. The study is NOT published or presented already in part or whole in any journal or magazine or conference for private or public circulation.
c. I have read the final version of the manuscript of the study and am responsible for what is said in it.
d. The work described in the abstract is my own and my individual contribution to this field of work is significant

"Gig Economy and Mentor System in Higher Educational Institution"

Mr. Shivakumar M Sajjan
Asst. Professor, Research Scholar
Department of Commerce
K.L.E. Society's S. Nijalingappa College,
II Block, Rajajinagar, Bengaluru-560010

Abstract

The main aim of the Higher Educational institutions is to build the competence among the Mentees (Students). Higher Educational Institutions are playing vital role in providing quality teaching due to various challenges, the efforts of Higher Educational Institutions and government policies towards providing quality teaching and skill enhancement is enormous but due to certain challenges the teaching fraternity are not achieving their objectives towards overall development of the Mentees (Students). Hiring the faculties by using the concept called GIG Economy Hence, The Study of this paper focuses on the effectiveness of Mentors who are GIG Worker in Higher Educational Institutions and Issues, Challenges and Sustainability of Higher Education towards GIG Economy. This study relieves the opinion from different target group like Mentors, Management and Mentees of five Higher Educational Institution in Bengaluru, 42 Mentor Respondents and 220 Mentee Respondents.

Key Words: GIG Economy, Higher Educational Institutions, Mentors and Mentees.

Introduction

The word GIG was introduced by Journalist Tina Brown in 2009. She written the articles on free floating projects, Consultancy and part time jobs transacted in a digital market. GIG Economy Refers to the exchange of temporary human resource for money. In a GIG Economy temporary Job opportunities are available and organizations tend to hire Independent workers or freelancers Instead of full time employees. The Gig was majority for Musicians for performance. As per the research articles the gig economy is going to spread its large wings and fly. However, in this modern era gig economy spread its wings in Higher Educational Institutions also, gig economy has changed the traditional method of hiring the academicians due to rapid increase in technology and skills.

Review of Literature:

Mr. Amit Kapoor, ET Contributors:

The gig economy has been changing the shape of the future job. its nature of unique job relationship changes the traditional method of jobs in many ways. The gig economy involves the greater flexibility in terms of the work, they can choose and the organization also enjoy similar flexibility when they are not depending on a fixed employees for accomplishing the task.

Dr. Diane Mulachy:

Degree holders prefer the jobs where there is a Gig Economy like consultants, freelancers, side gigers, contractors and on-demand workers has increased to 30% - 40% of the U.S. workforce. Despite the practice of Gig Economy into curriculum and career that they offer to their students. It helps to the students to be self- employed.

Mr. Gian Piero:

Produce or Perish Gig economy refers to exchange of workforce for money to accomplish short term project. Success in the gig economy comes from a balance between viability and vitality.

Mr. David H Bardley:

Gig Economy refers to pooling of markets that matches job creators to consumer on a gig basis on demand. Gig workers enter into an agreements to provide service to the organization through technologies platform or smartphone application.

John Frazer:

Gig plays important rules in pay scales, from senior to junior executive to earn extra income by choosing major profile and cities by picking up ride-hailing fares in his or her community. A part of the portion is driven by technologies.

Objectives of the Study:

- To examine the effectiveness of Gig economy on Mentor System in Higher Educational Institutions.

- To explore the issues and challenges of the Gig economy.

Statement of the Problem:

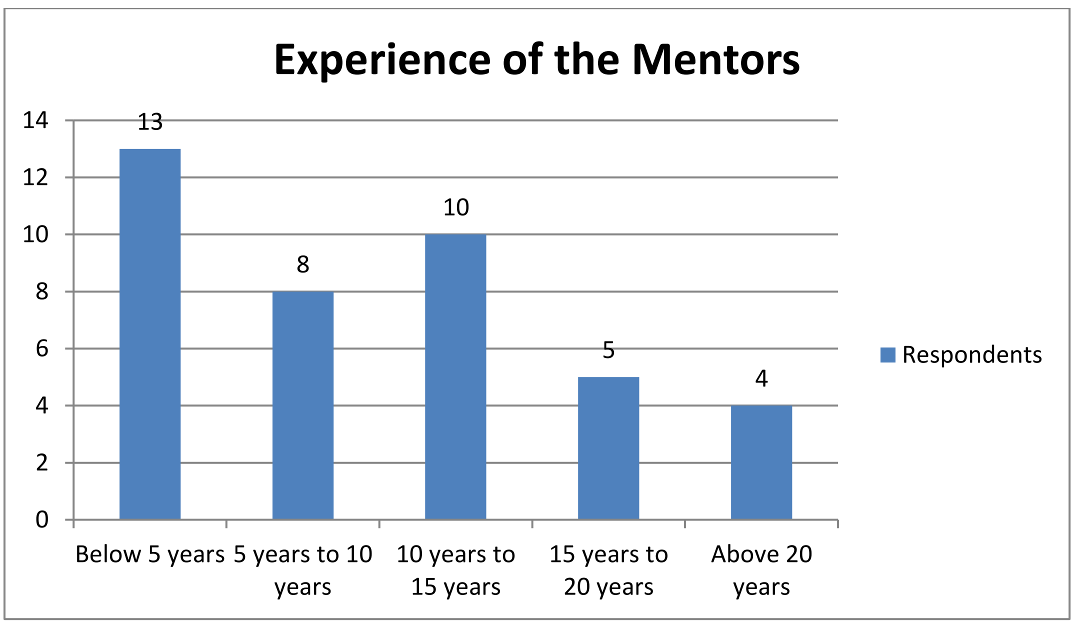
Traditional hiring of teaching fraternity has been changed with gig economy, even though the most of the teaching faculties are gig workers, gig economy influences the mentor system as Higher Educational Institutions hire the mentors on gig economy basis where the faculties are no full time workers, which affects the mentor mentee relationship, Mentors in gig economy focuses on monetary terms.

Analysis of the Study:

The target group is classified into Mentors, Mentee and Management of the Higher Educational Institutions.

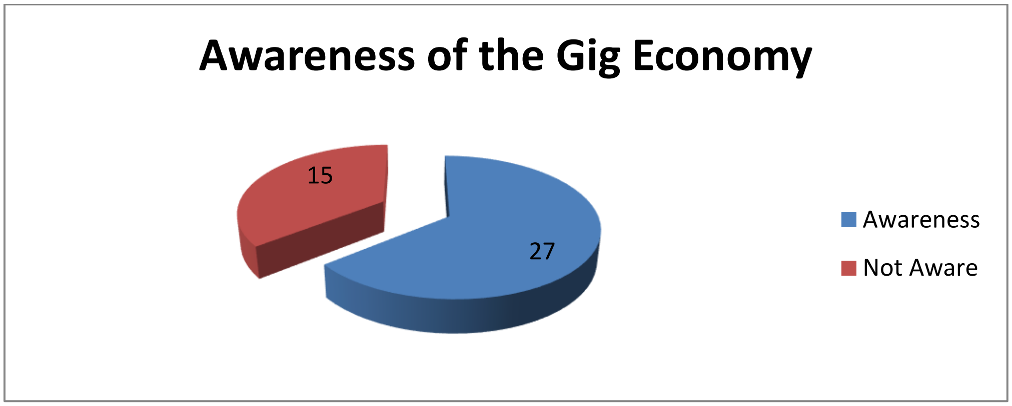
Quantitative analysis of the targeted group:

Experience of the Mentors



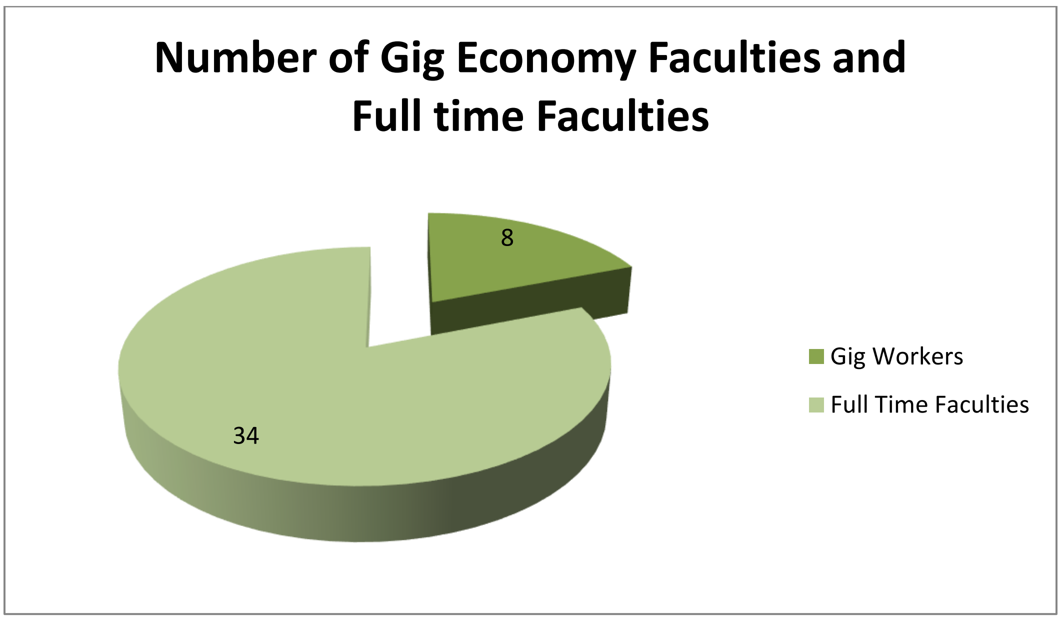
Out of 42 Mentor respondents 13 respondents are below 5 years of Experience, 08 respondents are between 5 years to 10 Years of Experience, 10 are between 10 years to 15 years of experience, 5 respondents are between 15 years to 20 years of experience and 04 respondents are above 20 years.

Awareness of the Gig economy:



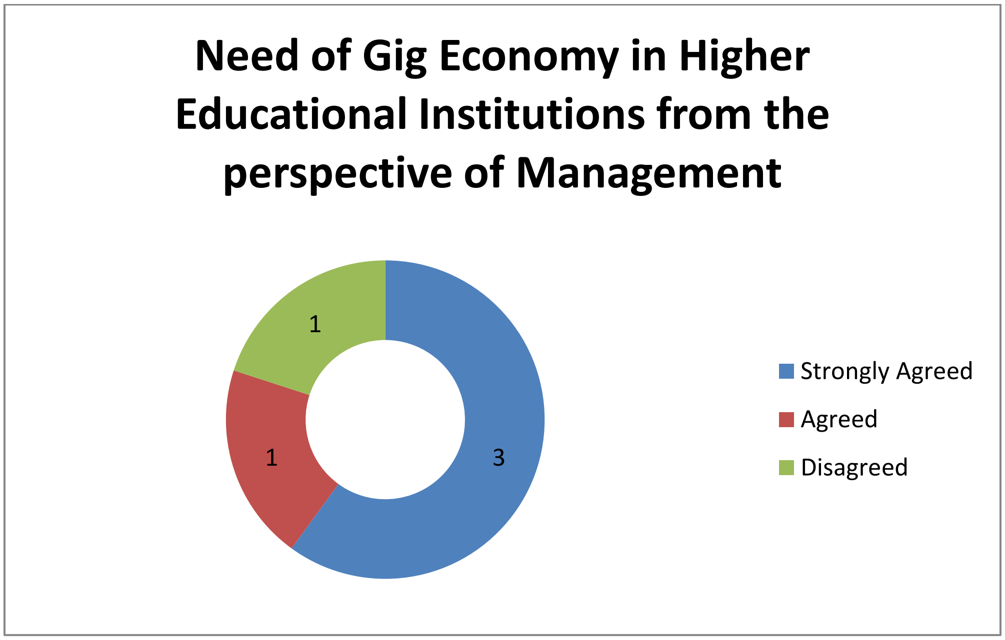
Out of 42 respondents 27 Mentors respondents are have awareness of Gig Economy

Percentage of Gig Economy Faculties and Full time Faculties.



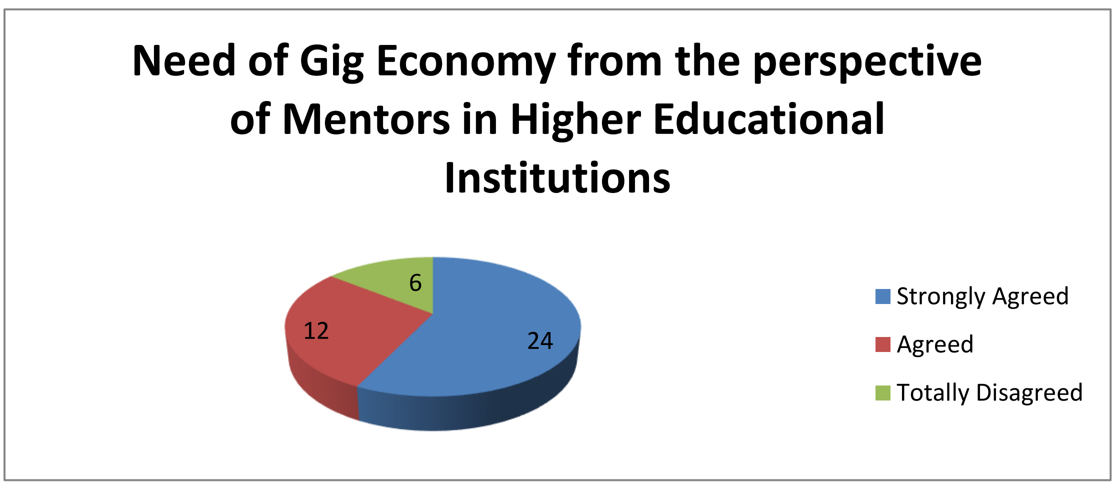
Out of 42 Respondents 08 Respondents are gig workers and remaining 34 respondents are full time faculties.

Need of Gig economy in Higher Educational Institutions from the perspective of Management



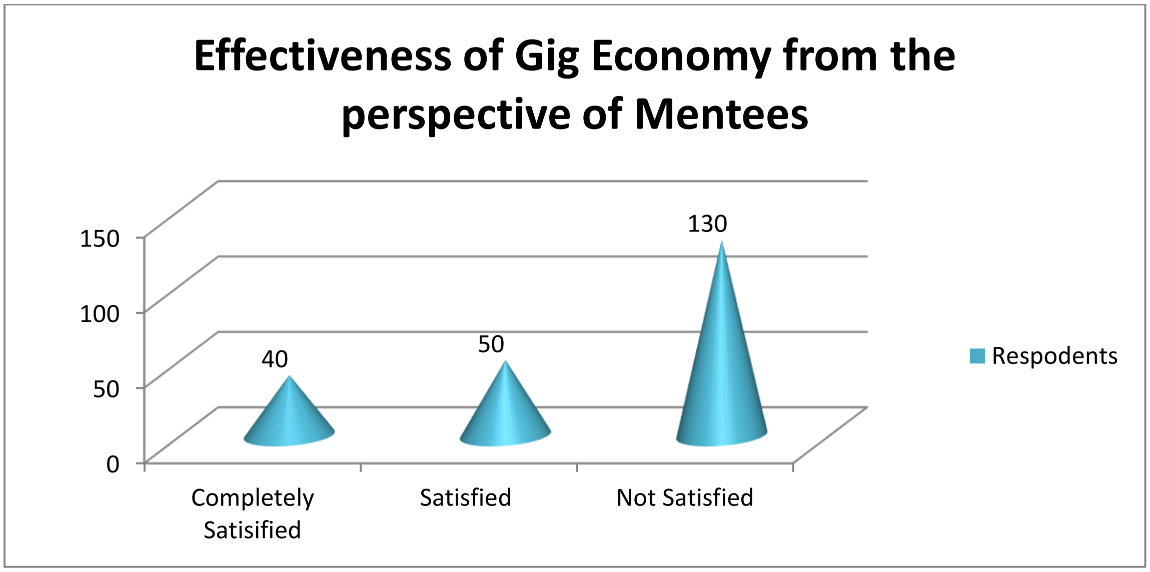
Out of five Higher Educational Institution out of 5 institutions 3are strongly agreeing that gig economy is required, 01 just agreed and 01 Disagreed.

Need of Gig economy from the perspective of Mentors in Higher educational institutions



Out of 42 respondents 24 faculties have strongly agreed that gig economy is needed in higher educational institution, 12 are just agreed to have Gig economy and 06 are totally disagreed the requirement of Gig economy.

Effectiveness of Gig Economy from the perspective of Mentees (students)



Out of 220 Mentee respondents 50 respondents are agreed that gig economy is averagely satisfied, 40 respondents are completely satisfied with Gig economy faculties and 130 respondents are not satisfied with gig economy faculties. More than 50% of the respondents are aware of Gig economy but most of the experienced do not prefer to work on gig economy basis. As per the study 20% of the faculties are working under gig economy

Research Methodology:

The study aims at identifying the issues and challenges of the gig economy in higher educational institutions towards the mentor system, the target group of this study are Academic Mentors, Mentees and Management of the Higher educational Institutions. Hence forth the design of the study was mixed method approach that combines quantitative and qualitative designs. The quantitative designs allows data collected through random sampling and analyzed. The qualitative components, such as interviews and focused group discussion.

Findings and Suggestions:

Most of the faculties who are working on gig economy basis are between 1 to 5 years of experience as the higher educational institutions prefer to hire the young and fresh Post graduation graduates on gig economy basis to control the cost. Study reveals that 60% of the Institutions are preferring the gig economy workers as per the interview as the size of the institution is large and they need more employees so called they are most of the employees on hourly basis to reduce the cost and another two institution they are small in size they don't prefer gig economy workers. From the perspective of the mentors most the young faculties prefer the gig economy job as it is flexible to work in more number of institutions. From the perspective of the Mentees 60% of the respondents are not satisfied with gig economy mentors as they are not involved in mentors mentee relationship and as per the interview with the mentees they revealed that Mentors working under Gig Economy are not accessible after the class hours as they are working in different institutions under Gig Economy as they are focusing on certain benefits.

As per the Analysis even though the gig workers getting more monetary benefits they are having responsibilities for over all development of the Mentees as they have to conduct more sessions on clarifying the doubts rather than focusing on syllabus completion and also the institution should provide the training sessions concerning only for the Mentors who are working under Gig Economy to exhibit their skills and talent for the purpose of the students.

References:

- https://www.investopedia.com/terms/g/gig-economy.asp
- http://economictimes.indiatimes.com/jobs/the-challene-with-gig-economy/aticleshow/85031089
- https://www.business-standrd.com/article/economy-policy/gig-economy-to-boost-employment-of-indian-women-in-forml-sector-study-121072301605_1.html
- https://edu.gcfgloabl.org/en/freelance-work/what-is-the-gig-economy/

"A STUDY ON GOLD EXCHANGE TRADED FUND AS A FINER INVESTMENT OPTION"

Smt. Dr. Mahananda B Chittawadagi
Associate Professor and Research Guide
KLE Society's S Nijalingappa College
Rajajinagar, Bengaluru

Kittu R S
Assistant Professor
KLE Society's S Nijalingappa College,
Rajajinagar, Bengaluru

Spoorthi N
Master of Commerce
KLE Society's S Nijalingappa College,
Rajajinagar, Bengaluru

ABSTRACT

Gold investment has been very important aspect forages across the globe. This paper attempts to analyze the performance of gold Exchange-Traded Fund (ETF) with respect to risk and return against the diversified equity fund and market portfolio. It also examines the role of gold in hedging equity investment risk. The analysis shows that gold ETF has given good return in comparison to a diversified equity fund during the study period.

INTRODUCTION

Finance is the science that describes the management, creation and study of money, banking, credit, investments, assets and liabilities. Finance consists of financial systems, which include the public, private and government spaces and the study of finance and financial instruments, which can relate to countless assets and liabilities.

Financial institutions consist of:

- Commercial bank
- Insurance company
- Mutual fund
- Provident fund
- Non-banking financial institutions

Gold is a go-to investment in India. The yellow metal is an asset that is considered very auspicious. However, in recent years, the government has introduced alternatives to physical gold in the form of Gold ETF's and sovereign gold bonds.

Heightened risk and uncertainty sparked by the COVID-19 pandemic elicited investors to rush to gold as safe haven as they infused over Rs 6,900 crore in gold exchange-traded funds (ETFs) in 2020-21, more than four times from the preceding fiscal.

This also marks the second consecutive year of inflow. Prior to that, gold ETFs have been witnessing out flows since 2013-14, data from the Association of Mutual Funds in India (AMFI) showed.

REVIEW OF LITERATURE

ALOK GOYAL AND AMIT JOSHI (2019) in their study on performance appraisal of gold ETFs in India has analyzed the risk in the emerging security in the stock market i.e. Gold ETFs. The study also aimed at the financial performance, variations and analyses the risk behavior of the selected Gold ETFs in comparison of NSE index.

SHEFALI SINHA AND MAHUA DUTTA (2018) in their study on performance analysis of returns of Goldman Sachs Gold Exchange Traded Fund has analyzed the performance of the fund for the period of 2007-2012. The study also identified the performance of returns of domestic price of the gold in comparison to Gold ETFs.

MOHDSALLEM, MATLOOBULLAH KHAN (2017) in their paper "The overview of Gold ETFs and its various positive features" has traced the emergence and history of Gold ETFs in India and also explained the working mechanism of this fund along with portfolio risk diversification and tax implementation of Gold ETFs fund in India. This paper also made a comparative study of Gold ETFs v/s physical gold and it also emphasized that the Gold ETFs as a strong and attractive investment option for investor.

P. KRISHNA PRASANNA (2012) has studied the performance of Exchange Traded Fund in India. This research paper examines the characteristics and growth pattern of all the 82 exchange traded schemes floated and traded on Indian stock markets, and evaluates their performance.

MUKESH KUMAR MUKUL, VIKRANT KUMAR and SOUGATA RAY (2012) made a study on “Gold ETF Performance: A comparative analysis of monthly returns” revealed that gold investment have been a very important aspect for ages across the globe. This paper attempts to analyze the performance of gold exchange traded fund (ETF) with respect to risk and return against the diversified equity fund and market portfolio. The study also examines the role of the gold in hedging equity investment risk. The study is based on data for period from January 2018 to March 2021. The analysis shows that gold ETF has given good return in comparison to a diversified equity fund during the study period.

PRASANTA ATHMA (2015) has started that Gold ETF is emerging option of the various investment alternatives available to the investor. The low volatility of gold prices as compared to equity market, weakening of Indian Rupee against US Dollar and growing uncertainty about global economy resulted in the emergence of Gold ETF as a strong asset class. Allocation of small portion of investment in Gold ETF would diversify the portfolio risk. The stabilization of expense ratio made the task of selection of the best gold ETF option easy. Inclusion of any Gold ETF in the portfolio of assets would diversify the risk. Gold ETFs also offer the benefit of lower incidence of tax. In spite of the merits of holding Gold ETFs, the investment in the same is low due to the low awareness among the investors and the sentimental attachment of the investors towards holding gold in the physical form.

FISHER (2008) in his article mentioned that Gold Exchange Traded Funds (ETFs) have made investing in the yellow metal very convenient and inexpensive. The study expressed that they offer a way of participating in the gold bullion market without the necessity of physical delivery of gold. The study listed out six reasons why Gold ETFs are considered as the best way to invest in the gold. The reasons mentioned are wealth tax exemptions, income tax benefit, investment in small denominations, hedging convenience and better holding of ETFs as compared to physical gold holdings.

BANG (2010) Gold ETF is fundamentally an open-ended mutual fund that invests in standard gold bullion as its underlying asset. It is also known as paper gold. These instruments are listed on the stock exchanges and hence, it can be bought and sold just like buying and selling of shares.

DIPAK MONDAL (2011) suggested that investors should take exposure in gold by buying either physical gold, Gold Exchange Traded Funds or even units of mutual funds, which invest in the stocks of gold mining companies. He also added that due to the crisis in the European Union, most currencies are witnessing high volatility and unless world currencies reach some kind of equilibrium, prices of gold would continue to go up. In the very short-term, there are possibilities of a correction but gold, either in physical form or in mutual fund units, continues to be a very good investment tool.

OBJECTIVES OF STUDY

- To know the investment awareness and popularity of gold ETFs among the public
- Comparative study of Gold ETFs and physical gold to understand the tax implications of Gold ETF
- To track the NAV and Returns of selected Gold ETFs on quarterly basis.

RESEARCH METHODOLOGY

Research methodology is a way to find out the result of a given problem on a specific matter or problem that is also referred as research problem. In methodology, researcher uses different criteria for solving/searching the given research problem. Different sources use different type of methods for solving the problem. Descriptive methodology is used in this paper.

PRIMARYDATA - Data observed or collected from first-hand experience. In this project, Personal Interview method has been used as primary data.

SECONDARYDATA- Published data and the data collected in the pastor from other parties. Online information published in various websites, journals has been used as secondary data.

SCOPE OF THE STUDY

- This study is restricted to the Gold ETFs traded in Indian stock market.
- The study concentrates only on five Gold ETFs.
- The data used for analysis is for the calendar year 2021.
- The study seeks to check the awareness of Gold ETFs among investing public and suggesting them it is the best available investment option in the pandemic.

LIMITATIONS OF THE STUDY

- The study is limited for the Gold ETF companies for the calendar year 2021.
- The study is limited to Gold ETF available in India.
- The analysis of data and its accuracy depends upon their liability of sources and availability of data.

STATEMENT OF THE PROBLEM

In India, gold ETFs were launched mainly with the objective to increase the liquidity for the better market efficiency. The draw back with the gold ETFs is liquidity; some ETFs are illiquid, which impacts their buying and selling flexibility. Hence, investors should consider this as a factor while investing in Gold ETFs and should stick to funds that are liquid. Traditionally, Indians likes to buy gold and they want to process it. In fact, they hardly go for ETFs. But in India, now investment in Gold ETFs has risen. India is one of the largest consumers of gold. While conventional investment options like jeweler, gold bars and coins still exist, gold ETFs are another effective way to invest in the yellow metal. The study aim is mainly giving awareness about gold ETFs.

ANALYSIS AND INTERPRETATION

The sample distribution table shows the demographic characteristics of 121 respondents. The frequency and percentage are depicted in the table below.

Age Wise Distribution of Respondents		
AGE(In years)	**Respondents**	**Percentage(%)**
18-25 years	68	56.2%
26-35 years	29	24%

36-45 years	13	10.7%
More than 45years	11	9.1%
Total	**121**	**100%**
Gender Wise Distribution of Respondents		
Gender	**Respondents**	**Percentage (%)**
Male	70	57.9%
Female	51	42.1%
Prefer not to say	0	0%
Total	**121**	**100%**
Educational Qualification wise distribution of Respondents		
Educational Qualification	**Respondents**	**Percentage (%)**
Graduate	57	47.1%
Post Graduate	60	49.6%
Others	4	3.3%
Total	**121**	**100%**
Location wise distribution of Respondents		
RESIDENTIAL STATUS	**Respondents**	**Percentage (%)**
Rural	30	24.8%
Urban	91	75.2%
Total	**121**	**100%**
Trading habit of Respondents		
TRADING HORIZON	**Respondents**	**Percentage (%)**
INTRADAY	12	9.9%
DAILY	21	17.4%
WEEKLY	15	12.4%
MONTHLY	38	31.4%
QUATERLY	35	28.9%

TOTAL	**121**	**100%**
Raking of Investment preferences by Respondents		
Various Investments	**Ranks**	
Gold ETFs	1	
Crude Oil ETFs	3	
Silver ETFs	2	
Bond ETFs	4	
Reason for opting Gold ETFs as investment option		
Reason	**Respondents**	**Percentage(%)**
Less risk	35	28.9%
Good returns	66	54.5%
Alternate of gold	20	16.5%
TOTAL	**121**	**100%**

FINDINGS

The findings of the study are as follows:-

- 80% of the investors are aware of Gold ETFs and accept it as a profit bearing sector and hence "Majority of the investing public at are aware of Gold ETFs and consider it as a finer investment option". The NAV of all the selected Gold ETFs are identical to market fluctuations.
- Gold ETF is a very attractive investment destination and provides easy access to make investment in gold.
- Investment in Gold ETF attracts less tax as compared to physical gold.
- Gold ETFs carry less risk in comparison of other investment in terms of storage (physical gold) and market price fluctuations (Equity).

SUGGESTIONS

Based on the above findings following suggestions can be made:

- General people as investors do not have the adequate information about the Gold ETFs. There is a need of hour that investors should be well aware and informed about the scheme of Gold ETFs.

- The Government bodies such as SEBI and AMFI should take initiative to make awareness among the general people or investors.
- Mutual fund regulatory body and member of Stock Exchanges should encourage the people to take participate in Gold ETFs to mobilize the savings of the people.
- Knowledge to investors about Gold ETF shall be provided.
- Initiative to be taken to make Gold ETF more attractive and less risky.
- Gold ETF investors shall be protected from the hands of unscrupulous trade practices in stock exchanges.

CONCLUSION

Gold ETFs offer investors a convenient way and means of investing in gold as a security without the hassles of storage and safety concerns arising due to it. It also spares the investors from worrying about the purity and quality of the gold. It also provides various other benefits such as electronic trading and DEMATS storage and providing a means to diversify one’s investment portfolio. The problem that as gold prices rise or fall, the gold ETF value should also rise or fall to that extent. But Gold ETFs turn out to be a good investment option to hedge their assets against the uncertain global market scenario.

Reference

1. https://keralataxes.gov.in/wp-content/uploads/2018/01/1_EWB_basics.pdf
2. http://cbec.gov.in/htdocs-Way%20bill%20Procedure.pdf
3. https://www.gstindia.com/e-way-bill-under-gst/
4. http://www.cbec.gov.in/htdocs-cbec/gst/GST%20Update%20%2002.09.2017.pptx
5. https://www.charteredclub.com/e-way-bill/
6. https://tallysolutions.com/gst/eway-bill-rules/
7. https://cleartax.in/s/eway-bill-gst-rules-compliance#what
8. https://economictimes.indiatimes.com/news/economy/policy/e-way-bill-for-inter-stategoods-movement-from-april-1-recommends-gom/articleshow/63056558.cms
9. http://www.icsi.edu/Webmodules/FAQs_on_E_Way_Bill.pdf
10. http://www.financialexpress.com/economy/e-way-bill-heres-how-transporters-andmanufacturers-will-benefit-from-it/1018469/

"A Study on the performance of Initial Public Offerings of companies listed in NSE – a case study on Equitas Small Finance Bank"

Smt. Dr. Mahananda B Chittawadagi
Associate Professor and Research Guide
KLE Society's S. Nijalingappa College
2nd Block, Rajajinagar, Bangalore

Kittu R S
Assistant Professor
KLE Society's S. Nijalingappa College
2nd Block, Rajajinagar, Bangalore

Sujith Singh S
Master of Commerce
KLE Society's S. Nijalingappa College
2nd Block Rajajinagar, Bengaluru

Abstract

The present study has been undertaken to analysis the performance of IPO's of companies listed in NSE, case study on Equitas small finance bank. Initial public offerings are ahead importance worldwide as an important source of funds for the companies to step up their growth by using the mobilized funds to implement innovative strategies as well as considered as an important tool for investment since it offers huge profits. In this paper the performance of IPO's are analyzed based on the comparison of issue price with closing price on the day of issue. The analysis of data using correlation shows whether there is a relationship exists between issue prices and issue size. And also it analyzes the relationship between the subscription ratio and listed day gain ratio. The findings of the research help to analyze the performance of the listed companies and also to make proposed investment decision. Through this it can be concluded that IPO's can be a long term investment tool or a speculative opportunity to earn booming profits. Since IPOs has become a major source for investment especially by the Indian retail investors and have gradually emerged as one of the important source for raising fund in the Indian primary market, it is important that

the pricing of IPOs truly reflects the intrinsic value of the company. With strong market fundamentals and good prospect for growth, a sound capital market with a transparent mechanism for price discovery process for IPOs will go a long way in leveraging India's potential as a preferred destination for investment by both domestic as well as international investors.

Introduction

Initial Public Offering means when a company sells its share or offer its share in pubic for the first time. The offer generally issued by the new and smaller companies to expand their capital but it can also be done by the large privately companies to become public company. The new companies mostly don't have resources to conduct the IPO. So, they generally depend on the other private funding like personal loans, family and friends. Therefore, they look for the investors which help them for their IPO process.

Investors offer finance to the company for the stake in the company. The investor is liable in the decision making process and also advice the management in most of the company issues. When the investors of the company want to liquidate their investment they have options like sell the equity to different company, sell the whole company to another company as an acquisition, or sell the equity in the Initial Public offering of the company. Also, when a company in needs of finance for the development of their company then they have options like private market equity, issue debt in the market or offer equity in the public which means initialpublic offer in the market. IPOs performance can be affect by different factors like issue size, delay in listing time etc. Some advantages for going public are like significant access to investment capital, some stock price support after the listing etc. While some disadvantages for going public are like for small companies the cost incurred for IPO is very high etc. SEBI is the regulator of the Indian Capital market including the primary market i.e. IPOs. IPOs have some fixed process and which every company has to follow when it comes for the IPO in the market. The most important objective of an IPO is to raise capital for the company. It helps a company to tap a wide range of investors who would provide large volumes of capital to the company for future growth and development.

A company going for an IPO stands to make a lot of money from the sale of its shares which it tries to anticipate how to use for further expansion and development. The company is not required to repay the capital and the new shareholders get a right to future profits distributed by the company. The IPO trend came in India in the eighties when a large number of companies, organization came out with public issues, which triggered a growth in the primary market. An entire industry of Merchant Bankers, Brokers, Agents and Retail Investors grew in the primary issues market. During eighties and nineties many of the companies just disappeared without a trace after the listing was done. There were estimated of over hundreds of companies which disappeared from the market after raising funds in the primary market. People lost all their income as the fundamentals of the company were not known by them. But in late nineties did not see much activity in the primary market.

The primary issues market resurrected itself after 2003 largely triggered by the divestment program of public sector companies in the beginning of year in January 2008. Many investors lost their income, saving which they invested in the company. India saw a dramatic recovery in its IPO markets in 2010. This revival has been a domestic consumption led–growth story, driven by an influx of capital from Western economies and a booming local stock market. India saw a growth of 21.5% in the number of IPOs compared to 2009. In 2010, India saw a string of IPOs and follow-on offerings from many previously state-owned enterprises in the materials sector such as steel, oil and gas which helped the Indian Government raise funds to build roads, ports and power plants.

The global IPO market is off to a very good start in 2014. This has been the best performing first quarter since 2011 in terms of both number of IPOs and capital raised. Three sectors that led globally by capital raised in 2014 Q1 were energy, technology and real estate. Although technology may not always be the leading sector in any geography, it is often the new or innovative technology which is the driving force behind the popularity and success of the leading sectors. As boundaries blur between technology and industries, companies may move away from traditional sector categorization in an effort to maximize valuation as they come tomarket.

Review of Literature

Gowtham Ramkumar (2017): In their article “Influences of stock market factors on investors perception” concluded that whether factors influencing investor perceptions has a important impact on their investment choices and which can advantage people dealing in stockexchanges

Poornima, AalaaJ.Haji, Deepa (2016) Initial public offerings are gaining importance worldwide as an important source of funds for the companies to accelerate their growth by using the mobilized funds to implement innovative strategies as well as considered as an important tool for investment since it offers huge profits on the listing day. In this study the short run performance of the companies is analyzed to understand the anomaly of abnormal returns as well long term performance to analyze the performance of the IPO's in the long run. The period of study is from Jan 2013 – Dec 2014.

Garima Baluja, Balwinder Singh (2016): In their research paper stated IPO market has witnessed vast fluctuations in the post SEBI era. Still several new issues have entered the market during this period, and only a few managed to survive well. A lot of researchers have verified the aftermarket performance of such IPOs; however the phenomenon of IPO's survival has remained a neglected issue in India. Therefore, the need arises to probe the factors behind and the success and fiasco of new issues in the market. The purpose of this paper is to critically analysis the voyage of IPOs in terms of their survival in the aftermarket.

Ashish Kumar Suri and Bhupendra Hada (2018) in their paper stated they considered 107 IPO's launched during the period 2011 to June 2017 on the basis of two performance indicators i.e. over-subscription and listing day gains. This study aims at comparing the performance of the IPO's for two periods January 2011-May 2014 and June 2014-June 2017. The results of the study shows that the performance of the IPO's launched during the period 2011-May 2014 significantly differs from the performance of the IPO's which were launched between June 2014-June 2017. It was also examined that the number of IPO's and the fundraised through them also differ considerably for the two periods.

Aloysius Edward J (2019): In this article the researcher analyzed that the capital market promotes economic growth through promoting savings and increases productivity. One of the major reforms is the primary market including IPOs started emerging as one of the foremost source of funds for Indian companies and also an important opportunity for retail investors to apportion their funds for higher return. To address one of issue in this paper SEBI has changed the basis of allotment of IPO to retail investors from pro-rata basis to lottery method since 2012. Two methods are widely used for an IPO, book building and fixed price issue. Out of 132 companies raised funds through IPO 14 companies are taken for study based on its issue size. It is found that the companies which had listing gain also had current market price gain.

Batool K. Asiri and Aalaa J. Haji (2014) documented the phenomenon of underpricing initial public offerings (IPOs) for 194 firms that went public between 2000 and 2013 in the markets of the six gulf cooperation council (GCC) countries. It investigates factors that potentially influence abnormal returns on the first day trading and focuses on assessing the most prominent determinants of the under pricing of IPOs in the GCC region. In addition to previously tested variables such as firm age and offer size, additional variables and external factors such as seasonal affective disorder have been added.

Nurwati A. Ahmad-Zaluki 1and Lim Boon Kect (2012) provided evidence on both the short-run and long-run investment performance of Malaysian initial public offering (IPO) companies that are listed on the Mesdaq market. The factors that influence the performance are also investigated. In line with past Malaysian studies, the results of the raw and market-adjusted initial returns show that IPO companies are significantly underpriced in the short-run. However, in the long-run, both the car and the BHAR methods reveal that these companies underperform the market.

Deb and Marisitty (2011) examined the IPO grading was an assessment of the quality of initial equity offers. India is the only market in the world that introduced such grading process. They tested the efficiency of this unique certification mechanism with the data of 159 Indian IPOs. They found that IPOs grading decreased IPO under pricing and influenced demand of retail investors.

Alok Pande and R. Vaidyanathan (2007), looks at the pricing of IPOs in the NSE. In particular, it seeks to empirically explain the first day under pricing in terms of the demand generated during the book building of the issue, the listing delay between the closure of the book building and the first day listing of the issue and the money spent on the marketing of the IPO by the firms. It also seeks to understand any emerging patterns in Indian IPO market with reference to the previous studies.

Ray Ball and Lakshmanan Shivakumar (2006) hypothesize that IPO firms supply the higher quality financial reports demanded by public investors, who face higher information asymmetry than private investors. Once public, firms are subject to greater regulatory scrutiny and penalties. From the point of releasing the public prospectus document onwards, IPO firms face a greater threat of shareholder litigation and regulatory action if they do not meet higher reporting standards.

Mayur and Kumar (2006) examined the determinants of the going public decision of the Indian companies. A probity regression model was used to analyse the influence of fundamental financial data of Indian companies on their going public decision. The size, profitability, age and leverage emerged as the significant determinants of going public decision of Indian companies.

Khurshedet al. (1999) found the great need for the UK evidence on long-run performance of IPOs and there is a relationship between pre IPO management decisions and long-run performance that have not been documented before. They also found that there is a greater need for future research to focus on ownership structure and long-run returns of IPO firms.

Narasimhan and Ramana (1995) focused on the determination of the short-run returns of IPOs listed on the BSE. The analysis was carried out in two different time periods; phase-1, in which market index was on the rise and phase-II, when the index was on the decline. The study observed homogeneity in the degree of under pricing across time period. It further observed that the extent to which premium issues were underpriced was greater than in the case of par issues.

IPO Meaning

An initial public offering (IPO) is the first time a company issues shares to the public. This is when a private company decides to go ‘public’. In other words, a company that was privately-owned until then becomes a publicly traded company.

IPO History

The term initial public offering (IPO) has been a buzzword on Wall Street and among investors for decades. The Dutch are credited with conducting the first modern IPO by offering shares of the Dutch East India Company to the general public. Since then, IPO shave been used as a way for companies to raise capital from public investors through the issuance of public share ownership. Through the years, IPOs have been known for uptrend's and downtrends in issuance. Individual sectors also experience uptrends and downtrends in issuance due to innovation and various other economic factors. Tech IPOs multiplied at the height of the dot-com boom as startups without revenues rushed to list themselves on the stock market. The 2008 financial crisis resulted in a year with the least number of IPOs. After the recession following the 2008 financial crisis, IPOs ground to a halt, and for some years after, new listings were rare. More recently, much of the IPO buzz has moved to a focus on so-called unicorns; startup companies that have reached private valuations of more than $1 billion. Investors and the media heavily speculate on these companies and their decision to go public via an IPO or stay private.

Shares allocated in an IPO

There are different investor categories when it comes to IPOs. This includes:

- Qualified Institutional Buyers (QIBs)
- Non Institutional Investors (NIIs)
- Retail Individual Investors (RIIs)

The allocation of shares differs for all the above groups in an IPO. As an individual investor, you come under the last category.

As an individual investor, you are allowed to invest in small lots worth Rs 10,000 - 15,000. You can apply for a maximum of Rs 2 lakh in an IPO. The total demand for shares in the retail category is judged by the number of applications received. If the demand is less than or equal to the number of shares in the retail category, you are offered a full allotment of shares.

When the demand is greater than the allocation, it is known as oversubscription. Many times an IPO can be over-subscribed five times over. This means that the demand for shares exceeds the supply by five times.

In such cases, the shares in retail category are offered to investors on the basis of a lottery. This is a computerized process that ensures impartial allocation of shares to investors.

Factors That Affect the Cost of an IPO

Here are some key factors that affect the pricing of the shares for IPO which should be considered before the valuation of shares:

- The current cost of shares that are similar to the organisation in the industry
- Number of stocks being sold in an IPO
- The financial performance of the said organisation over the past certain years
- Demand from potential customers for the stocks being sold
- Market trend
- The potential growth rate of the company

Why does a Company go Public?

To raise capital for growth and expansion

Every company needs money to increase its operations, create new products or pay off existing debts. Going public is a great way to gain this much-needed capital for a company.

Allowing owners and early investors to sell their stake to make money

It is also seen as an exit strategy for initial investors and venture capitalists. A company becomes liquid through the sale of stocks in an IPO. Venture capitalists sell their stock in the company at this time to reap returns and exit from the company.

Greater public awareness

IPOs are ‘star-marked’ in the stock market calendar. There is a lot of buzz and publicity around these events. This is a great way for a company to publicise its products and services to a new set of customers in the market.

IPO procedure

A private company has to take various steps in order to go public. They are:

Selecting an investment bank

The first step is to select an investment bank as an underwriter. Here, the role of an investment bank is to help the company establish various details such as

- How much money the company hopes to raise
- The type of securities that will be offered
- The initial price per share

For a large IPO, there can be multiple investment banks involved. In short, investment banks act as facilitators in the IPO process.

- **Creating the Red Herring prospectus:** The next step of the IPO process is to create the 'Red Herring Prospectus'. This is done with the help of underwriters. The prospectus includes various segments such as financial records, future plans for the company, potential risks in the market and expected share price range. Many times, underwriters go on road shows in order to attract potential institutional investors after they create the red herring prospectus.
- **SEBI approval:** The prospectus is presented to the Securities and Exchange Board of India (SEBI). If SEBI is satisfied, it green-lights the initial public offering (IPO) process. In addition, it also gives a date and time for the IPO. But in case SEBI is not satisfied, it asks for changes to be made before the prospectus can be shared with public investors.
- **Stock exchange approval** Listing is the process where securities are allowed to deal on a recognized stock exchange. But for that to happen, the company needs to be approved by the exchange. For instance, the Bombay Stock Exchange (BSE) has a listing department whose purpose is to grant approval for securities of companies. The BSE has a list of criteria which needs to be followed for the company to be listed on its exchange.

  For example:

  - The minimum issue size should be Rs 10 crore.
  - The minimum market capitalization of the company should be Rs 25 crore.
  - The minimum post issue paid-up capital of the company should be Rs 10 crore.

  Only if the company follows these criteria, it gets an approval from the BSE.
- **Subscription of shares:** Once all the formalities are done, the company makes the shares available to investors. This is done on the dates specified in the prospectus. Investors who wish to apply for shares have to fill out and submit the IPO application form Listing. The shares are allotted to different investors based on the demand and price quoted in their IPO application forms. Once this is done, investors get the shares credited to their demat account. In case of oversubscription (if the demand for shares is higher than the number of shares floated by the company), investors may not get the number of shares they originally wanted. They may get fewer shares after a lottery is done. Some investors may not even get any shares. In such cases, these investors get a refund of their money.

IPO challenges

It would be erroneous to assume that the IPO implementation process is a challenge-free undertaking. In order to benefit from the aforementioned merits of an IPO, a public company and its shareholders have to be able to meet certain challenges. These are:

1. Share price of a public company is exposed to the stock market fluctuations

Regardless of how well the company is managed, in certain circumstances imposed by the external market, price and liquidity of the shares may drop. For example, smaller companies may discover that their shares are not sufficiently liquid, while the medium sized and large companies may experience share price movements based on unfounded market expectations general economic trends, or even unrelated events in the industry, sector or country. In order to minimize the influence of such unfavourable events on a public company's share price, the management should retain constant communication with the market and investors, keeping them informed about the company's current developments and prospects.

2. The interests and expectations of the minority public investors must be taken into consideration

Sale of an equity stake during the IPO inevitably transfers a certain degree of influence to the new public shareholders; their interests and opinions must be considered going forward. This means that the owners of a formerly private business are no longer allowed the same autonomy in making strategic decisions. In order to satisfy current expectations of the public investors, the company might need to achieve the short-term operational goals at the expense of the longer-term strategic prospects.

3. Wide-ranging disclosure requirements and financial reporting

The IPO implementation process and a listing on a reputed stock market are only possible when the company discloses the necessary financial information and provides periodic financial reporting of scope and quality substantially in excess of those required from a private company. For example, a public company must disclose the names of its ultimatebeneficiaries, provide detailed information about the financial position and development plans, disclose remuneration of the directors, and other relevant information.

4. Substantial investment in the IPO process

Aggregate investment in the IPO process on a leading stock exchange (such as the London

Stock Exchange) may be quite significant. Even though most of these expenses will be reimbursed from the funds raised during the IPO and therefore will not impact the operating results of the company, a part of the preparation expenses will have to be funded by the company’s own resources before the IPO takes place. Thus it is necessary to plan the investments into the IPO process carefully.

5. New responsibilities and restrictions for the management

The IPO process, as well as the ongoing responsibilities that arise from the new public status, require substantial amounts of the executives' time that otherwise might have been spent on the operational business. The directors and executives of a public company also face certain restrictions, for example related to dealings with the company shares and disclosures of the market-sensitive information. Hence the activities of the directors and top management of public companies are more regulated and require additional attention.

Equitas Small Finance Bank is a small finance bank founded in 2016 by Equitas as a microfinance lender. The bank has headquarters in Chennai, India. After receiving license from the Reserve Bank of India (RBI) on 30 June 2016

IPO Opening Date	Oct 20, 2020
IPO Closing Date	Oct 22, 2020
Issue Type	Book Built Issue IPO
Face Value	Rs. 10 per equity share
IPO Price	Rs. 32 to Rs. 33 per equity share
Market Lot	450 Shares
Min Order Quantity	450 Shares
Listing At	BSE, NSE
Issue Size	Equity Shares of Rs.10 (aggregating up to Rs. 517.60 Cr)
Fresh Issue	Equity Shares of Rs.10 (aggregating up to Rs. 280.00 Cr)

Offer for Sale	72,000,000 Equity Shares of Rs.10 (aggregating up to Rs. 237.60 Cr)
Retail Discount	?0
Employee Discount	?0

Equitas Small Finance Bank IPO Tentative Timetable

The Equitas Small Finance Bank IPO open date is Oct 20, 2020, and the close date is Oct 22, 2020. The issue may list on Nov 2, 2020.

IPO Open Date	Oct 20, 2020
IPO Close Date	Oct 22, 2020
Basis of Allotment Date	Oct 27, 2020
Initiation of Refunds	Oct 28, 2020
Credit of Shares to Demat Account	Oct 29, 2020
IPO Listing Date	Nov 2, 2020

Equitas Small Finance Bank IPO Lot Size

The Equitas Small Finance Bank IPO market lot size is 450 shares. A retail-individual investor can apply for up to 13 lots (5850 shares or Rs. 193,050).

Application	**Lots**	**Shares**	**Amount (Cut-off)**
Minimum	1	450	Rs. 14,850
Maximum	13	5850	Rs. 193,050

The EHL Shareholder Reservation Portion for Eligible EHL Shareholders has been reduced from up to Rs 1,000 million to up to Rs 510 million.

Equitas Small Finance Bank IPO Subscription Status (Bidding Detail)

The Equitas Small Finance Bank IPO is subscribed 1.95 times on Oct 22, 2020 17:00. The public issue subscribed 2.08 in the retail category, 3.91 in the QIB category, and 0.22 in the NII category.

Category	Subscription (times)
QIB	3.91
NII	0.22
RII	2.08
Employee	1.84
Others	0.42
Total	1.95

Equitas Small Finance Bank IPO Listing Date

Listing Date	Monday, November 2, 2020
BSE Script Code	543243
NSE Symbol	EQUITASBNK
Listing In	B Group of Securities
ISIN	INE063P01018
IPO Price	Rs. 33 per equity share
Face Value	Rs.10 per equity share

Listing Day Trading Information

	BSE	NSE
IPO Price	Rs.33.00	Rs. 33.00
Open	Rs. 31.00	Rs. 31.10
Low	Rs. 30.10	Rs. 30.05
High	Rs. 33.05	Rs. 33.15
Last Trade	Rs. 32.75	Rs. 32.80

SUGGESTIONS:

1. Investors who are ready to take risk should invest in initial public offerings
2. Chance of getting allotment is less when the oversubscription takes place.
3. Before investing in initial public offerings the investor must do fundamental analysis of the company,

4. Majority investors invest in initial public offerings for listing day gain, sometimes it even lists with losses.
5. Investors must understand the business model the company, then do economy analysis, industry analysis, company financial analysis and watch grey market premium.
6. Read Draft Red Hiring Prospectus (DRHP) of a company before investing in initial public offerings.
7. Do your own research and know where your funds are invested. 8. Invest at cutoff price and plan an exit strategy.
8. Apply in more than 1 account for the same initial public offerings to increase the chance of allotment.
9. The investment in IPO can prove too risky because the investor does not know anything about the company because it is listed first time in the market so its performance cannotbe measure.
10. Primary market is more volatile than the secondary market because all thecompanies are listed for the first time in the market so nothing can be said about its performance.

CONCLUSION:

Initial public offerings consider as sale of company's stock to the public for the first time, when an IPO gets listed on the stock exchange there are certain parameters to evaluate the performance of the IPO. The performance of IPO can be evaluated in short run as well as in long run, for short run say after 1 month of listing, after 3 months of listing, after 6 months of listing and for long run it can be after 1 year of listing, after 2 years of listing, after 3 years of listing. IPOs can be underpriced, overpriced or they can be normal priced. Underpricing of an IPO means when listing price is more than offer price, over pricing means when offer price is more than listing price and normal priced means when both the prices are same. Offer price and listing price are two different prices. Offer price is price at which company issues the share to public but listing price is that price at which IPO gets listed in the stock market. The Indian economy is growing and India has a big demand potential due to the size of the population. Satisfying such big business opportunities with bigger structures required a big amount of investment. The business which has the potential to create and satisfy the demanding economy is coming in public and trying to get funding for the next levels of growth. The promoters who have a bigger vision for the next ten to fifteen years are utilizing the current market to grow their business and encash these huge opportunities the steps taken by the central banks to face the challenges of Covid-19 have pushed ample amount of liquidity in the global market. So, it is the best time for IPO globally. At the same time, markets are showing higher potential returns for the next few years as recovery is faster-than-expected. Participation of retailers is the highest ever in history. This shows that the overall performance of IPO is good and many are yet to come.

BIBLIOGRAPHY

1. https://www.investopedia.com/terms/i/ipo.asp
2. https://www.chittorgarh.com/report/ipo-in-india-list-main-board-sme/82/
3. https://www.moneycontrol.com/ipo/
4. https://economictimes.indiatimes.com/markets/ipo
5. https://groww.in/ipo
6. https://www.business-standard.com/about/what-is-ipo
7. https://www.info.com/serp?q=what%20is%20an%20ipo&segment=info.0608&s1aid=39 0121 4570&s1cid=13292556643&s1agid=122557954453&s1kid=kwd-48754730&utm_source=adwords&gclid=CjwKCAjw9uKIBhA8EiwAYPUS3Ey-3OIqx_A- JrxJQyl88V9NuuGVlf5Ch8jrXiKxNCkwEBQk6uL_BxoCo9QQAvD_BwE
8. https://www.goodreturns.in/ipo/
9. https://www1.nseindia.com/products/content/equities/ipos/homepage_ipo.htm
10. https://www.bseindia.com/publicissue.html
11. https://gbr.pepperdine.edu/2010/08/still-thinking-of-doing-an-ipo/
12. https://www.chittorgarh.com/article-list/mainboard-ipo/2/

"Study of the Effectiveness of Online Marketing on Integrated Marketing."

Prof. Mahadev Nimbaragi,
Associate Professor,Department of studies in Commerce,
KLE's SCP Arts, Science and DDS Commerce College, Mahalingpur,
Email: mustak.mulla44@gmail.com Cell-Phone No. 9036740801

Mr. Mustaq Mulla.
Teaching Assistant, Department of studies in Commerce,
Rani Channamma University, PG Centre, Jamkhandi.
Cell-Phone No. 9036740801, Email:mustak.mulla44@gmail.com.

Abstract:

This research work has investigated the effectiveness of online marketing in acomprehensive marketing communication strategy. Specifically, the effectiveness of the integrated marketing communication strategy aimed at assessing the scope of the online platform. The business environment is drastically revolving and changing, so is the tools employed in decision making process. The changing business environment requires that organisation achieve more customer satisfaction, exceed shareholder's expectation, integrated and harmonize all stakeholders' interest to remain competitive. With the growth in the internet users and application since the last three decades, organization have started shifting focus from offline marketing to online in reaching out to more customers. Online marketing is therefore not seen by many scholars as another form of promotional tools like advertising, personal selling, direct marketing among others but seen as a powerful medium of implementing the various marketing tools online to reach more targeted local and global audience.

Key Words: Online Marketing, Integrated marketing, business environment

Introduction:

The global economy and the corporate world have seen tremendous changes over the past three decades with the advancement of technology, especially with information technology. ICT has revolutionized the way we do business, communicate and live Information technology has disrupted the business world and invalidated the most important theory and principle of marketing, namely that no organization that fails to adopt technological advancement and innovation in technological advancement has the right to compete in the twenty-first century business environment.

Every strategic tools of the organisation to achieve competitive advantage in today’s competitive business environment must incorporate one or more aspect of the information technology. This is partly because it enables an integrated and coordinated mechanism of sharing information across the partners and audience involved in the implementation of a strategy. As argued by Preeti (2018) information technology has revolutionized the means at which organisation communicate to both existing and prospective customers, increasing return on investment and reduce cost of reaching out to the customers.

Online marketing or e-marketing as often referred to all marketing activities carried out online to reach the customers as opposed to the traditional way of reaching the customer like print media, sales promotion, adverts on TV and on radio (Goldfarb, 2011). Weinstein (2008) is of the view that online marketing is the promotion of organisation products through digital or electronic platform. Such as any promotion made on social media, mobile phones, digital television & radio sites as well as digital banners on various websites.

Objectives of the Study:

- To determine the extent online marketing can be effective in achieving organisation marketing strategy.
- To examine the extent integrated marketing communication can be effective in achieving organisation marketing strategy.
- To ascertain the effectiveness of online marketing in achieving effective and efficient integrated marketing communication in the organisation.
- To examine the key indicators used in measuring online marketing communication performance.
- To examine the trending online marketing tools employed by organisation to reach more targeted audience and accomplish more result

Methodology: To achieve this purpose, the researcher employed qualitative methodology, with secondary sources as instruments of data collection.

Online Marketing: An Overview

Advancement in information technology (ICT) has made online advertisement indispensable for an organization to achieve competitive advantage in any industry (Fang & Mykytyn, 2007). Marketing in its basic meaning is the promotion of organization products and services to the general public with intent of wooing more customers and ensuring customer loyalty to the brand. Percy (2008) viewed marketing as a process of discovering or assessing societal needs, designing and developing products or service to meet those needs as well as making conscious effort to influence consumer to discover those products and services offered. It involve keen evaluation of organization products and services, the demographic, geographic and psychographic of the consumer to determine which products and services to offer to different individuals at each point in time (Percy, 2008).

Types of Online Marketing

As noted earlier, there are various media outlets that can conduct marketing on the internet. In this sub-section we will evaluate some categories and success stories.

Display Advertising:

This is the earliest form of advertising on the internet and still remains among the most popular advertising tool employed in the internet especially in blogs and non-advertising agencies website. It is a type of advertising platform that incorporate the advertising company message in the form of text, image, animation, videos, logos and other enticing graphic that easily capture the attention of the consumers. Display advertising as noted by Pawar (2014) target consumers or audience with similar traits and needs to appeal to their needs thereby increasing advertising impact.

Banner Advertising:

This happens to be the most relevant and popular display advertising platform. Banner ads are often displayed on the web page and it comes in rich format of different color and size. It incorporates not just image which is the most popular, it also comes in the form of video, audio, animation button, logos and many others. Pawar (2014) observed that banner advert return on investment is basically measured in two form, the brand awareness where organization brand name and message are important to consumers.

Pop-Up Advertising:

While it may seem annoying at times, it is still seen as one of the most effective display advertising tools. The pop-up is described as a new web page displayed on the current web page that Internet users are currently surfing. This could be pop-up under where the advert is displayed in a new web page below the one currently being surfed or pop-in where the content the internet user is seeking is blurred or temporarily blurred to pave way for the advert.

Search Engine Advertising:

This kind of advertising is common among the search engine organizations like Google, Yahoo, Yandex, and Ask.com among others who often display sponsored adverts outside the normal search engine results pages. The search engine organization normally places ads along with the result to differentiate it from the non-sponsored SERPs. It is one of the most prominent and highly profitable advertising platforms for organization that provide specific services.

Social Media Advertising:

Social media advertising has become one of the most popular advertising platform with facebook being a leading advertising earners in the world after Google (Ovijidus, 2018). Pawar (2014) observed that social media advertising is the promotion of organization products and services in social media handle. Organization can pay for sponsor ads in social media or simply keep on updating their social media handle to increase interaction among customers in the social media handle. Social media advertising present unique opportunity to organization to reach a targeted audience at a minimized cost (Kotler & Keller, 2016). The author noted further that social media has gone through stages of development in the past few years and it is expected that its growth will stabilize over time.

E-Mail/ Newsletter Marketing:

E-mail marketing appear to be one of the most successful platform of advertising an organization products and services. It involves sending customers (subscribers) e-mail regarding the organization products based on their previous browsing history. According to Short (2012), the report from Direct marketing Association reveal that e-mail marketing is the most paying online marketing platform as it saves advertiser about $44 for every $1 spent. Organization like

Amazon - the online e-commerce giant has over the years utilizedthese particular marketing tools to increase repeat purchases of their products.

Role of Online Marketing in Integrated Marketing:

The business environment is changing so is the tool used in business management. In the field of marketing, marketing communication is evolving and changing, with new tools, theories, strategies, technological changes and cultural dynamics all incorporating to influence the way marketers communicate their message to the target audience.

Online Advertising

Like the traditional offline advertising that uses broadcast or print media in advertising effort, organization advertising their products to reach their targeted audience should consider internet as they would television, newspaper, radio, outdoor and others (Strauss & Raymong, 1999). Markova, Prajova&Salgovicova (2011) observed that there are two approach to advertising online; first is the text based approach that employ e-mail and bulletin board and the second is the multimedia approach that utilizes banner, interestials, sponsorship, buttons among others.

Online Public Relation:

Public relation is part of the marketing promotional tools employed by the organization to create awareness of its products and services to several stakeholders. Markova, Prajova, &Salgovicova, (2011) observed that its role is to look after the nature and basis that define external relationship between the organization and the various stakeholders. It is used to create goodwill message about the organization to all its major stakeholders; the employees, media, financial institutions, shareholders, community, suppliers, government among others. The objective is to create positive image about the organization on the mind of its stakeholders. As such, every content in an organization website other than advertising, sales promotion is public relation (Strauss & Raymong, 1999).

Personal Selling Online:

As the internet has become a powerful tool in the hand of most e-commerce organization for personal selling, it has become a threat to many involved in personae selling especially those involved in business-to-business market. However, most organization in B2B have viewed internet as even opportunity to increase their coverage and presence by maintaining strong online presence. Some organization has even cut down their workforce largely because of poor reach with the emergence of online personal selling (Markova, Prajova, &Salgovicova, 2011). The internet has become a great source of information for those in business-to-business market especially those of them that are in supply chain industry.

Sales Promotion Online:

With the rise in e-commerce, sales promotion activities have increased drastically online. Sales promotion instruments include coupon, rebates, free or low cost gift, contest, products sampling among others. Strauss & Raymong (1999) obsered that unlike the offline sales promotion that is directed to retailers in the chennels of distribution, sales promotion online are directed to consumers themselves and the impact of the sales promotion can therefore be easily measured based on the level of interaction in the website.

Effectiveness of Online Marketing in Integrated Marketing:

We understand the extent of online success through the effectiveness of online marketing in a comprehensive marketing communication framework online marketing can be measured by the organization over time. The literature has revealed some of the criteria that an organization can use measuring the success of its online marketing efforts: number of unique visitors, number of pages viewed per visit (Bounce rate), number of repeat visits, minutes a visitor spends on a website, behavior of the visitors on the site (copying, reading among others), number of comments on a post, number of e-mails, customers and many others.

- It is suggested that if a customer's needs are met, they will visit the site frequently to meet their needs.
- A stronger relationship is established over time as visitors to the website spend more time on that website.
- Another important measure of advertisement or any other promotional activities online is the extent such tools increases the organization sales and income.
- Repeat visitors notice that he / she finds the website very informative and useful.
- It is easy for the organization to determine the success of the promotion by looking at the behaviour of the site visitors.

- The ability of the organization to convert website traffic to meaningful sales and post-purchases by the visitors is key indices of the effectiveness of promotional tools.

Conclusion:

The present study conclude that the level of integrated marketing have a significant impact on the rate of implementation of online marketing. The important antecedents to implement online marketing are convenience, merchandize, interactivity, reliability, navigation, and promotion. The important service quality delivered by the marketers are reliability, ease to use, communication, responsiveness, personalization, convenience, credibility, courtesy continuous, improvement, access and security. The identified important hurdles in implementation of online marketing agriculture inconvenience, risk, in store effect, environment and cost. The narrated important effectiveness of online marketing is efficiency, sales customer satisfaction and relationship. The service quality has a significant positive impact on effectiveness whereas the handless are having significant negative impact on effectiveness in online marketing. If the marketers in online marketing overcome the handless is online marketing, they will succeed in the market since the scope of the online marketing is higher.

References:

- *Alba, J and Hutchwison, W., (2017). Dimension of Consumer Expertise. Journal of consumer research, 13(4), 411-454.*
- *Bienstock, C., Mentzerand Bird, M., (2017). Measuring Physical Distribution Service Quality. Journal of the Academy of Marketing Science, 25(1), 31-44.*
- *Collier, E., and Carol, C. Bienstak, (2016). Measuring Service Quality in E-Retailing. Journal of Service Research, 8(3), 260-275.*
- *Donthu, N. and Garcia, A., (1999). The Internet Shopper. Journal of Marketing Research May – June, 52-58.*
- *Fram, H and Grandy, B., (2015). Internet Buyers: will the Suffers become Buyers?. Direct Marketing, October, 63-65.*
- *Holloway, Betty B. and Sharon, E. Betty, (2013). Service Failure in Online Retailing: A Recovery Opportunity. Journal of Service Research, 6(1), 92-105.*
- *Jayawardhena,C., (2004). Personal Values' Influence in E-Shopping Attitude and Behaviour. Internet Research, 14(2), 127-140.*

"A STUDY ON INNOVATIVE PRACTICES AND ACQUISITION OF FINANCIAL RESOURCES TO RAISE THE STARTUPS IN INDIA"

Vidhya Shree N
Assistant Professor
Department of Commerce
KLE Society's S. Nijalingappa College
II Block Rajajinagar, Bengaluru-10
Email ID- vidhyarishu97@gmail.com

Yogesh Kumar A B
Assistant Professor
Department of Commerce
KLE Society's S. Nijalingappa College
II Block Rajajinagar, Bengaluru-10
Email ID- shivyogi1916@gmail.com

Abstract

Unemployment Problem is one of the threat for the economic development of the nation, The great efforts of Prime Minister Dr. Narendra Modi, announcement on 15th August, 2015, "Start Up India, Stand Up India" to provide financial assistance for startups and offer incentives to boost entrepreneurship and Job creation. A startup is a young company innovated by one or more entrepreneurs in order to develop a unique product or service and bring it to market. Startup companies are newly born company which struggle for existence. The purpose of this paper is to conceptualize the Phenomenon of Startups and study the challenges, prospects and its financing resources, government schemes and concludes with certain concluding remarks. This paper investigates the overview and foot prints of selected startup company and this paper is based on secondary data collected from various websites, journals, newspaper, articles etc.

Key words: Startup companies, Innovation and Financial resources.

INTRODUCTION

Startups are seen as nation builders as they create positive contribution to the nation's economy and create jobs. Startups are normally identified as a newly emerged, fast-growing business that aims to meet a marketplace need by developing a viable business model around innovative product, service, process or a platform. With their success they also create a sense that indigenous innovations and technologies can bring fruitful economic benefits in the long run.

The Startup landscape is growing rapidly in our country. They are considered one of the key drivers of economic growth. But what is also often underlined is alarmingly high failure rate of startups. Sixty percent of startups do not survive in the first five years, while seventy five percent of venture capital funded startups fail. This demonstrates that startups are very challenging endeavors.

On 15th August 2015, PM Narendra Modi announced this initiative at the Red Fort as Start up India and on 16th Jan 2016 it was officially marked up by Finance Minister Arun Jaitley. The main aim of the Government to provide maximum help and support for the new emerging businesses and ideas. The support will be in the form of finance, technology, economic, social as well as environment. As it is a known fact that when someone start a new enterprise or tries to get into entrepreneurship they face many problems like finance, land permissions, environmental clearance, foreign investment proposals, family support etc. It is one of the much needed initiative plan of Government of India.

An idea can be converted into a start-up. Even sometimes the crisis becomes the opportunity and it gives birth to the start-ups. Many times we have seen that we have an idea but we do not dare to initiate it or we do not find it worthy. On the other hand other people take that idea as an opportunity and mobilize into reality. But sometimes the idea and opportunity taken and started if not managed properly they will lead to failures.

STARTUPS IN INDIA

In recent years, the Indian startup industry has really taken off and come into its own—driven by factors such as massive funding, consolidation activities, evolving technology and an burgeoning domestic market. The numbers are telling—from 3,100 startups a projection of more than 11,500 by 2020, this is certainly not a passing trend. It‘s a revolution. And it‘s going to change the way the markets are working today in India. Based on data published by Your Story, in 2014, Helion

Venture Partners was top of the investors list going by the total number of deals made, followed by Sequoia Capital, Blume Ventures, Kalaari Capital, and Accel Partners. In 2014, 43 startups were acquired; so far this year the number has been 41, with startups themselves being the most acquisitive of the lot. Of the 41, merely two deals were struck by large corporate, with Godrej and Mahindra & Mahindra as the buyers. In January 2014, Face book had acquired Bangalore-based little eye labs–a startup that made a software tool for analyzing the performance of Android apps. Startups in India have given rise to more startups.

REVIEW OF LITERATURE

Christopher A Pissarides (2001) in his paper studied that the role of company starts up costs for employment performance. This paper is highly theoretical one. The conclusion is the factors that can explain the differences in Labor Market performance are structural and should be sought in the institutional structures of the countries.

Omid Sharifi, Bentolhoda Karbalaei Hossain (2015) in their paper stated that the various financial challenges faced by the Startups in India. It also depicts the difficulties faced by the startups at the initial stage. The major findings are major leap in technology have led investors to raise the bar in terms of how much leg work entrepreneurs are expected to do before even pitching their companies.

Study conducted by NicolòPaternoster[a](2014) Software startups are newly created companies with no operating history and fast in producing cutting-edge technologies. These companies develop software under highly uncertain conditions, tackling fast-growing markets under severe lack of resources.

OBJECTIVES OF THE STUDY:

1. To conceptualize the facts of Startups.
2. To study the challenges faced by Start ups in every phase.
3. The paper attempts to track the financing resources that are available for startup companies.
4. To study the initiatives taken by Government of India for startup companies.

METHODOLOGY:

This study is mainly based on the secondary data. These data are collected from various websites, journals and newspaper articles. The study is descriptive & conceptual in nature.

CHALLENGES FACED BY STARTUP IN INDIA

The start-up economy, although may be booming now, it is going through the initial stages of growth and maturity in India. Here are few challenges; typical startups are facing in India.

1. **Dependence on "Gut-feel" rather than costly market research:** Bootstrapping is very common in India as investors cannot be wooed merely by a concept note, anymore. As a result, the founders have to self-fund the initial stages for which research is a big capital investment, which is better avoided.
2. **Mentorship crisis:** Standard management practices do not work well in a start-up scenario, as most decisions have to be taken in a 'data poor high risk' scenario. As a result, traditional managers are not equipped to handle start-ups. Nor are there enough industry hardened mentors who can guide the young babies, as the wave of start-ups is just so new.
3. **Hitting the market without evaluating enough options**: Since research is a costly affair, the startup entrepreneurs have to jump into deciding on creating the MVP without checking it out to a broader set of audience. Not testing on larger consumer base can lead to lesser trails thereby reduced options.
4. **Talent insufficiency**: Although skilled personnel is not quite bad in India, start-ups just cannot afford them all the time. Often, however, the multi-skill required to make start-up success stories are very rare to find.
5. **Policy of Government:** India lacks a clear long-term start-up roadmap, as economic liberalization is quite new to India. Given the size of the nation and the priorities, the government seems to keep the road-map on the back burner.
6. **Not Experimenting Often Or Enough**: Experiments can provide answers to many questions, which are badly required by any start-ups. However, either due to turn around time or due to financial situations they are often omitted.
7. **Building The Right Team**: At the heart of any successful venture lies Team-work. Due limited resources and short-sightedness of the founders, good team building does not happen, resulting in cohesion less teams.
8. **Not able to execute: 20% Idea and 80% Execution:** Success lies in skillful execution. Ideas can create a castle in the air, but the visionary has to take the blocks of brick to build the castle.

FINANCIAL ASSISTANCE TO STARTUPS

Direct funding support to startups is not envisaged under Startup India Programme. Government of India has established Fund of Funds for Startups (FFS), to meet the funding needs of startups. Department for Promotion of Industry and Internal Trade (DPIIT), Government of India, is the monitoring agency and Small Industries Development Bank of India (SIDBI) is the operating agency for FFS.

As per the operating guidelines issued by DPIIT, FFS contributes to the corpus of SEBI registered Alternative Investment Funds (AIFs). These AIFs in turn have to invest at least twice the contribution under FFS in startups, as defined by the Government of India. Each AIF sets up its own Investment Committee and the investment Committee of each Fund takes a decision on its investment decisions. The AIFs supported under FFS have supported 249 startups as on June 13, 2019.

The investment committee (IC) of each AIF, comprising of investment experts drawn from different domains takes decisions on investing into particular startup. These decisions are largely a matter of business decisions which depend on a host of factors like uniqueness, innovativeness, intellectual property and business potential.

A formal mechanism has been put in place in the form of Monitoring Committee to review progress of Startup India programme on regular basis. The Monitoring Committee comprises representative from DPIIT, NITI Aayog, Department of Revenue (Ministry of Finance), Ministry of Micro, Small and Medium Enterprises, Department of Science and Technology (Ministry of Science and Technology), Department of Bio-Technology (Ministry of Science and Technology), Ministry of Electronics and Information Technology, Department of Higher Education (Ministry of Human Resources Development) and Small Industries Development Bank of India (SIDBI). The Monitoring Committee continuously reviews progress & implementation of various measures for growth of startup ecosystem.

Year wise figures for number of Startups provided financial assistance are given below:

Number of Startups provided financial assistance under Fund of Funds (Year-wise):

Financial Year	No. of Startups given financial assistance under FFS
FY – 2016-17	62

FY – 2017-18	58
FY – 2018-19	98
FY – 2019-20 (As on June 13, 2019)	31

GOVERNMENT SCHEMES FOR STARTUPS

India is gradually moving towards the startup ecosystem. Therefore, in order to boost entrepreneurship, Government has created an entire ministry dedicated to helping new businesses. These initiatives are promoting startups in India.

"Take up one idea. Make that one idea your life, think of it, dream of it, live on that idea, let the brain, muscles, nerve, every part of your body be full of that idea and just leave every other idea alone. This is the way to success"

By Mr. Narendra Modi, Prime Minister of India.

The Indian Government has introduced over 50 startup schemes to help boost the startup mission in India. These are the few initiatives the government has taken to boost startup culture in India by providing these schemes in the favor of Startups.

1. **Startup India Initiative:** In January 2016, Prime Minister of India launched Startup India Initiative. It changed the definition of a startup in terms of the scale and the horizon. The idea is to increase wealth and employability through increasing entrepreneurial spirit. They have given startups tax benefit under this scheme and 798 applicants have got the benefit of the tax break. The Department of Industrial Policy and Promotion has taken up this initiative and is working on this project. Moreover, the overall age limit for startups has increased from two years to seven years. And for biotechnology firms, the age limit is ten years from the date of incorporation now. It is one of the best Indian government initiative for startups as it is providing lots of policies for entrepreneurship.
2. **Aspire**: The government has made continuous efforts to improve social and economic life in rural areas of India. Since 56% of the Indian population lives in rural areas, the government is promoting entrepreneurship and innovation in this area. The scheme, ASPIRE aims at increasing employment, reducing poverty and improving innovation in rural India. However,

the main idea is to promote the agro-business Industry. The Ministry of Medium and Small Enterprises has tried to get economic development at the grassroots level. The total budget plan is of Rs. 62.5 crores for the years 2014-2016.

3. **Mudra bank:** Micro Units Development Refinance Agency (MUDRA) Bank has been created to enhance credit facility to boost the growth of small business in rural areas. In 2015, the government allocated 10,000 crores to promote startup culture in the country. The MUDRA bank provides loans for Rs. 10 lakh to small enterprises which are non-corporate, non-farm small/micro enterprises. It comes under Pradhan Mantri Mudra Yojana (PMMY) which was launched on 8th April 2015. The loans have been categorized into Tarun, Kishore, and Shishu. The assets are created through the bank's finance and there is no collateral security.
4. **Ministry Of Skill Development and Entrepreneurship**: This task of promoting entrepreneurship was earlier given to different departments and government agencies. In 2014, Prime Minister decided to dedicate an entire ministry to build this sector as he feels that skill development requires more tension from the government side to promote and encourage them among the people. Furthermore, the idea is to reach 500 million people by the year 2022, by providing gap funding and skill development initiatives.
5. **Atal Innovation Mission:** In the budget of 2015, the government established the Atal Innovation Mission (AIM), while the name is coming from Former Prime Minister of India Atal Bihari Vajpayee. The Atal Innovation Mission was established to provide promotional platform which will involve the academicians, and drawing upon national and international experiences to foster a culture of innovation, research, and development. The government allocated AIM about Rs. 150 crores in the year 2015.
6. **E-Biz Portal**: The government launched first electronic government to business (G2B) portal. The main purpose of the portal is to transform and develop a conducive business environment in the country. The E-Biz portal was developed by Infosys in a public-private partnership model. It is a communication center for investors and the business communities in India. The portal has launched 29 services in 5 states of India, viz., Andhra Pradesh, Delhi, Haryana, Maharashtra, and Tamil Nadu. The government will add more services to the scheme in the future.

7. **Dairy Processing and Infrastructure Development Fund (DIDF)**: National Bank for Agriculture and Rural Development (NABARD) is an apex development bank in India. The Government of India had announced creation of Dairy Processing and Infrastructure Development Fund under NABARD with a total corpus of Rs. 8000 crore over a period of 3 years (i.e. 2017-18 to 2019-20), in the Union Budget of 2017-18 for the sustained benefit of farmers. Milk Unions, Multi-state Milk Cooperatives, State Dairy Federations, Milk Producing Companies and NDDB subsidiaries meeting the eligibility criteria under the project can borrow loan from NABARD. The Loan Component would be 80% (maximum rate) and the end borrower's contribution of 20 % (minimum rate). The end borrowers will get the loan at 6.5% per annum interest. The period of repayment will be 10 years with initial two years moratorium. The respective State Government will be the guarantor of loan repayment. Also for the project sanctioned if the end user is not able to contribute its share in the scheme, the State Government will contribute.
8. **Support for International Patent Protection in Electronics & Information Technology (SIP-EIT):** The Department of Electronics and Information Technology (DEITY) has launched a scheme entitled "**Support for International Patent Protection in E&IT (SIP-EIT)**". This scheme provides financial support to MSMEs and Technology Start Up units for international patent filing.

Features and benefits of the SIP-EIT scheme are:

- Financial support is provided for international filing in Information Communication Technologies and Electronics sector.
- The Reimbursement limit has been set to the maximum of Rs. 15 Lakhs per invention or 50% of the total charges incurred in filing and processing of a patent application, whichever is lesser.
- SEP-EIT scheme can be applied at any stage of international patent filing by the applicant.

9. **Multiplier Grants Scheme (MGS):** Department of Electronics and Information Technology (DeitY) started the Multiplier Grants Scheme (MGS). The scheme aims to encourage collaborative Research &Development between industry and academics or R&D institutions for development of products and packages. Under the scheme, if the industry supports R&D for development of products that can be commercialized at institution level, then government

will also support them financially this will be up to twice the amount provided by industry. MGS promotes and expedites development of aboriginal products and packages. The Government grants would be limited to a maximum amount of Rs. 2 Crores per project and the duration of each project could considerably be less than 2 years. It would be Rs. 4.0 Crores and 3 years for industry associations.

10. **Credit Guarantee Scheme for Startups (CGSS):** The Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) was set up by the Government of India to provide business loans to micro and small industries, with zero collateral. It allows the new and upcoming startups to avail the loans at highly subsidized interest rates without providing any security. Working along with SIDBI (Small Industries Development Bank of India), the government provides a maximum amount of up to Rs. 100 lakhs under this scheme, for boosting new enterprises as well as rehabilitating the existing ones. Primarily for manufacturing units, this loan can be availed in the form of working capital or term loan.
11. **Software Technology Park (STP) Scheme:** The Software Technology Park (STP) Scheme is a totally Export Oriented Scheme for the development and export of computer software including export of professional services using communication links or media. This scheme is unique in its nature as it focuses on only one sector, i.e., computer software. The scheme integrates the government concept of "100% Export Oriented Units" (EOU), "Export Processing Zones" (EPZ) and the concept of Science Parks or Technology Parks, as operating elsewhere in the world. The sales in the Domestic Tariff Area (DTA) shall be permissible up to 50% of the export in value terms. STP gives total depreciation on capital goods over a period of five years.

10 INSPIRING SUCCESSFUL STARTUP STORIES IN INDIA

Each entrepreneur puts in his 110% effort to make their startup a success. Nevertheless, that’s not the only factor that matters to the formulation of the perfect recipe of Indian success stories. The successful startups in India are built on the grounds of persistence, mentorships, disruptiveness & market requirements.

These 10 startups have been able to survive amidst the struggling economy of our nation to emerge as the top successful business stories in India:

1. Oyo

Launch: 2013

Founders: Ritesh Agarwal

Industry: Hospitality

Estimated Valuation: $16 billion

Ritesh Agarwal, the founder of the homegrown unicorn Oyo, has established itself as one of the largest hotels and hospitality chains around the world with operations in over 800 cities across 80 countries, including India, the US, China, Europe, China, and more.

Airbnb was the biggest source of inspiration for Ritesh, who started out on his journey of being one of the best entrepreneur success stories as a teenager.

Fact: Ritesh launched Oravel Stays in 2012, which was later relaunched as Oyo in 2013.

2.Paytm

Launch: 2010

Founder: Vijay Shekhar Sharma

Industry: Fintech

Estimated Valuation: $15 billion

Paytm started out as a digital wallet in its initial days but has transformed into a completely new payments platform. The fintech service has been able to emerge as the top fintech company even after facing fierce early competition from brands like Freecharge.

Fact: Paytm's userbase grew from 125 million to 185 million three months post demonetization.

Vijay Shekhar Sharma, who was struggling to make ends meet with Rs 10 in his pocket, tasted victory the hard way, and today, he stands as the founder of the billion-dollar homegrown unicorn.

3. Flipkart

Launch: 2007

Founders: Sachin Bansal & Binny Bansal

Industry: Ecommerce

Estimated Valuation: $24 billion

The Walmart acquired ecommerce company Flipkart stands as the largest ecommerce platform in India. Today, the ecommerce platform has expanded its business horizons by foraying into the video streaming industry with Flipkart Video Originals.

Fact: The first customer of Flipkart was a young engineer from Mahbubnagar, Telangana. Sachin Bansal & Binny Bansal started out as an online bookstore that made around 20 successful shipments in its first year of functioning. It was not late before the platform started grabbing people's attention that made it the top online retail market in history.

4. Swiggy

Launch: 2014

Founders: Nandan Reddy, Rahul Jaimini, & Sriharsha Majety

Industry: Foodtech

Estimated Valuation: $3.3 billion

The viral food delivery startup has marked itself as one of the inspirational stories of success that started out in its Bengaluru neighborhood that was covered by six delivery executives with only 25 partner restaurants.

Today, the food delivery firm has over 2.1lakh delivery executives across 300+ cities in India. Currently, the company processes over 1.4 million food orders daily across the country.

Note: Swiggy recently received a funding of $1 billion from Naspers and Tencent Holdings

5. Ola Cabs

Launch: 2010

Founders: Bhavish Aggarwal, Ankit Bhati

Industry: Mobility

Estimated Valuation: $6.2 billion

Ola Cabs, started by IIT-B graduates Bhavish and Ankit, has emerged to be the most prominent Indian mobility service provider in the country that offers its services across 50 cities in India and is evenly spread across countries, including the UK, Australia, and New Zealand.

The idea of Ola, a cab aggregation startup, came from Bhavish's terrible experience. At the same time, he was traveling from Bengaluru to Bandipur, where the driver of his cab stranded him in the middle of nowhere over a failed negotiation deal.

6. Book My Show

Launch: 1999

Founders: Ashish Hemrajani, Parikshit Dar & Rajesh Balpande

Industry: Online Ticket Booking

Estimated Valuation: $1 billion

We see BookMyShow as a stable platform in the online ticket booking sector. It is considered as the one-stop-platform to book online tickets, especially for movies.

Surprisingly, the upheaval of BookMyShow is one of the most motivational success stories that showcase the power of perseverance. The platform currently provides its services across five countries with over 30 million customers.

Fact: The initial capital invested in BookMyShow was just Rs 25,000.

7. Make My Trip

Launch: 2000

Founders: Ashish Hemrajani, Parikshit Dar & Rajesh Balpande

Industry: Travel Agency

Estimated Valuation: $23.5 billion

MakeMyTrip is India's leading online travel company that provides online services like travel packages, hotels, flights, rail, bus tickets, etc. to its clients. Founded by IIM-A alumni Deep Kalra, the success of MakeMyTrip has been recognized not only nationally, but internationally as well. The company was even listed in NASDAQ.

Fact: MakeMyTrip was initially launched to cater to the needs of NRIs for their Indo-American trips back and forth.

8. Byju's

Launch: 2008

Founders: Byju Raveendran, Divya Gokulnath

Industry: E-Learning

Estimated Valuation: $5 billion

Byju's started out as a mere e-learning platform but has grown to become one of the most popular and highly trusted ed-tech brands across India.

The platform founded by Byju Raveendran & Divya Gokulnath provides online tutoring sessions to students ranging from study material of class VI to material about competitive exams like IAS, CAT, GRE, etc.

Fact: Byju's has registered 35 million users on its learning app with 2.4 million paid subscribers.

9. Big Basket

Launch: 2011

Founders: Hari Menon, VS Sudhakar, V S Ramesh, Vipul Parekh, Abhinay Choudhari

Industry: Ecommerce

Estimated Valuation: $1.2 billion

The online food and grocery buying platform provide its users with an option to buy products ranging from food supplies, grocery, beverages, personal care products, bakery supplies, etc. Currently, BigBasket has marked its presence in over 25 cities across India with Bangalore, Mumbai, Delhi-NCR, Hyderabad, Chennai, Pune, and Ahmedabad being the top cities.

Fact: Hari told a publication that despite being in the business for five years, their core team still works on a 7 am to 12:30 am model.

10. Nykaa

Launch: 2012

Founder: Falguni Nayar

Industry: Ecommerce- Fashion & Beauty

Estimated Valuation: $750 million

The IIM-A alumnus Falguni Nayar left her 9 to 5 job at Kotak at the age of 50 to pursue her dreams of establishing Nykaa. The platform was launched to develop a one-stop-platform of beauty products in India, making it the first beauty exclusive ecommerce platform.

Fact: The online beauty & fashion platform opened its first offline store at T3 Terminal, IGI Airport, in November 2015.

CONCLUSION

For any new idea to become successful venture it requires appropriate support and mentoring. At present day, start ups are growing like a grapevine. Indian start-ups attempt to build the start up environment with important education, talent, innovation and incubators with correspondence to funding agencies. Now the govt is also supporting the Start-ups.

According to Nasscom, India ranks third in global start-up ecosystem. More than 68% growth is seen in the year 2016.Start- up is an opportunity for an entrepreneur to educate and inspire others while some are thinking of how to do and what to do.

Although, entrepreneurs are facing problems but still they are rising like a sun. They have the determination to setup and divert their energy to plan, support and execute their dreams and contributing to the growth of the economy. This new initiative of start-ups pledge rapid approvals for starting the business, easier exits, tax rebates and faster registration for the

Patents made easy for startups.

REFERENCES

1. https://en.wikipedia.org/wiki/Start-up_company
2. https://en.wikipedia.org/wiki/Start-up_India
3. http://www.iisermohali.ac.in/Start-upIndia_ActionPlan_16January2016.pdf
4. http://yourstory.com/2015/12/india-100-top-start-ups-2015/
5. http://www.indianstartups.com/

"Perspective on Corporate Governance"

Mr. Yogesh Kumar A B
Assistant Professor
KLE Society's S. Nijalingappa College
2nd Block, Rajajinagar, Bangalore
Shivyogi1916@gmail.com

Mr. Venkatesh Kumar R
Assistant Professor
KLE Society's S. Nijalingappa College
2nd Block, Rajajinagar, Bangalore
Venkateshgowda2510@gmail.com

Smt. Nandini B R
Assistant Professor
KLE Society's S. Nijalingappa College
2nd Block, Rajajinagar, Bangalore
Nandinigowda119@gmail.com

ABSTRACT

Corporate governance is about the way power to be exercised over corporate entities. Corporate governance plays a major role in macroeconomic stability; provide the appropriate environment for economic growth as well as society welfare. It covers the activities of the board and its relationships with the shareholders or members, and with those managing the enterprise, as well as with the external auditors, regulators, and other legitimate stakeholders.

Corporate governance is different from management. Executive management is responsible for running the enterprise, but the governing body ensures that it is running in the right direction and being run well. Directors are so called because they are responsible for setting the organization's direction, formulating strategy and policymaking. Further, the board is responsible for the organization's decisions and its performance.

The importance of corporate governance became dramatically clear at the beginning of the twenty-first century as a series of corporate meltdowns arising from managerial fraud, misconduct and negligence caused a massive loss of shareholder wealth.

INTRODUCTION:

Corporate Governance Sustainability is one of the most significant trends in financial markets for decades. Whether in the form of investors' desire for sustainable responsible investing (SRI), or corporate management's focus on corporate social responsibility (CSR), the content, focusing on sustainability and ESG (environmental, social and governance) issues, is the same.

An **ethical balance** is when a company is able to find a moral compromise between company and owner, stockholder and stakeholder interests. The **shareholder model** and the **stakeholder model** are the two alternative theories companies can subscribe to in regards to creating an ethical atmosphere.

Corporate Governance is basically concerned with ways in which all parties interested in the well-being of the firm (the stakeholders) attempt to ensure that managers and other insiders are always taking appropriate measures or adopt mechanisms that safeguard the interests of the stakeholders. Such measures are necessitated because of the separation of ownership from management, an increasingly vital feature of the modern corporations. A typical firm is characterized by numerous owners having no management role, and with managers with no equity interest in the firm. Shareholders, or owners' equity, are generally large in number, and an average shareholder controls a minute proportion of the shares of the firm. This gives rise to the tendency for such a shareholder to take no interest in the monitoring of managers, who, left to themselves, may pursue interests different from those of the owners of equity. The compatibility of corporate governance practices with global standards has also become an important part of corporate success. The practice of good corporate governance has therefore become a necessary prerequisite for any corporation to be manage effectively in the globalize market.

Corporate Governance refers to the structures & processes for the efficient & proper direction & control of companies(both private and public) in the interest of all stakeholders. Corporate governance deals with the conflicts of interests between the providers of finance and the managers; the shareholders and the stakeholders; different types of shareholders (mainly the large shareholder and the minority shareholders); and the prevention or mitigation of these conflicts of interests. — Marc Goergen, 2012.

In broad terms, corporate governance refers to the way in which a corporation is directed, administered, and controlled. Corporate governance also concerns the relationships among the various internal and external stakeholders involved as well as the governance processes designed to help a corporation achieve its goals. Of prime importance are those mechanisms and controls that are designed to reduce or eliminate the principal-agent problem.

NEED FOR STUDY

Models of Governance In this section we develop a simple model where different forms of governance are associated with different objective functions for the firms. We start with the standard case where firms maximize shareholder value. We then analyse how a concern for stakeholders affects the way firms compete. Finally, we compare the overall value of firms in the different governance structures

“Our perspective on corporate governance is a straightforward agency perspective, sometimes referred to as separation of ownership and control. We want to know how investors get the managers to give them back their money.”

OBJECTIVES

An important issue is whether shareholder governance and stakeholder governance have different implications for optimal capital structure.

We have treated shareholders, stakeholders, and consumers as different groups. In practice, of course, there is a large overlap between them. For example, workers are also consumers.

One issue is whether concern for stakeholders can be welfare improving compared to firms focusing on shareholders alone.

The focus is on how to resolve agency issues concerning managers or employees so as to maximize shareholder value. Sometimes this involves including employees in the governance process to provide good incentives and increase firm value.

RESEARCH METHODOLOGY

Corporate Governance plays a major role in macroeconomic stability; provide the appropriate environment for economic growth as well as society welfare, therefore international institutions give major attention and concerns to this issue at the level of macro and micro aspects, because of the importance of corporate governance at both the country and the corporate levels. Corporate Governance is “a set of relationships between a company’s management, its board, its shareholders, and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined. Good corporate governance should provide proper incentives for the board and management to pursue objectives that are in the interests of the company and shareholders and should facilitate effective monitoring, thereby encouraging firms to use resources more efficiently.” (OECD Principles of Corporate Governance, 1999). Corporate governance deals with the ways in which suppliers of finance corporations assures themselves of getting a return on their investment and is about promoting corporate fairness, transparency and accountability. And establishes how the various participants shareholders and other stakeholders; management; the board of directors interact in determining the direction and performance of corporations. Good governance holds management accountable to boards and boards accountable to the owners and other stakeholders. In the case of banks, significant stakeholders include depositors and the banking supervisor such as the Central Banks. Internal corporate governance factors relate to the effectiveness of the interaction among a company’s management, board, shareholders and other stakeholders. Good corporate governance is not an end in itself, but instead facilitates a company’s capacity to define and achieve its purposes. The board must agree on the company’s values (what it stands for), and the strategy to achieve its purpose. It must account to shareholders and be responsible for relations with its other stakeholders. External governance factors also play a role in supporting good corporate governance. The external environment includes both the take-over mechanisms and the laws and regulations that enforce the rights of shareholders and other stakeholders, such as creditors, and a good external environment also includes appropriate oversight by government or other regulatory bodies like Central Banks and the Deferent Stock Exchange Markets. The capital market infrastructure-depth and breadth-supports the ability of shareholders to hold management accountable; if a corporation is under-performing, investors may significantly discount the value of its shares, and in severe cases the corporation may be taken over and reorganized to produce acceptable returns for its owners. Accounting standards prescribe the presentation of financial information- in terms of timeliness and accuracy-that investors use to hold management and the board accountable. The law is clear that shareholders are the owners of the firm and managers have a fiduciary (i.e., very strong) duty to act in their interests.

KEY FINDINGS OF THE STUDY

Shareholder is somebody who owns one or more shares of a company's stock. Whereas Stakeholders is a person or group with direct interest, involvement, or investment in something, eg. the employees' stockholders and customers of a business concern.

The effect of having a stakeholder orientation depends on the type of shocks to which firms are subject and, thus, on the type of industry in which they operate. The model predicts that stakeholder orientation, as long as it is not excessive, should lead to higher overall firm value in industries that primarily face marginal cost uncertainties. Although this prediction has not been tested empirically yet, the result that stakeholder orientation can be beneficial for firm value.

That employee representation in the board increases firm value, as measured by Tobin's Q or profitability, in Germany and France, respectively. Similarly, a larger stakeholder orientation in the form of stakeholder management or employment protection improves efficiency and firms' value. Even when potentially profitable, the benefit of beingstakeholder-oriented firms vanishes in our model if the concern for stakeholders becomes excessive, as represented in our framework by values of the parameter for stakeholder orientation K beyond the level $K*$. To the extent that the size of K can be, for example, interpreted as the number of employee representatives on the board, this prediction is consistent with the findings that equal representation by employees and shareholders trade at a market discount compared to companies with one-third of employee representation; and those of diminishing returns to employee representation over the level of one-third of board seats.

Our analysis focuses on the effect of competition in the product market as the main channel through which stakeholder governance affects firm value. For this channel to work, firms must actually compete strategically in the market. This is captured in our model by the parameter d, which measures the degree of substitutability between the firms' products and which we require to be positive. While we are not aware of any formal test of this specific channel, indirect evidence can be found that stakeholders improve firm efficiency in industries that are competitive, but not when they are monopolistic. The model also has implications for the effects of globalization that allows for competition between stakeholder and shareholder firms. The analysis suggests that, when stakeholder orientation is beneficial, shareholder firms benefit most from globalization as they can free-ride on stakeholder competitors and increase their value relative to the case where they compete with other shareholder firms. By contrast, firms that are mandated to be stakeholder oriented in industries where cost uncertainty is relevant are better off when competing with another stakeholder firm rather than when competing with a shareholder firm. One interesting implication of these results concerns the political economy of foreign entry. As long as a stakeholder orientation creates value, firms focusing only on shareholder value should have strong incentives to enter into a stakeholder-oriented economy through the acquisition of an incumbent firm as these increases their value. However, as long as they maintain their corporate structure as in their home country, shareholder firms are likely to encounter greater resistance when entering a stakeholder-oriented market through a takeover than would firms that are more stakeholder friendly, since the entry of the former is more detrimental to incumbent firms. This resistance may come either directly from the existing firms, or from government policies geared toward protecting domestic firms from the threat of foreign entry. In contrast, shareholder-oriented economies should not be protectionist towards the entry through acquisition of stakeholder firms as their presence should have a positive effect on the incumbent firms and thus increase the value of the whole economy. To the extent that our simple analysis can be used to analyse foreign economic policy, these results are consistent with the casual observation that shareholder-oriented countries like the US tend to be less protectionist and more open to foreign industry penetration than more stakeholder-oriented countries like Japan. Testing these implications concerning firms' strategic decisions in terms of optimal corporate governance and expansion constitutes an important avenue for future research.

IMPLICATIONS OF THE STUDY

Corporate governance is concerned with ensuring that the firm is operated in the interests of shareholders. However, in many countries firms are required by law or social norms to be not only concerned with shareholders but also with other stakeholders such as employees and suppliers. In this paper we have developed a model of mandated stakeholder capitalism and have compared the shareholder and stakeholder equilibria. We have also considered the situation resulting from globalization where stakeholder and shareholder firms compete and have identified the circumstances where each type of firm does better. Our approach suggests a number of directions for future research. One of the interesting questions is why some countries adopt stakeholder governance while others do not, and why governments adopt such governance although it may benefit firms and employees at the expense of consumers. There is a growing literature on corporate governance and political economy that emphasizes that the political process plays a very important part in determining the corporate governance structure in a country (For example, if workers and shareholders are made better off by co-determination and consumers are made worse off, then it is still likely that co-determination will be implemented. The reason is that workers and shareholders are usually better organized and are in a position to lobby in favour of co-determination, whereas consumers are dispersed. Such a political economy approach can help shed light on the emergence of stakeholder governance. Another interesting observation is that the industrial structure of Germany and Japan is significantly different from that in the US and UK. Manufacturing industries are much more important in Germany and Japan, while services are predominant in US and UK. Interestingly, Germany and Japan are stakeholder-oriented economies whereas US and UK are not. An interesting empirical issue is whether there is a link between type of industries and corporate governance. In particular, in light of our model it would be interesting to see whether the different industry and corporate governance structures across countries can be attributed to the fact that cost uncertainty is relatively more important than demand uncertainty in manufacturing compared to services. If so, related to the political economy issue raised above, did industrial structure lead to governance structure, the opposite, or were they jointly determined? The agency issue of how managers are motivated to act in the interests of shareholders has been an important part of the corporate governance literature for shareholder firms. A corresponding issue in our framework concerns how managers should be motivated to implement the stakeholder objective function. Large differences in the level and structure.

"Aligning CSR with Brand, Reputation, And Competitive Advantage"

Smt. Nandini B R
Assistant Professor
KLE Society's S. Nijalingappa College
2nd Block, Rajajinagar, Bangalore
Nandinigowda119@gmail.com

Mr. Venkatesh Kumar R
Assistant Professor
KLE Society's S. Nijalingappa College
2nd Block, Rajajinagar, Bangalore
Venkateshgowda2510@gmail.com

ABSTRACT

Corporate social responsibility strategy and competitive advantage are important issues for the contemporary discussion on corporations in society when taking into account social and environmental impacts. Empirically, we can see that social responsibility strategies are associated with competitive advantages, such as attracting valuable employees as well as enhancing the company image and reputation. This paper presents a theoretical review that demonstrates the association between social strategy and competitive advantage through the formulation of social strategies that influence and are influenced by opportunities, resources, skills, corporation merits, industry structure and stakeholders. On the foundation of social identity theory and resource-based perspective in developing this argument, CSR as a resource-generating activity by creating support networks, relationships and management of perceptions in the form of social and reputational capital. This article develops propositions for strategic use of CSR activities by creating social and reputational capital that ultimately leads to profitability. Based on the literature and a case study of Carrefour, a model is proposed for competitive advantages stemming from the formulation of social strategies, which are explained based on their elements and adaptation to societal expectations. This article seeks to enrich the discussion on the strategic management of social responsibility and contribute to the literature on Corporate Social Responsibility as well as Strategy and Competitive Advantage.

Key words: corporate social strategy; strategic management; competitive advantage; corporate social responsibility; social and reputation capital.

INTRODUCTION

The perspectives of studies on Corporate Social Responsibility [CSR] are quite diverse , the interaction between corporations and the community models of social and environmental management and the dissemination of information on CSR actions .In recent years, scholars and executives have devoted attention to the implications of CSR policies and practices as well as their relation to business strategy , As the broadening of studies in the field and the dissemination of theories are important undertakings, the discussion on such issues serves as motivation and helps generate new theories, ways of thinking and paradigms. The present work seeks to enrich the discussion on social responsibility and contribute to the existing literature on the associations between CSR, business strategy and competitive advantage. The challenge is to show how a strong tendency toward CSR is associated to distant corporate activities and an initial resistance to the possibility of CSR, leading to profits for the corporation while exerting a positive impact on society corporate reputation has led to the rise of stakeholder management. Today's corporations have paid substantial attention to the three key concepts, corporate reputation (CR), corporate social responsibility (CSR), and stakeholder relations (SR) By having a unique identity of the organization, the corporations not only can improve the image and reputation of the organization but also differentiate its strategy development and shape the extraordinarily valuable asset of the organization. The entry reviews the academic and trade literature on the concept of reputation with a focus on how it relates to the effective practice of communications. Readers are encouraged to build from this literature a proposed approach that will add value to the communications practitioner. Organizations of all types are under increasing pressure from a host of stakeholders to be more responsive to their needs and interests. At the same time, market forces and the objective of a publicly-traded corporation demand greater shareholder return-on-investment. These competing forces cause conflict within organizations about the value of reputation. One the one hand, most people would agree with the view that developing, building and maintaining a good reputation is important to virtually every organization in society, whether it be a for-profit or not-for-profit.

MEANING

Corporate Social Responsibility (CSR) refers to operating a business in a manner that accounts for the social and environmental impact created by the business. CSR means a commitment to developing policies that integrate responsible practices into daily business operations, and to reporting on progress made toward implementing these practices.

DEFINITION

The Commission has defined CSR as the responsibility of enterprises for their impact on society. CSR should be company led. Public authorities can play a supporting role through a smart mix of voluntary policy measures and, where necessary, complementary regulation.

Companies can become socially responsible by:

- Following the law;
- Integrating social, environmental, ethical, consumer, and human rights concerns into their business strategy and operations.

Why is CSR important?

- **In the interest of enterprises -** CSR provides important benefits to companies in risk management, cost savings, access to capital, customer relationships, HR management, and their ability to innovate.
- **In the interest of the EU economy -** CSR makes companies more sustainable and innovative, which contributes to a more sustainable economy.
- **In the interests of society -** CSR offers a set of values on which we can build a more cohesive society and base the transition to a sustainable economic system.

Types of corporate social responsibility

CSR can encompass a wide variety of tactics, from giving non profit organizations a portion of a company's proceeds, to giving away a product or service to a worthy recipient for every sale made. Here are a few of the broad categories of social responsibility that businesses are practicing:

Environment: One primary focus of corporate social responsibility is the environment. Businesses, both large and small, have a large carbon footprint. Any steps they can take to reduce those footprints are considered both good for the company and society as a whole.

Philanthropy: Businesses also practice social responsibility by donating to national and local charities. Whether it involves giving money or time, businesses have a lot of resources that can benefit charities and local community programs.

Ethical labor practices: By treating employees fairly and ethically, companies can also demonstrate their corporate social responsibility. This is especially true of businesses that operate in international locations with labor laws.

NEED OF THE STUDY

- Identifying addressing CSR in brand building,
- Build vision and support
- It helps in brand building activity and assists in improvement of work satisfaction.
- It manages interest of their internal and externals stakeholders.

OBJECTIVES

- Enhanced brand images recognition and reputation.
- Product safety and decrease liability.
- Attract and retain employees.
- Increase sales and customer loyalty.

Research Methodology

The methodology for this study is positivist. A positivist approach distinguishes between theory and research and the researchers. Other methods include analyzing financial and market reports against CSR activities and interviews. Once the data is collected it will be cleaned and tested to meet the assumptions of multivariate analysis. The analysis will be on the four separate components of CSR (employees, ethics, economics and legal) as independent variables and the dependent variable of brand trust. As it is an exploratory study, correlations between data as well. Regression compares the effect the CSR (independent variables) had on brand trust, reputation and competitive advantage.

CSR and Brand Trust Branding

It is used to differentiate one product or service from another using a symbol, name or design Branding can be used for customers to identify a product or service, making the introduction of new products into the market easier, whilst building brand equity, or the value a company can leverage off the brand. More importantly whilst branding makes it easier for consumers to identify products, it also makes it easier to develop brand loyalty. Although brand loyalty will vary depending on the item and consumer, brand trust is a major component to loyalty; consumers have faith in the product or service they are purchasing. Whether trust can be affected by external actions of the company rather than the performance of the product or service. CSR and branding have a number of linkages, specifically through trust, corporate reputation and consumer attribution. personal judgments and company characteristics such as reputation are factors influencing branding outcomes. The branding outcome would include evaluation of the company, brand and product, in which brand trust would be considered. Fit between the CSR activities and the company and brand itself also impacts on the way consumers perceive the CSR activities. Brand trust must be maintained not only to foster consumer loyalty and brand equity, but to create a sustainable competitive advantage.

Corporate Reputation and Trust in relation to CSR

CSR, specifically the building of corporate reputation, has several connections with brand trust. brand trust and concluded when ethical or social values are apparent in product positive CSR associations are assumed It also suggest consumers develop trust in organizations with strong reputations, which can deliver the promises on their products. However, each stakeholder will develop trust in a different way to different CSR activities and policies. This could be the difference between an environmental policy and an employee policy. It concluded that trust could result in the success or failure of a socially responsible organization. Where the social reputation of a company is developed enough to evoke trust, this can influence consumer choices and thus help develop a competitive advantage. Investment in social reputation Trust is depleted when consumers become suspicious about corporate activities.

FINDINGS

1. The survey found that consumers have grown suspicious of corporate behavior (perhaps influenced by the recent crisis of 2008) and are no longer willing to take corporations at their word. So, while consumers expect companies to act responsibly, CSR initiatives to believe them. So, companies must program and publicize their results across multiple touch points.
2. This study highlights the Ethical labor practices: By treating employees fairly and ethically, companies can also demonstrate their corporate social responsibility.
3. Acceptance of CSR by the companies having higher annual turnover is more than the companies having lower annual turnover.
4. It Explore the association between social responsibility, corporate strategy and competitive advantage
5. **Rising CSR Awareness**: The survey found a 6% increase in global consumer awareness of the role corporations must play in promoting CSR. If companies engage in meaningful CSR, they must set bold goals and have clear and consistent CSR communications.
6. **Opportunity to Engage Consumers:** Broadly speaking, the study suggests that this is an opportunity to engage consumers more fully in new CSR solutions and collaborate to push the boundaries of responsible consumption and lifestyle by giving consumers more opportunities to create individual impact while also developing corporate branding.

IMPLICATIONS

- Transparency and Reporting.
- Pressure to quantify ROI.
- Employee engagement and development.
- Drive sustainability strategy.
- Link between sustainability and CSR and brand value.

Conclusion

The relationship between CSR and consumers needs further investigation. This study seeks to enrich this research area by investigating the relationship between CSR and brand trust. There is an opportunity for businesses to harness CSR to help develop consumer loyalty, by gaining insight into ways to invoke trust, a key component of loyalty. Although the problem stands that as long as companies have no proof that CSR may improve brand perception, namely trust, it may be an opportunity wasted. A definition for CSR has been chosen that represents all relevant sections presented in this study, including employees and stakeholders. Although other definitions have been identified, each of them contributes to a multidimensional approach to CSR. The method for the study is a questionnaire, obtained through a mall-intercept method, which can provide accurate information while providing anonymity to the participants. Delimitations to the study include the area of location that was chosen and the method for data collection.

"A Study on Merger And Tariff War in the Telecommunication Industry And The Impact of Reliance Jio on the Consumers"

Rakshana R, Assistant Professor,
KLE Society's S Nijalingappa College, II Block, Rajajinagar, Bangalore – 10

Divya R, Assistant Professor,
KLE Society's S Nijalingappa College, II Block, Rajajinagar, Bangalore – 10

Dr. Smt. Mahananda B Chittawadagi, Associate Professor and Research Guide
KLE Society's S Nijalingappa College, II Block, Rajajinagar, Bangalore – 10

ABSTRACT

In the recent times merger is being heard in each and every industry. Why is it so? In today's state of affairs there are numbers of player coming into the market and because of which the competition is growing rapidly. Competition has made their survival a difficult task. It is not easy for every player to sustain this competition and survive in the market for a long run. Especially in the telecommunication sector, considering the competition and survival it is an uphill battle for many businesses in obtaining the leadership position and the businesses contemplate merger as one of the strategy or a tool that was and is being used by the players to survive in their industry. Especially in the telecommunication industry merger is one the plan of action used by the network operators.

KEYWORDS: Competition, survival; leadership; merger; strategy;

INTRODUCTION

One of the most emerging industries in the world is the telecommunication industry and India is world's second largest telecommunication market. After the Globalization of our Indian economy in 1991, the telecommunication sectors remained one of the most happening sectors in India. In the recent years we have witnessed expeditious change in the field of telecommunication.

SWOT ANALYSIS OF TELECOMMUNICATION INDUSTRY

- **Strengths**
  - Aggressive growth
  - Unceasing opportunities
  - Well-built international brand names
  - Access to the distribution networks
- **Weaknesses**
  - Slow-going perceived service
  - Customer retention/Customer loyalty
  - Quality of the service
- **Opportunities**
  - Up-coming technologies
  - Increasing the interest of the customers
  - Decline in competition
  - Large market size
- **Threats**
  - Unforeseeable economy
  - Increased government regulations
  - Effortless duplication
  - Security issues

Reasons for merger

- To compensate one’s loss of customers, earnings, profit etc and in telecommunication sector one reason of merger is to compensate the loss of subscriber base.
- To improve the capabilities of the companies
- To gain better marketing network
- To increase the profits
- To improve the financial capacity
- To increase the wealth of shareholders
- To improve the structure of the company
- To have a easy access to the new technologies

- To gain a competitive advantage in the market
- To diversify the products and services
- To reduce or cut down the operating costs
- In order to grow and survive in the market

How merger affect its consumers

- Increases the choices available to the customers
- New technology
- Better network
- Reduction in the costs
- Competitive offers
- Best customer service
- Easy availability

In the year 2016 the major rebellion in the field of telecommunication was the introduction of Reliance Jio. The Indian Telecom Sector was disrupted due to Reliance Jio. One superior reason for this revolution is that Jio bought a change in the consumption habits of the consumers. The consumption pattern of people started changing drastically through the slashed prices that was offered by Jio at their initial stages and various set of offers offered.

Already there was a brutal price war between the incumbents, Airtel, Vodafone, Idea, and Aircel. But Reliance Jio had changed the game with its offering of free voice and discounted data packs along with its provision of a “basket of services” complementing and supplementing the base mobile and Smartphone telephony. It had also offered handsets as part of “bundled services” wherein users had the device as well as the service.

Reliance Jio’s discounted prices increased the level of competition in the Telecom sector and this competition had made the other network operators like Bharti Airtel and Vodafone to bring down their prices. All the companies made substantial changes in their plans to make them more competitive and attractive.

REVIEW OF LITERATURE

Curwen & Whalley, 2018, have critically argued that Reliance Jio charged customers only for the data consumed and the data were also affected on prices which were super competitive. The impact of implementing loss leadership strategy is that it encouraged customers of other mobile network providers to switch towards Reliance Jio.

Singh, 2017, opinioned that declining sales, profitability and market share are also a critical impact which Airtel, Vodafone, Idea, BSNL and other players in the market had because of the entry of Jio. Apart from products and services, the aggressive strategy of marketing and advertisement of Reliance Jio has also played a significant role in affecting the overall functioning of the Indian Telecom Industry.

According to Devina Gupta Jio has made over other Telecom Industries who are trying to survive the phase, with falling revenues and increasing cost of operations, marketing, leading to unsustainable levels of debt. She talks about how the competitors are reacting, like Airtel is acquiring the Telenor to synergize its operations and expand its operations in new cities, a Vodafone – Idea merger which happened in 2018 due to the sole reason of Reliance Jio. The Jio's new strategy made the world believe that ultimately, the consumer is the king in the business and forcing other companies to reduce their existing prices, but failing at it because no matter what they can offer, it is still less than Jio's offers.

According to D Satyanarayana, Dr K Sambasiva Rao and Dr S Krishnamurthy Naidu new entrant Reliance Jio affected equilibrium in the mobile industry and made rivals vulnerable to resort to mergers and acquisitions in Indian mobile network providers and to strengthen themselves in the industry, Airtel and Idea are acquired Telenor and Vodafone.

STATEMENT OF THE PROBLEM

From past 4 and half years, most of the people in the country have switched from their old networks to Reliance Jio. After 2016 that is after the introduction of Reliance Jio the number of mergers in telecommunication sector started increasing.

Our study focuses on the impact of Reliance Jio on people and other network operators and strategies used by other network operators to recover its position in the Telecom Industry.

OBJECTIVES

- Changes in the Telecommunication Industry due to Jio.
- Is the penetration pricing strategy used by Reliance Jio has made an impact on the preference of the customers.

- Is Jio the reason for the merger in the Telecommunication Sector.
- To identify the strategies used by the other players to tackle its downfall in the Telecom Industry.

LIMITATIONS

- The sample size is limited, i.e., only to the urban population of Bangalore and few other states of India. Thus, the results cannot be generalized to the entire population.
- The study consumes more time and it is expensive.
- Lack of financial resources will be obstacles in the areas such as data collection, analysis and interpretation of the same.
- Study is confined to the few top Mobile Network Operators.

RESEARCH METHODOLOGY

Methodology is the method used for evaluating reliability and suitability of one significant method for applying it in the study. It includes the concepts such as theoretical model, phases, quantitative and qualitative techniques. This study is conducted using both primary and secondary data.

Primary data are those data that has been collected directly and thus original in character. Questionnaire technique through Google forms was used for collection of primary data.

Secondary data are those information that have been collected through various statistical process. We have collected the secondary data from journals, newspaper, reference books and websites.

ANALYSIS AND INTERPRETATION

The analysis and interpretation of the data is carried out in single phase. The single phase, which is based on the results of the questionnaire, deals with a single quantitative analysis of the data. And, which is based on the results of the interview and focuses group discussions, is a qualitative interpretation. The total sample of the present study comprises of **417**respondents.

Graph showing the telecom service provider used prior to the introduction of Reliance Jio

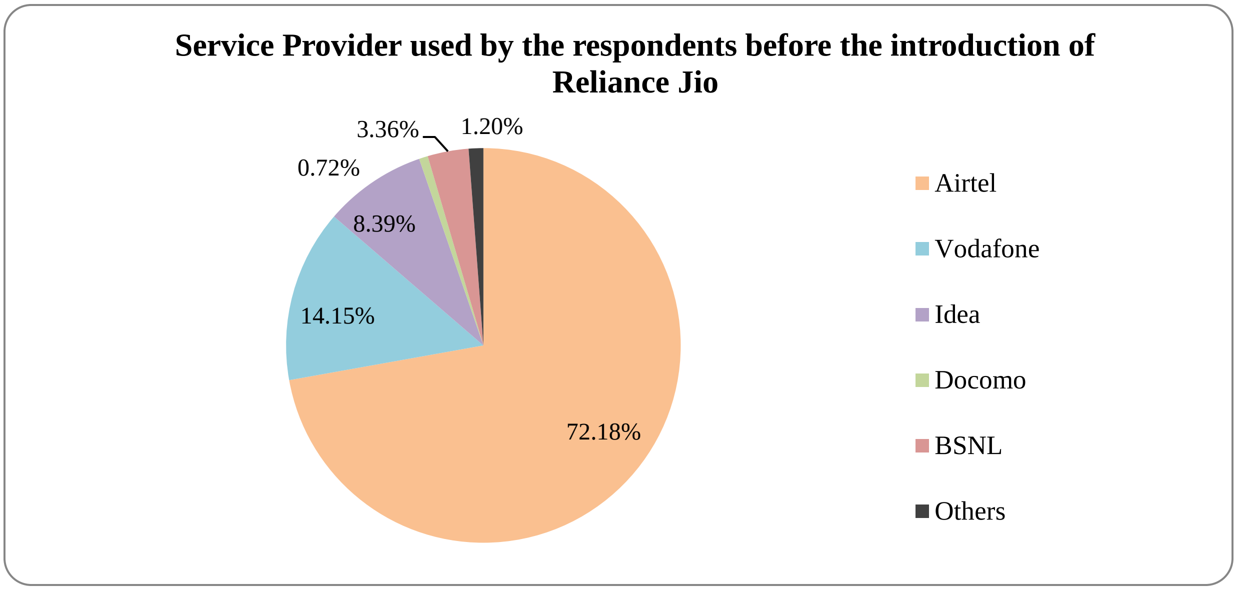


Fig.1

From the above Pie diagram,it clearly depicts that among 417 respondents the majority of the respondents were using Bharti Airtel. 14.15% of them were using Vodafone, 8.39% of them were using Idea and 3.36% of them were using BSNL. 0.72% of them were using Tata Docomo and the remaining 1.20% of them were using the SIM other than mentioned above.

Graph showing the change in the preference of telecom service provider

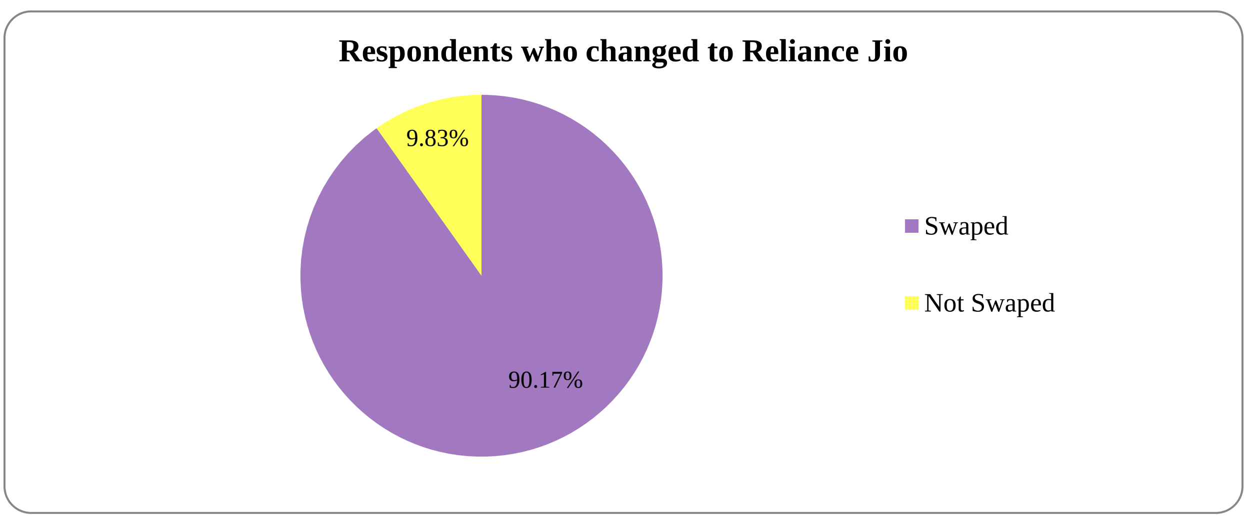


Fig.2

The Pie diagram depicts that among 417 responses, 90.17% of the respondents changed to Reliance Jio. This clearly shows that majority of the respondents was influenced by Reliance Jio to swap from their prior network operator.

Graph showing the reasons for the change in the preference of telecom service provider

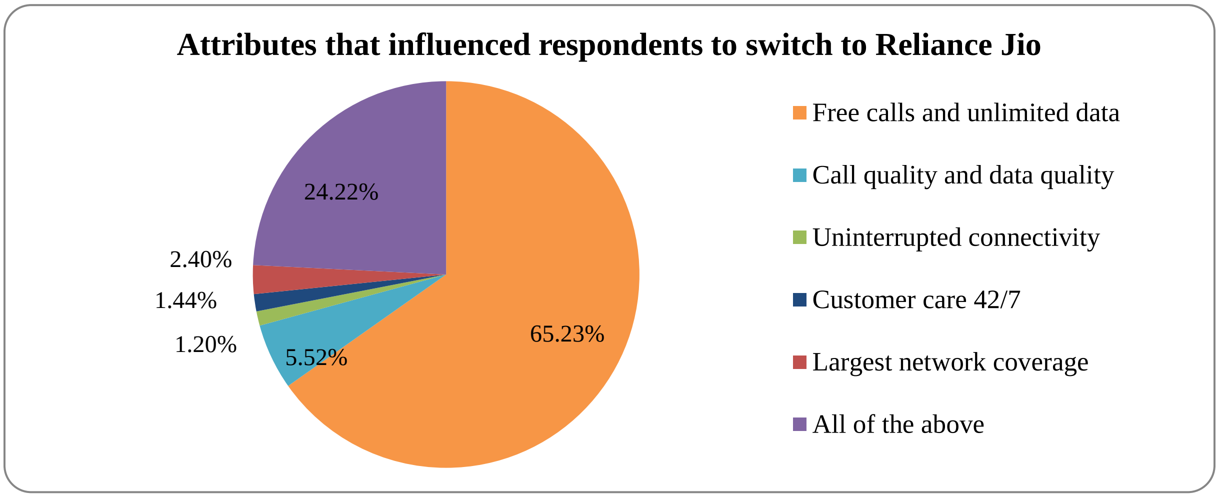


Fig.3

The above Pie diagram clearly depicts that among 417 respondents, 65.23%of them switched to Jio due to free calls and unlimited datafacility offered. Penetration pricing strategy was used by Reliance Jio to attract the customers. As a result of this penetration pricing strategy Reliance Jio started gaining a leadership position in the market.

Graph showing the change in the sales and profitability of other telecom service provider due to Reliance Jio

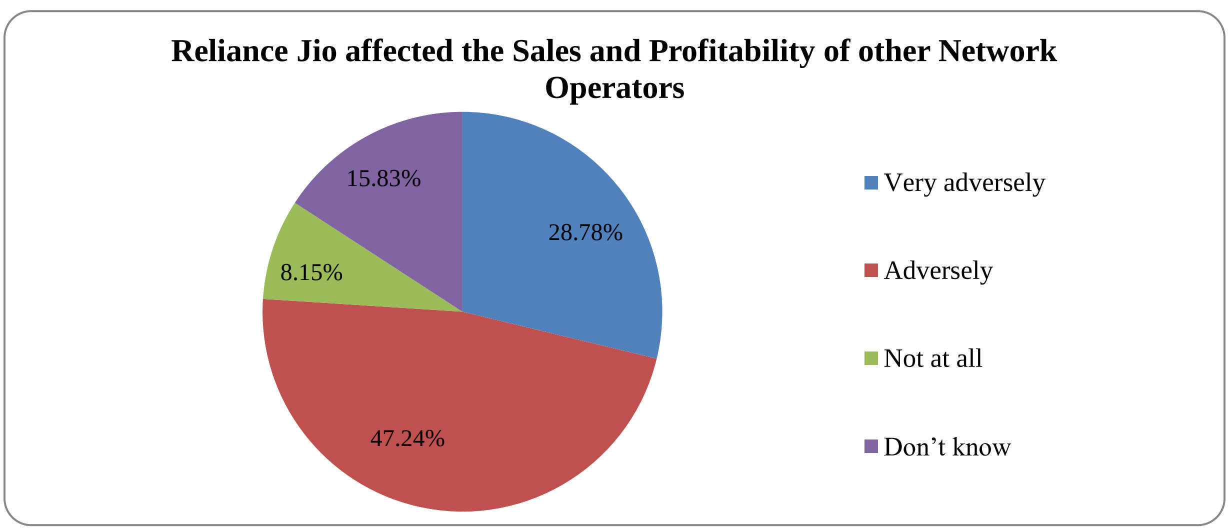


Fig.4

The above graph portrays that among 417 respondents, 47.2% of them felt that Jio has adversely affected the sale and profitability of other network operators. The overall volume of sales and profitability of other brands have been affected negatively because of Jio's entry within the Telecom Sector. The reason behind decreasing volume of sales and profitability is the penetration pricing strategy used and the ineffectiveness of the other network providers in retaining the old customers and attracting the new ones.

Graph showing the impact of Reliance Jio on Telecom Industry

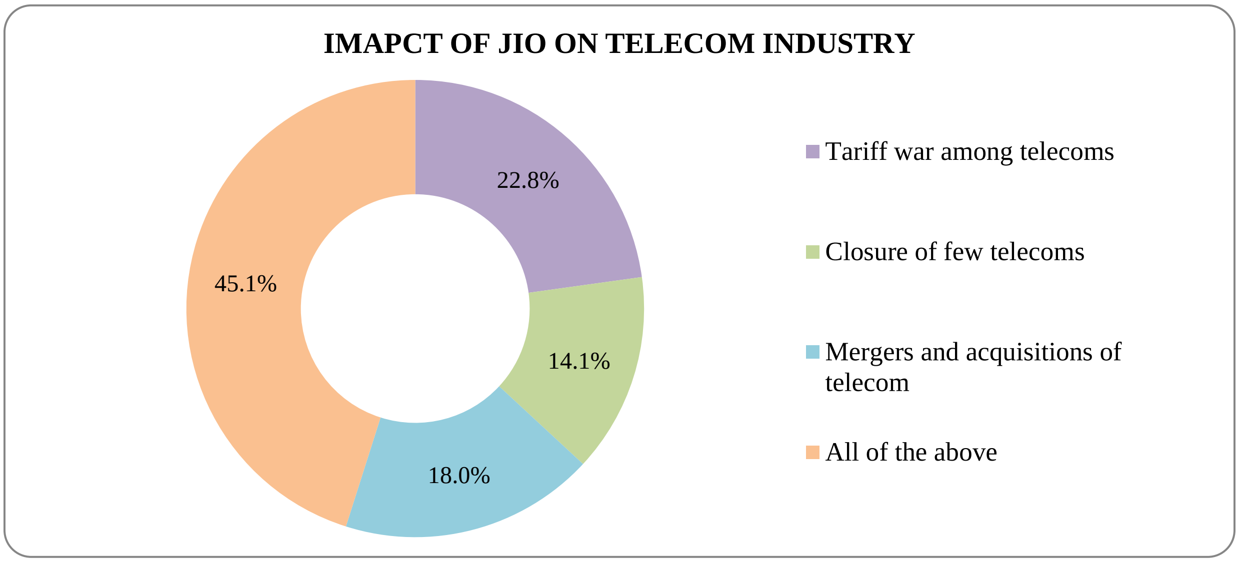


Fig.5

From the above chart we can realize that among 417 respondents, 18% of them felt that Jio is the reason behind the mergers and acquisitions of telecoms and 45.1% ofthem felt that introduction of Reliance Jio led to Tariff war among telecoms, closure of few telecoms and merger and acquisitions of telecoms. Due to Reliance Jio there was an adverse impact on the other network operators which in turn encouraged them to take up the steps to tackle their downfall.

Graph showing the views of the respondents towards the strategy "Merger"

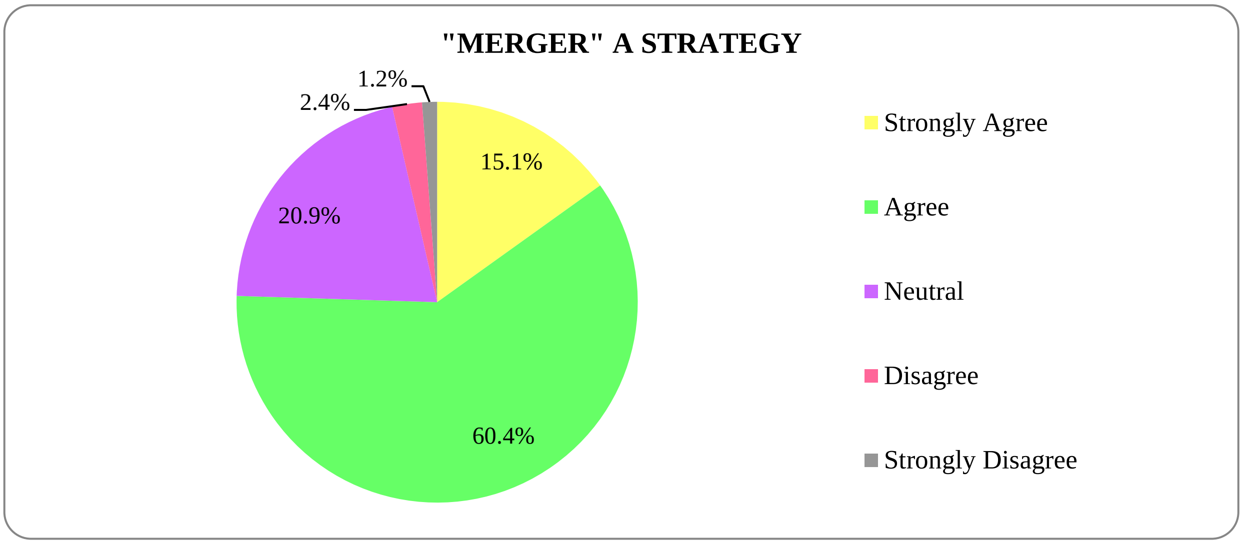
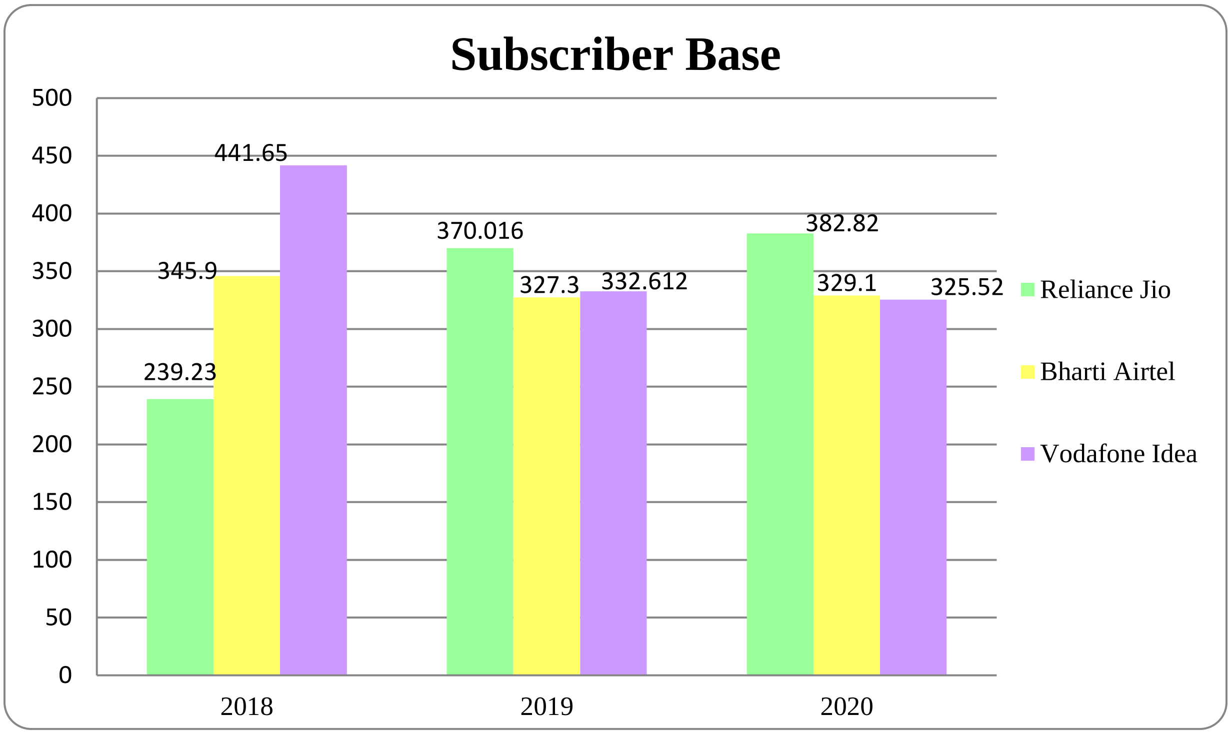


Fig.6

The above Pie diagram depicts that among 417 respondents, 60.4% of them agree that merger is one of the strategy for being competitive in the industry. Customers of other brand switched to Jio and other market players were in a dilemma in attaining customer base, market share and profits. They were forced to make appropriate changes to compete with Jio and Merger is one such change adopted by them to tackle Jio.

Graph showing the number of subscribers for Reliance Jio, Bharti Airtel and Vodafone Idea



From the above chart we can realize that the subscribers for Reliance Jio gradually rise from 239.23 million in 2018 to 382.82 million in 2020. Subscribers for Bharti Airtel and Vodafone Idea in 2018 were more than Jio but it decreased in 2019 and 2020. Even though the subscribers for Airtel increased from 327.3 million in 2019 to 329.1 million in 2020, Airtel was not able to raise its subscriber base more than Jio. Reliance Jio's customers are influenced by their services and are increasing day by day and this made them to acquire leadership position in the market.

FINDINGS

From the present study we can analyze that among 417 respondents the majority of the respondents were using Bharti Airtel before the introduction of Reliance Jio and among that 417, 90.17% of the respondents changed to Reliance Jio from their previously used network operator. Among that 90.17% of respondents, 65.23%of them opinioned that they switched to Jio due to free calls and unlimited data facility offered. 28.78% of them felt that Jio has very adversely affected the sale and profitability of other network operators. 45.1% ofthem felt that introduction of Reliance Jio led to Tariff war among telecoms, closure of few telecoms and merger and acquisitions of telecoms. 60.4% of them agree that merger is one of the strategy for being competitive in the industry. the subscribers for Reliance Jio gradually rise from 239.23 million in 2018 to 382.82 million in 2020.

SUGGESTIONS

- The other players or companies in the industry should make appropriate changes in their operations and business activities to compete with Jio. **Aggressive marketing and promotion, installing towers in different areas are required to be adopted in the rural areas.**
- Customer retention is one of the crucial factor. The company's should adopt techniques for retaining the customers. Offering discounts, expert latest services, **providing** convenience to the customers are few factors which can enhance the customer satisfaction.
- Understand the actual need and requirement of the target market, obtaining customer feedback on continuous basis, conducting competitor analysis helps the business to know their current position and the uniqueness that cab ne bought to their to further raise the level of their performance to reach the expected target.
- According to the survey, we come to know that Merger in the Telecom sector is due to Jio and it was taken up for their survival. Though there was a merger, the network players were not able to see a positive slope in their customer base. The suggestion is that the network operators should focus on various critical factors that influence the customers like Low prices, Largest network coverage of 4G, High speed internet connectivity etc so that they can attract the customers and can gain a competitive advantage in the Telecom Industry.

CONCLUSION

Reliance Jio brought an evolution in the Telecom Industry by making it pocket friendly at the initial stages. This increased the usage of technology in the remote areas of the country. Jio made the mobile users happy but the other Telecommunication operators faced heavy competition. This rigid competition resulted in merger of few Telecom Companies like Vodafone and Idea, Airtel and Telenor and Tata Docomo etc. The merger strategy made by **other network operators** was not as successful as expected because the Tariff wars in the industry grew at a faster pace and was not able increase their customer base by competing with Reliance Jio.

I would I like to conclude that, the technology had become important part of our life today. Hence, keeping aside all these unhealthy Tariff wars Telecom Companies must concentrate more on Customer needs and satisfaction because now Customer is tagged as "King of the Market". This will become more important for the Telecom Company to stay in healthy competition instead of Tariff wars**.**

REFERENCES

1. https://en.wikipedia.org/wiki/Telecommunication
2. https://en.wikipedia.org/wiki/Jio
3. https://en.wikipedia.org/wiki/Telecommunications_tariff
4. https://www.telecomlead.com/telecom-statistics/mobile-subscriber-base-of-airtel-bsnl-vodafone-and-jio-in-2019-94223
5. https://www.scribd.com/doc/37241333/Swot-analysis-of-Indian-Telecom-Industry
6. https://corporatefinanceinstitute.com/resources/knowledge/deals/motives-for-mergers/
7. https://www.researchgate.net

“A study on performance of banking ombudsman scheme”

Angel jaya kirubha
Assistant Professor
K.L.E Society’s S. Nijalingappa College
II Block Rajajinagar Bangalore – 10
angeljk992@gmail.com

Abstract

In this paper will have analysis about the performances of banking ombudsman scheme. Ombudsman scheme is a framework dream of a patron grumbling. It is a quality services provider for the customer in banking institution in the present bank providing the excellent services is one of the important contrivances for the business growth. Customer complain or queries are part of business living in corporate entities and its more in the banking which provides the services to the customer the banking business has been wide network around the world. In recent banking customers are facing many problems and confusion special in online banking and transaction due to technology development. The bank has received so many complaints from their customers. The main object of ombudsman scheme is to redresses grievances of the customer related to banking, loan, online transactions etc. ombudsman scheme is to solve the problems complains against private bank and government banks.

Keywords: Banking performances, services, ombudsman, complains, problem and grievances.

Introduction

In banking sector, so far customer concerned their grievances are many more. RBI has many varied complaints are forwarded to the concerned bank and bank has to submit their answer or comments for the quires.

The Narashimhan committee on “ banking and financial institutions examined the complaint redressed aspect in full detail and recommended introduction of the “ Banking ombudsman scheme 1995” as a part of financial sector policy and system reform from 1992 to 1995-96. The banking ombudsman scheme on June 14 1995 the scheme was issued under the provision of banking regulation Act 1949. The scheme was issued under the provision of banking regulation Act 1949 covering the scheme of commercial bank and primary co-operative bank.

The main aim and objective of ombudsman is to deliver fast and inexpensive facility to customer grievances. Grievances' of customer arising out o deficient services by the banks. Hence banking ombudsman is in place to cater to public complaints against deficiency in banking services concerning operation of deposits account and loans standard shift of banking ombudsman scheme 1995 to banking ombudsman scheme 2006, the attempt over the year has been extended the scope and jurisdiction of the banking ombudsman to until now uncover area.

RBI has expanded the scope of banking ombudsman to include customer grivence complaints about debit card, credit card, online banking deficiencies on the part of sales agents of banks to provide promises services levying services charges without prior notice to the customer fair practices code as adopted by individual bank in order to scheme more effective. It also allowed complaints to file online and appeal to it against the judgment given by the banking ombudsman.

Objectives:

- To identify the scope and area of governance of Banking ombudsman Act.
- To identify the type of complaint registered under this Act.
- To suggest measure to make scheme more effective use for the customer and user friendly.

Research Methodology:

Secondary sources: The secondary source of data collection will be collected from the following sources.

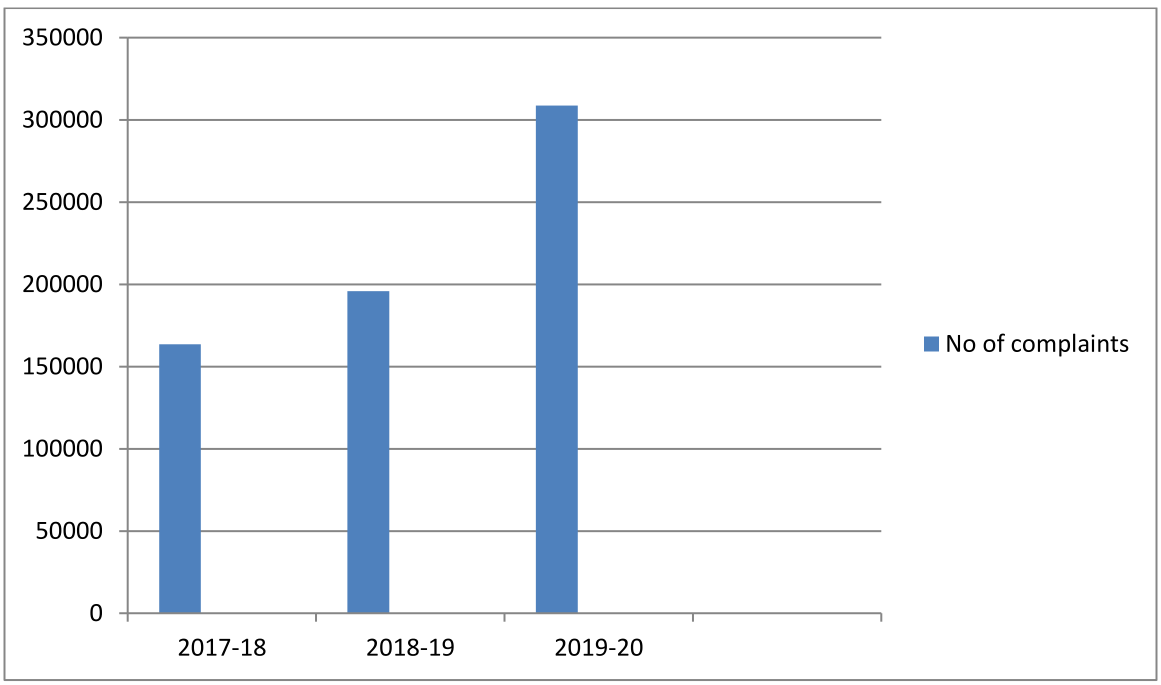
- Reserve Bank of India (RBI)
- Indian Banker Association (IBA)
- National institute of Bank Management (NIBM)

Activities during 2019-20

The number of complaints received by the 22 OBOs during 2019-20 rose by 57.54% and the OBOs handled 58.69% more complaints as compared to the previous year complaints relating ti digital modes of transaction were the highest constituting 44.66% of the total complaints received surpassing violation of non–observe value of FPC as the top category of complaints received at OBOs. The majority 72.34% of the main table complaints were resolved through mediation. During the year 68 awards were issued by BOs of these 20 appeals were againsed award passed by the BOS and 34 were appeals made by customers against the rejection of their complaints.

No of complaints received during the last 3 years by OBOs

Year	No of Complaints
2017-18	1,63,590
2018-19	1,95,901
2019-20	3,08,630



Rising digital complaints along with rising digital transaction

The volume of digital transaction has gone up across all electronic modes over the years the rising transaction in the digital space have inevitable led to rising complaints relating to deficiency of such services provided by banks.

During the year 2019-20 44.66% of total complaints (308630) against banks received under BOS, 2006 related to digital services like ATM /debit Card/ credit card and mobile electronic transaction the distribution of receipt of digital complaints.

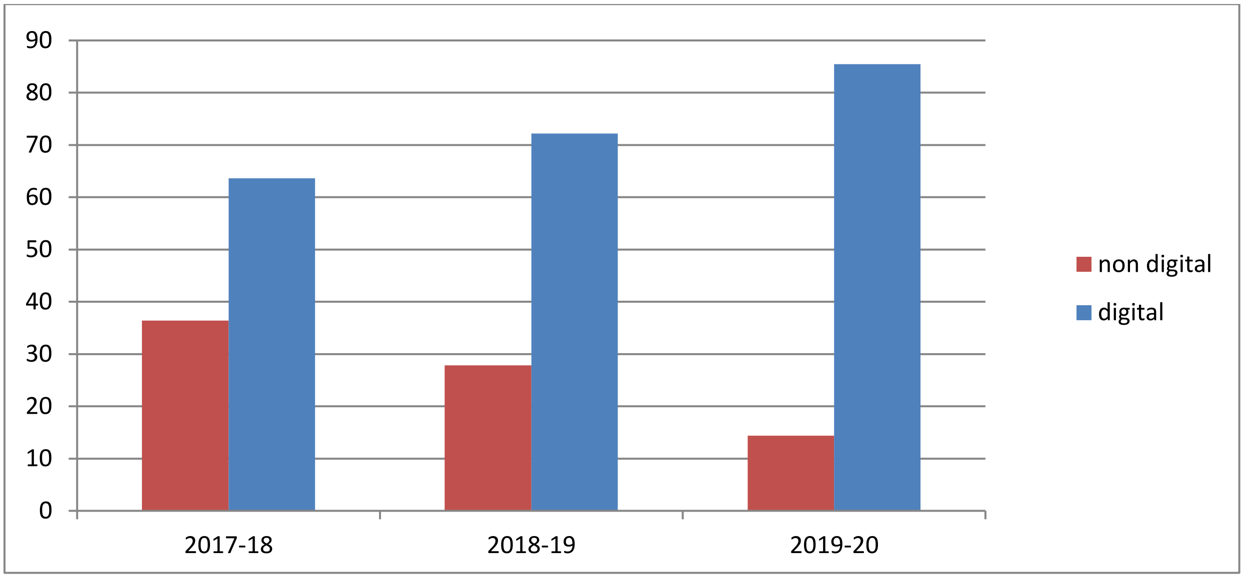
In order to assess the grievance redresses machineries of banks with regards to digital complaints an analysis of main table complaints received against bank groups relating to digital services like ATM / Debit card /Credit card and mobile electronic transactions was made vis-à-vis the respective transaction volume during the year.

Modes of receipts of complaints

Complaints were received in OBOs through various modes predominantly through online portal. The other modes were E-mails, hand delivery post, courier and fax with the launch of CMS physical lodgment of complaints has declined from 27.81% to 14.36% of the total complaints received during the year. A comparative position of the various modes through which the complaints were received during the last 3 years.

The trends of complaints shifting to online mode is indicate of not only of the ease in filing complaints of CMS as compared to the earlier portal complaints tracking system but also is the result of intensive awareness campaigns undertaken by RBI. During the year 85.65% of the complaints were filled using the digital mode of which 35.56% were through E-mail and 50.09% were using CMS. The trend of digital versus non digital modes of lodgment of complaints during the last 3 year is as below.

Year	Digital	Non- Digital
2017-18	63.61%	36.39
2018-19	72.19%	27.81
2019-20	85.45%	14.36

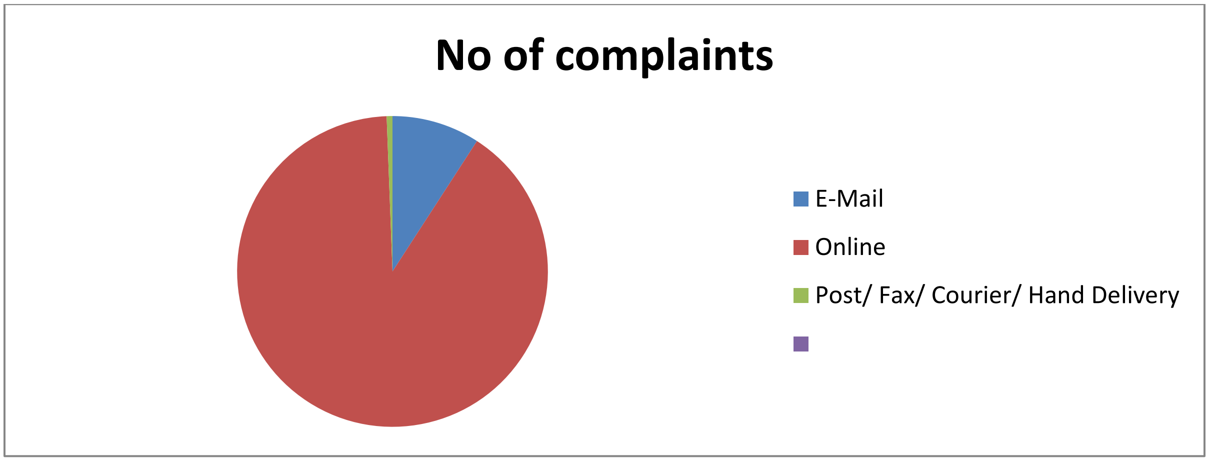


Mode of receipt of complaints

During the year 2019-20, 90.25% (2,239) of the complaints were lodged through the online mode using CMS portal (one complaints was received through CPGRAMS). This reflects the tech friendly nature of the users of digital financial product who are more comfortable in filing their complaints online as compared to other modes only 15 complaints were received through the physical mode. A comparative position of the various modes through which the complaints during 2019-20 were received during the year is given in table.

Mode of receipt of complaints

Mode of receipt	No of Complaints
E- Mail	227
	9.15%
Online	2.239
	90.25%
Post/ Fax/ Courier/ Hand Delivery	15
	0.60%



Conclusion

The banking ombudsman scheme has been in operation and is being fully funded by RBI since 2006. The banking ombudsman system has been used extensively to resolve the customer grievances of banking customers over the years. Now a day's customers are more aware about the banking services extensively and they expect the customer satisfaction of the services rendered by them also customer are keeping on filling their complaints if they are unsatisfied with the services.

The study reveals that no of complaints received from the customer is increased and various mode which is uses the bank managing ability to resolve the customer awareness of complaints in digital mode. This will help the bank to ensure zero percent complaints

"An Empirical Study on Financial Inclusion Bringing Transparency in Country's Financial Services –its Access, Quality and Usage"

Divya R, Assistant Professor,
KLE Society's S Nijalingappa College, II Block, Rajajinagar, Bangalore – 10
r.divyajyothi4@gmail.com 9632590443

Rakshana R, Assistant Professor,
KLE Society's S Nijalingappa College, II Block, Rajajinagar, Bangalore – 10;
raksha.acchu12@gmail.com 7259131858

Dr. C V Koppad**,** Associate Professor and Head Department of Commerce
KLE Society's S Nijalingappa College, II Block, Rajajinagar, Bangalore – 10;
cvkoppad22@gmail.com 9449224622

Abstract

Finance is always considered as a lifeblood mot only for a business but in every walks of day to day life. There are numerous financial institutions such as banks, mutual funds, stock exchanges, insurance companies and so on. These institutions provide number of financial services and products. The question here arises is whether all the citizens in the country are getting access to the same quality of financial services or not. If this could be achieved, it will be the big step towards financial inclusion.

This paper focuses on how financial inclusion helps in bringing transparency in country's financial services- it's access, quality and usage.

Key words: Financial service; Financial inclusion; access; Financial inclusion index

Introduction

Financial Inclusion is indeed considered as the process of offering banking and financial solutions and services to everyone without any discrimination. The primary aim is to include everyone in the society by giving them basic financial services and products without considering person's income or savings. It mainly focuses on appropriate and reliable financial solutions to the economically backward sections without any bias or inequality. It is also committed to being transparent while offering financial assistance without any hidden transaction costs.

Judicial involvement of each and everyone in the society is the main focus of financial inclusion. There are few classes of people who still do not have any access to financial services or products in our country. Or otherwise they do not have proper awareness of financial services and products. The simple reason for this is most of the time individuals do not meet the minimum criteria such as minimum income, credit score, age criteria, minimum work experience, surety etc., banks will provide the loans or deposit option to an applicant who meets the criteria. Many poor people may be unemployed or unable to get credit score or could not fill the application properly due to lack of education or lack of money to pay transaction fees are struggling to get the financial services.

The main intention of financial inclusion is to eliminate these blockades and provide economically priced financial services to the underprivileged population of the country. When we observe the earlier 10 years, only middle- or high-income group of people was aware about the financial assistance (i.e. credits, investment, savings etc.,) and the lower-income group of people mostly relied on informal forms of credit. In the context of financial assistance this group of people were got exploited for many years. But due to the announcement of various schemes by the Central and State Government have enabled even the remote population to access few financial services. Under financial inclusion, women are also educated in modest ways how to save their money and borrow loans to start the cottage industry or any business which they are interested into. Hence, it is also concentrating on women empowerment.

Steps taken by government with an intention to provide social security and financial assistance to the underdeveloped areas in the country through schemes:

- PradhanMantri Jan Dhan Yojana (PMJDY)
- Atal Pension Yojana (APJ)
- Pradhan Mantri Vaya Vandana Yojana (PMVVY)
- Stand Up India
- Sukanya Samriddhi Yojana
- FasalBima Yojana and so on.

Technology and Digitization in Financial Inclusion

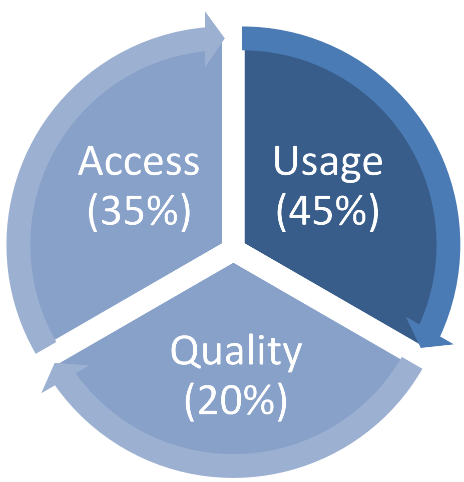
Fintech (Financial Technology) means utilisation of technology of most advanced technology in finance sectors. With the help of Fintech, availability of financial services and products have increased. As Fintech is working towards simplification of process in providing financial services. Through utilisation of technology in financial inclusion customers can open bank accounts, apply for loans, invest in shares and debentures, know about availability different Government schemes and latest offers in financial services from the place wherever they stay. Not only this consumers can also pay their interest using wallet applications. Though both rural and urban population use this online facility, there are still some untouched people who are aware or not well-versed in technology to access these facilities.

Financial Inclusion Index bringing transparency in financial services

The Financial Inclusion Index refers to the comprehensive index incorporating details of banking, investments, insurance, postal as well as the pension sector in consultation with the government and respective sectoral regulators. The major reason behind introduction of this index is to capture the extent of financial inclusion across the country. The Financial Inclusion Index will be published annually in July month every year.

The calculation of financial inclusion index does not consider any base year. The financial index for the year ended March 2021 is 53.9 little higher when compared to 43.4 for the year March 2017. The Reserve Bank of India on August 2021 have decided to gauge financial inclusion in the Country. It also interpreted that financial inclusion is a key to achieve sustainable development throughout the world.

The Financial Inclusion Index comprises of three important parameters. Each parameter consists of various dimensions calculated based on 97 indicators. They are:



1. Access: This parameter deals with how easily everyone can get an opportunity to obtain financial assistance. The accessibility plays a very important role as it determines the extent of accessibility. The weight assigned to this parameter is 35% of the index.

2. Usage: This parameter upholds the financial assistance is enjoyed by each individual. That is how commonly people uses financial services whenever there is a need for that. The weight assigned to this parameter is 45% of the index.

3. Quality: This parameter deals with the quality of financial assistance rendered. As per this parameter the individual belonging to lower-income group or middle-income group or higher-income group should get access to same quality of financial services without considering their status or well-being. Same quality of services for each and every individual. The weight assigned to this parameter is 20% of the index.

Review of Literature

According to Puneet Gupta, Co-founder of Kaleidofin 2021,Under PMDJY, more than 430 million accounts have been opened with deposits totalling Rs.1,46,230 crore and 312 million RuPay cards have been issued. Bank account penetration is at an all-time high and accounts have been opened in the names of both men and women in a household, which in itself is a big achievement.

In the words of S S Mundra, former RBI Deputy governor, 2016, The process of ensuring access to appropriate financial products and services needed by all sections of the society in general and vulnerable groups such as weaker sections and low-income groups in particular a an affordable cost in a fair and transparent manner by main stream institutional players can be defined as a financial inclusion.

According to Abhishek Sinha, Co-founder Eko India Financial Services, 2021, The key to financial inclusion lies in understanding the earning cycles of people and how financial products can fill the gaps. Loans, insurance and savings should be used so that people can maintain their lifestyles and deal with unexpected events such as disruptions in personal health and businesses.

According to Shwetha Aprameya, Founder of Arth digital financae company, 2021, Regulators has framed several guidelines for the banking correspondent model, issuance of pre-paid instruments and small finance banks to deepen the availability of financial services and it is good time to measure the progress by financial inclusion index.

Statement of problem

Financial inclusion index helps us to know how the people are getting access to quality financial services and products. Government have taken several steps to increase the use financial assistance. They have introduced many schemes to encourage individual both in rural as well as in urban to invest, save and get loans whenever there is a need. But the question here arises is to what extent the financial services and products are accessible, if they are accessible, is the quality of financial services are same for all level of people or not. To what extent people are using the financial products and services. To measure the range of financial inclusion in the country financial inclusion index will be calculated.

Our study focuses on how financial inclusion index is helps in bringing transparency in country's financial services – its access,quality and usage.

Objectives of the Study

The prime objective of the study is to identify the various steps taken by Government for financial inclusion. The study has been driven to achieve the following objectives.

- To know the importance of the financial inclusion.
- To ascertain the challenges faced to achieve the financial inclusion.
- To know the importance of financial inclusion index.
- To know the impact of the financial inclusion index on the economy, in bringing transparency in country's financial services

Scope and Limitations of the Study

- This study targeted the General public.
- Limited availability of literature is another significant constraint linked with the present study.
- Due to time constraint the survey was restricted to small sample size. Thus, the results cannot be generalized to the entire population.
- Inability of some respondents to answer certain questions.

Research Methodology

Methodology is the method used for evaluating reliability and suitability of one significant method for applying it in the study. It includes the concepts such as theoretical model, phases, quantitative techniques and qualitative techniques and analytics. This study is conducted using both primary as well as secondary data.

Primary data are those data that has been collected for this and thus be original in character. Questionnaire technique through Google forms was used for collection of primary data.

Secondary data are that information which had beenalready collected and which had already been through statistical process. We have collected the secondary data from Journals, Newspaper, reference books and websites.

Analysis and Interpretation

The analysis and interpretation of the data is carried out in single phase. The single phase, which is based on the results of the questionnaire, deals with a single quantitative analysis of the data. And, which is based on the results of the interview and focuses group discussions, is a qualitative interpretation. The total sample of the present study comprises of **79**respondents.

Graph representing the Income of the respondents

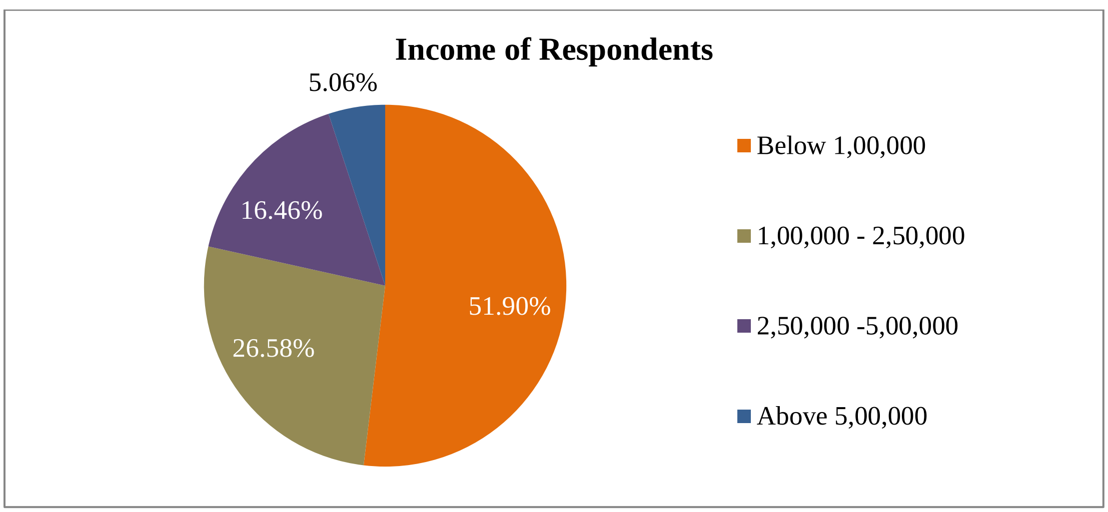


Fig.1

The above pie diagram helps us to know that in total 79 respondents 51.90% of them belong to the income group below 1,00,000, 26.58% of respondents belongs to 1,00,000 – 2,50,000, 16.46% of respondents belongs to 2,50,000 – 5,00,000 and 5.06% of them belongs to above 5,00,000. (Fig.1)

Graph representing the most used financial services

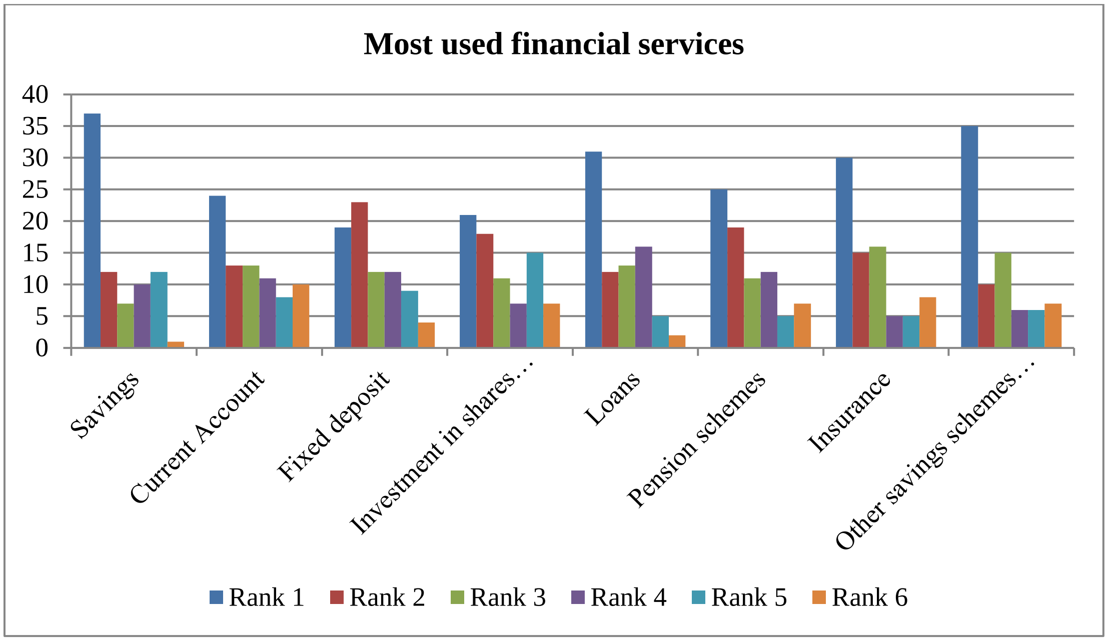


Fig.2

From the above bar graph, we can depict that making Savings in bank account takes majority by 37 respondents by ranking it as a first priority to use as financial service when compared with other financial service options like current account deposit, fixed deposit, investment in shares and bonds, loans, pension, insurance schemes and other saving schemes offered by government. Here, it could be interpreted that savings is the most preferred financial services by the people. (Fig. 2)

Graph representing whether schemes offered by Government helps in financial inclusion

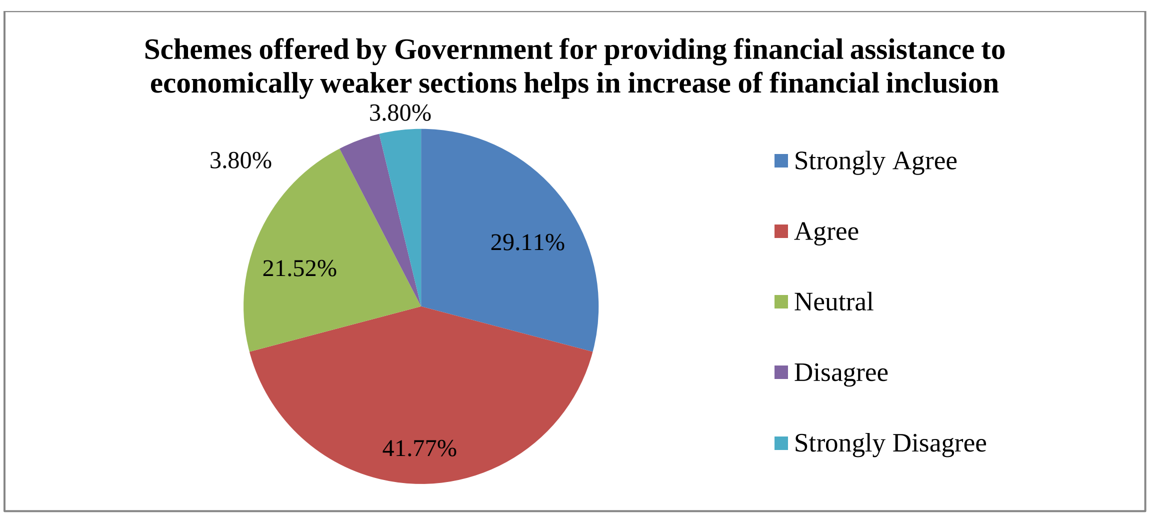


Fig.3

From the above chart, it clearly depicts that 41.77% of the respondents agreed there is an increase of the financial inclusion through the various schemes offered by Government for providing financial assistance to the economically weaker sections and 29.11% of them strongly agreed that the schemes offered by the government for providing financial assistance to economically weaker sections helps in increase in financial inclusion. (Fig.3)

Graph representing the blend of financial inclusion

Fig.4

From the above Pie diagram, it clearly depicts that among 79 responses, 63.29% that is more than 50% of them felt that financial inclusion is a blend of availability, quality and accessibility of financial services and products and 26.58% of them have given more priority to availability of financial services and products.(Fig.4)

Graph representing the raise in the standard of living of people of unbanked area

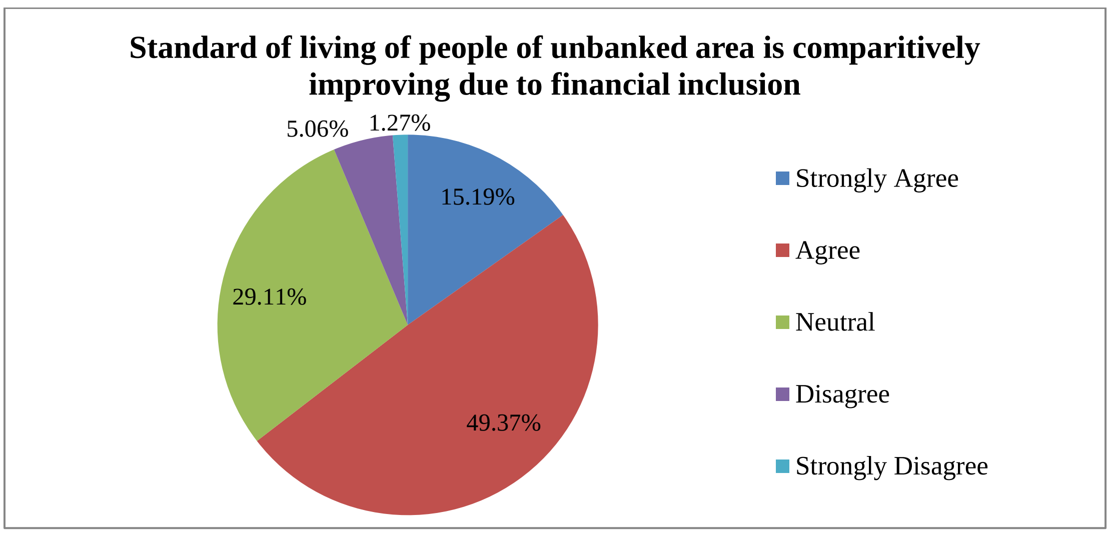


Fig.5

Among the total respondents 49.37% of them have agreed that the people's standard of living in the unbanked sectors is improving due to the financial inclusion, 29.11% were neutral towards this and 15.19% of them strongly agreed that the standard of living of people of unbanked area is comparatively improving due to financial inclusion. (Fig.5)

Graph representing the accessibility of financial services

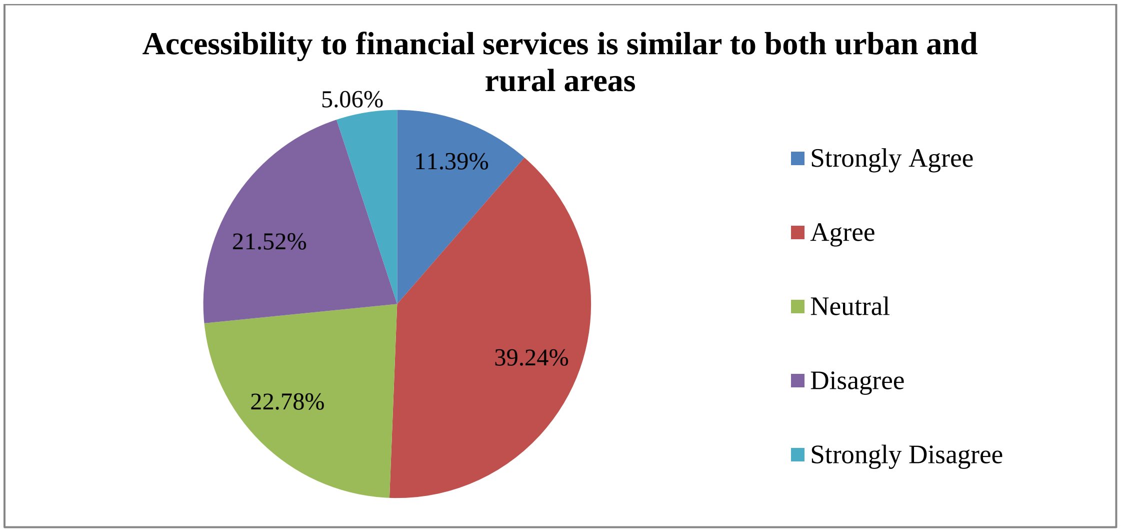


Fig. 6

Among the total respondents 39.24% of them agreed that both urban and rural population are able to access the financial services in the similar manner, 22.78% are neutral towards the similarity between financial services offered to urban and rural and 21.52% of them opinioned that urban and rural population differ in case of accessibility of the financial services. (Fig. 6)

Graph representing the quality of financial services and products

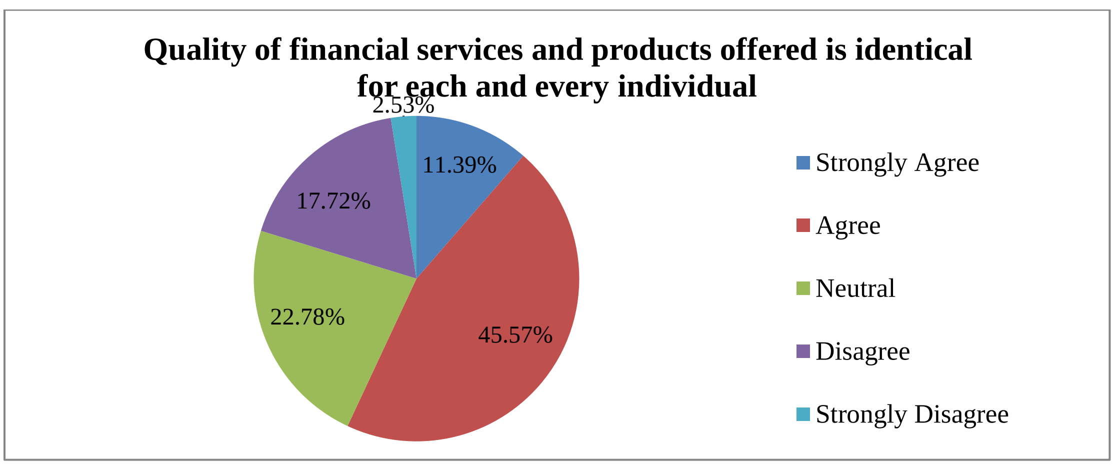


Fig. 7

From the above pie diagram, it clearly depicts that 45.57% of them agreed the quality of services and products offered is identical for each and every individual, 22.78% of them were neutral towards this and 17.72% of them opinioned that the quality of financial services and products offered is differing for every individual.. (Fig. 7)

Graph representing the quality of financial inclusion in the country

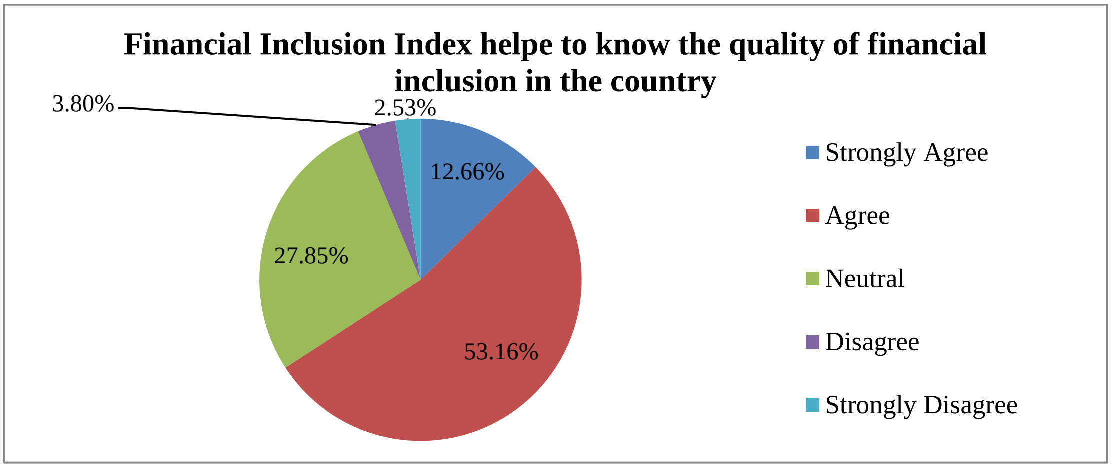


Fig. 8

The above chart depicts, 53.16% of the respondents have strongly opinioned that financial inclusion index is influencing the quality of financial inclusion and 12.66% of them agreed that financial inclusion index helps to know the quality of financial inclusion in the country. (Fig.8)

Graph representing the transparency brought by financial inclusion index in the field of finance

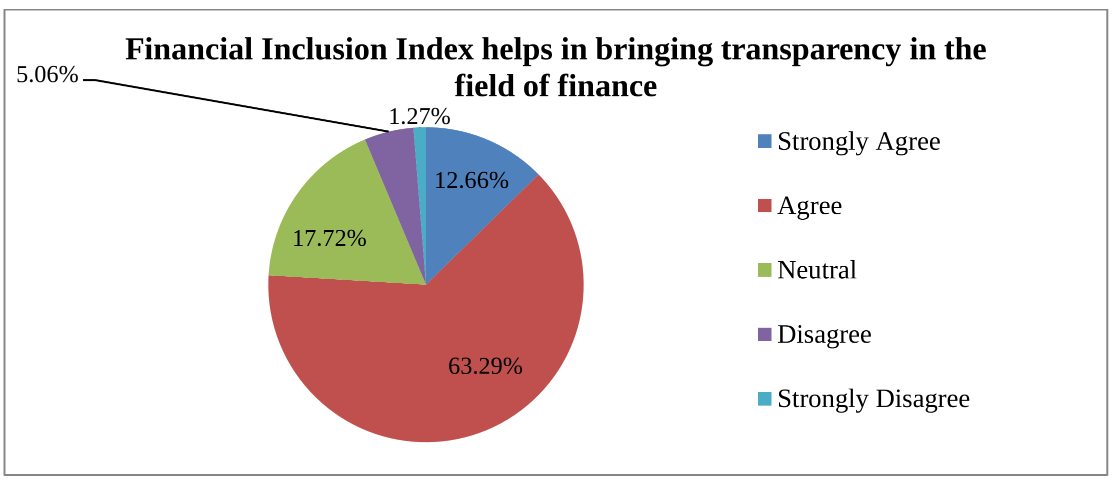


Fig. 9

The above chart helps us to analyze, among 79 respondents 63.29% of respondents that is more than 50 % of them agreed that the field of finance is becoming more transparent because of financial inclusion index and 17.72% of them are neutral towards the transparency brought in by the financial inclusion index. (Fig. 9)

Graph representing the vital role of financial inclusion in the improvement of Economy and Governance

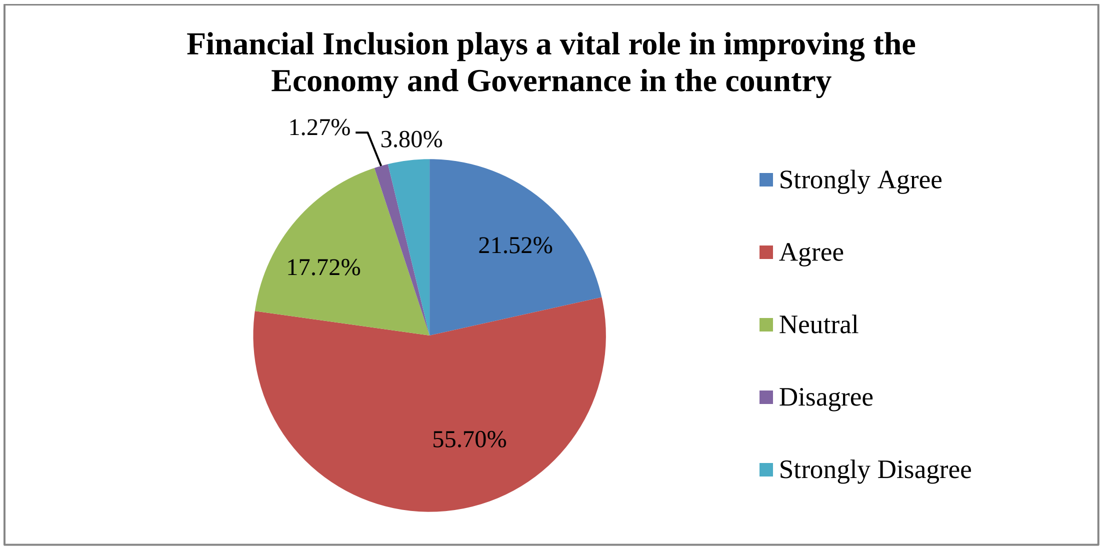


Fig. 10

From the above chart, we can analyze that among total respondents 55.70% of them agreed that financial inclusion is playing a vital role in improving the Economy and Governance and 21.52% of them strongly agreed with the vital role that is being played by financial inclusion in the improvement of Economy and Governance in the country. (Fig. 10)

Findings

From the present study we can analyze that, out of 79 respondents51.90% of them belong to the income group below 1,00,000. Among them making Savings in bank account takes majority by 37 respondents by ranking it as a first priority to use as financial service when compared with other financial service options like current account deposit, fixed deposit, investment in shares and bonds, loans, pension, insurance schemes and other saving schemes offered by government.41.77% of the respondents agreed there is an increase of the financial inclusion through the various schemes offered by Government for providing financial assistance to the economically weaker sections. 63.29% that is more than 50% of them felt that financial inclusion is a blend of availability, quality and accessibility of financial services and products. 49.37% of them have agreed that the people's standard of living in the unbanked sectors is improving due to the financial inclusion. 39.24% of them agreed that both urban and rural population are able to access the financial services in the similar manner and 45.57% of them agreed the quality of services and products offered is identical for each and every individual. 53.16% of the respondents have strongly opinioned that financial inclusion index is influencing the quality of financial inclusion. 63.29% of respondents that is more than 50 % of them agreed that the field of finance is becoming more transparent because of financial inclusion index and 55.70% of them agreed that financial inclusion is playing a vital role in improving the Economy and Governance.

Suggestions

- The constraints and complicated procedure should be removed by the financial institutions as well as banks and provide easy compliance to the people.
- The most missing point here is awareness among large proportionate of households. The awareness should be created by the Government as well as educated public about the financial assistance available.
- Financial institutions should reduce the transaction cost for opening the bank accounts and other related activities. Reduction of large numnber of documentation requirements will also help.
- Giving basic financial services irrespective of their income and savings.
- Widening the access to credit and insurance facilities to all individuals.
- Adopt digital technologies for their services so that both urban and rural population can easily access and get the best qulaity of financial services and products

Conclusion

Financial inclusion is strengthening the availability of economic resources and the financial system of our country by focusing on providing the financial solutions to the unpreviledged sections of the country. It eliminates the barriers and provide economically priced financial services to less fortunate sections without any inequality. It tends to improve the financial literacy and financial awareness to bring in mobile banking so that they can reach the poorest people living in the remote areas of our country. The financial inclusion is helping banks and others financial institutions in providing special rates, exclusive discounts and other benefits and charging subsidised and discounted interest rates on their loans. Financial inclusion is and will further improve the standard of living of the people and inturn in developing our economy.

Reference

1. https://www.livemint.com/news/india/rbi-introduces-financial-inclusion-index-11629188944679.html
2. https://www.bankbazaar.com/personal-loan/financial-inclusion.html
3. https://prsindia.org/policy/report-summaries/national-strategy-financial-inclusion
4. https://www.bankbazaar.com/personal-loan/financial-inclusion.html
5. https://www.google.com/search?q=how+financial+inclusion+can+be+possible&client=firefox-b-d&ei=9-

A STUDY ON IMPACT OF NEW OPTIONAL INCOME TAX REGIME ON TAXPAYERS OVER THE EXISTING INCOME TAX REGIME

Divya R, Assistant Professor,
KLE Society's S Nijalingappa College, II Block, Rajajinagar, Bangalore – 10;
r.divyajyothi4@gmail.com 9632590443

Rakshana R, Assistant Professor,
KLE Society's S Nijalingappa College, II Block, Rajajinagar, Bangalore – 10;
raksha.acchu12@gmail.com 7259131858

Dr. Smt. Mahananda B Chittawadagi, Associate Professor and Research Guide
KLE Society's S Nijalingappa College, II Block, Rajajinagar, Bangalore – 10;
mbchittawadagi@gmail.com 9980129807

Abstract

Tax in the country is a major source of income to the Government. Both direct tax and indirect taxes contributes equally for the country. Income tax is one of the important forms of direct tax, where there will be changes in the slab rates, deductions, exemptions, and filing procedures in income tax every year during budget. The budget 2020 has bought a new revolution in income tax that is optional income tax regime. Where the taxpayers will have an option to choose between new optional income tax regime and existing income tax regime.

This paper focuses on the impact of new optional income tax regime on taxpayers over the existing income tax regime

Key words: Income tax; Optional tax; Regime; Taxpayers

Introduction

The union budget for the financial year 2020-21 by Finance minister Nirmala Sitaraman included a major proclamation that is the introduction of a new optional system of taxation with reduced income tax rates. Budget 2020 has given the taxpayers an option to continue with existing tax regime or opt for new income tax regime.

During budget the Finance minister also announced the insertion of new section called 115BAC into the income tax Act. Section 115BAC deals with new and optional tax regime for individuals and HUF's.

Therefore, section 115BAC of income tax Act, 1961 provides for a concessional rate, but it is subject to the condition that the total income shall be computed without specified exemptions or deductions, set-off of losses and additional depreciation.

Under new tax regime the income tax rates are lowered when compared to previous one, but the tax payers opting for new regime must relinquish for about 70 out of 100 deductions or exemptions.

In other words, lower income tax rates without availing any deductions.

This new tax regime is purely optional for taxpayers. Taxpayers can either opt new tax regime and pay lower rates without claiming any deductions or can continue with the existing tax regime with exemptions or deductions. This option may be chosen by the taxpayers at the end of the financial year but, on or before the due date of filing the returns. So, that the taxpayers depending upon the transactions made during the year can decide between new tax regime or existing tax regime.

The finance minister, took up this new optional regime because, most of the taxpayers were investing in unnecessary savings just to avail the exemptions and this resulted in lower liquidity in the economy. The main purpose of the new tax regime is to increase liquidity in the hands of the people. Although more criticisms were made regarding this that, this regime is discouraging the savings habit of the people.

ELIGIBILITY TO OPT FOR NEW REGIME

- The person opting for new regime should be an individual or Hindu Undivided Family.
- The person earning business income shall not be eligible for new regime.

CONDITIONS TO OPT FOR NEW OPITONAL TAX REGIME

- An individual income taxpayers should exercise the option on or before the due date of filing return of income.
- An individual taxpayers can use this option every year before the assessment.

- The tax payers who decides to opt for new regime should not have any business income. In case, if the taxpayer having business income, the option once exercised can be withdrawn only once. Further, if taxpayer will never be able to opt-in the option again.
- An individual cannot set off any losses arrived from the house property.

Pros and Cons of new optional tax regime

Pros

- Reduced tax rates
- Reduced Compliance
- Reduces lock-in of funds
- Increases liquidity in the hands of public
- Flexibility to customize the investment decision
- Independent to make choice

Cons

- Discouragement of savings
- Dilemma in making choice
- Non-availability of certain specified deductions
- Not useful to high-income taxpayers
- No separate slabs for senior and super senior citizens

According to Finance Minister Nirmala Sitaraman (February 01, 2020)Addressing to the press conference, Sitaraman shared the idea behind the introduction of new optional tax regime. The main purpose of introducing this new regime is to bring down the tax liabilities. She specified that “we wanted to be sure that money is in the hands of the people rather than investing in schemes”. She also cleared the point that those who are looking for a simplified reduced tax can opt for it otherwise tax payers may continue with the existing regime. The government plans to reduce complications in compliance through this new decision.

According to Naveen Wadhwa, DGM, Taxmann.com (February 03, 2020)Naveen Wadhwa after the union budget shared their view about the introduction of new tax regime. He says that every year individual will have an option to make the choice between the income tax regime with tax exemptions and deductions or may go to new proposed tax regime by forgoing the deductions.

An individual can opt for the new tax regime only if he is not having any business income. Here they specify that the taxpayers to opt for the new regime has to satisfy certain condition. The major condition here is that the individual with the business income who want to opt new tax regime must not claim any deductions or exemptions allowed for business and profession under Income tax Act.

According to Puneet Gupta, Director-People Advisory Services, EY (February 03, 2020)
Puneet Gupta said that," Simplification is not very simple". He expressed his view that this new optional tax regime which is provided to individuals and HUF's can be opted by only those taxpayers who forgo deductions and forgo their option to setoff certain losses especially loss from House property. He continued that the new tax regime is only beneficial to certain taxpayers depending upon the extent of the deductions availed by them.

Statement of problem

According to the data released by IT Department, it showed that there are 8.45 crore people filing IT returns with reference to AY 18-19, therefore all the taxpayers are under existing income tax regime at present.

When we analyze the present scenario, we come across different categories of Income tax payers in India -

- One who claims most of the deductions and exemptions during calculation of taxable income.
- Other who claims less deductions and exemptions during calculation of taxable income.
- Another who does not claim any deductions or exemptions during calculation of taxable income.

Though there are different types of taxpayers in India, all are paying their income taxes under the same slab rates as per the taxable Income.

Where the person claiming less or no deductions are treated as same as the person who claim most of the deductions. Therefore, a person claiming less or no deductions are rather paying high amount of tax. Due to the introduction of a new optional tax regime in the union budget 2020 may be helpful.

My study mainly highlights on the impact of new optional income tax regime on the taxpayers over the existing one.

Objectives of the Study

The prime objective of the study is to compare the existing regime with new tax regime. The study has been driven to achieve the following objectives.

1) To understand the concept of new tax regime
2) To know the acceptance of new tax regime.
3) To make a comparative study on the existing tax regime and new optional tax regime.
4) To understand the implications of new tax regime.
5) To find the necessary suggestions regarding which regime suits better to the taxpayers.

Scope and Limitations of the Study

1) This study targeted the General public.
2) The study is confined to the limits of Bangalore urban area only and cannot be generalized to the whole country
3) Limited availability of literature is another significant constraint linked with the present study.
4) Due to time constraint the survey was restricted to small sample size. Thus, the results cannot be generalized to the entire population.
5) Inability of some respondents to answer certain questions.

Research Methodology

Methodology is the method used for evaluating reliability and suitability of one significant method for applying it in the study. It includes the concepts such as theoretical model, phases, quantitative techniques and qualitative techniques and analytics. This study is conducted using both primary as well as secondary data.

Primary data are the data that has been collected for this purpose and thus be original in character. Questionnaire technique through Google forms was used for collection of primary data.

Secondary data are the information which have already collected and which have already been through statistical process. We have collected the secondary data from Journals, Newspaper, reference books and websites.

Analysis and Interpretation

The analysis and interpretation of the data is carried out in single phase. The single phase, which is based on the results of the questionnaire, deals with a single quantitative analysis of the data. And, which is based on the results of the interview and focuses group discussions, is a qualitative interpretation. The total sample of the present study comprises of **97**respondents.

Graph representing the Income of the respondents

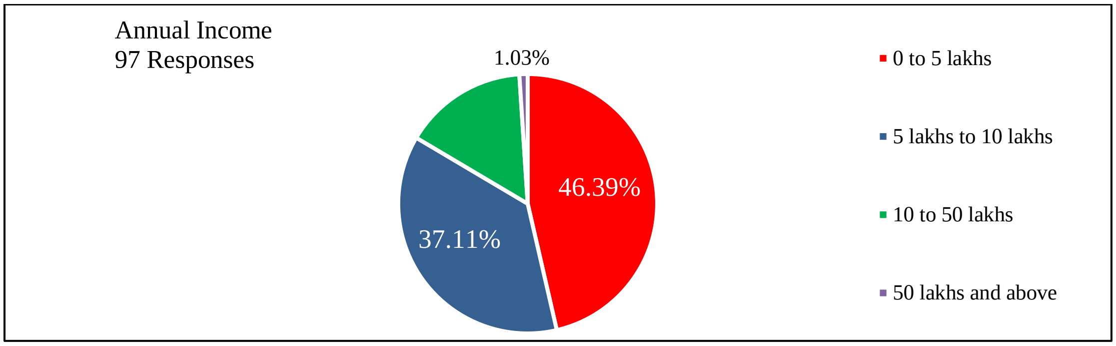


Fig. 1

From the above pie chart, it is clear that the majority of respondents falls under the income group 0 to 5 lakhs i.e. 46% of the total respondents and 37.11% of respondents comes under 5 lakhs to 10 lakhs. Only 1.03% of respondents are falls under the group above 50 lakhs of annual income. Based on the responses received we can interpret that most of the respondents who shared their opinion will fall under middle-income group and lower-income group of taxpayers.(Fig. 1)

Graph representing priorities of investments of respondents

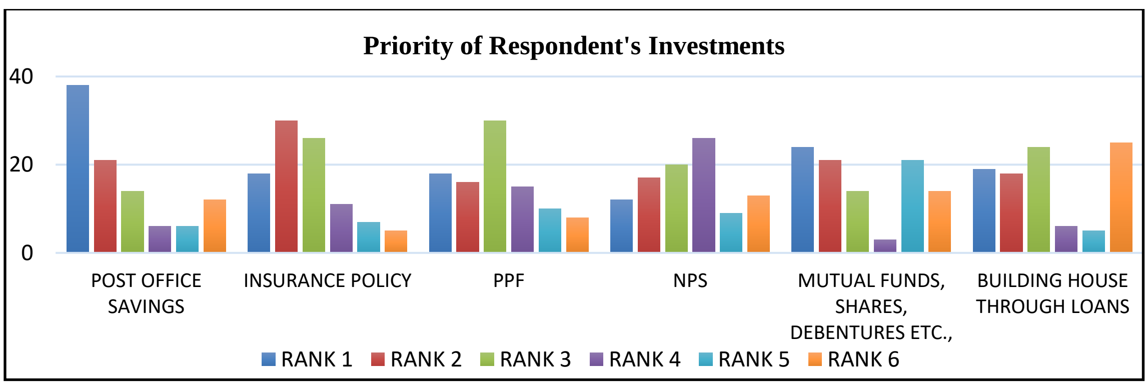


Fig. 2

From the above bar graph, we can depict that Post Office Savings or making Savings in bank account takes majority by 38 respondents by ranking it as a first priority in making investment with reference to other investment options like Insurance policy, Public Provident Fund, National

Pension scheme, Shares, Mutual Funds, Debentures and Building House. Here, it could be interpreted that savings in post office or in banks is the most preferred investment by the people. (Fig. 2)

Graph representing the awareness among taxpayers regarding new income tax regime

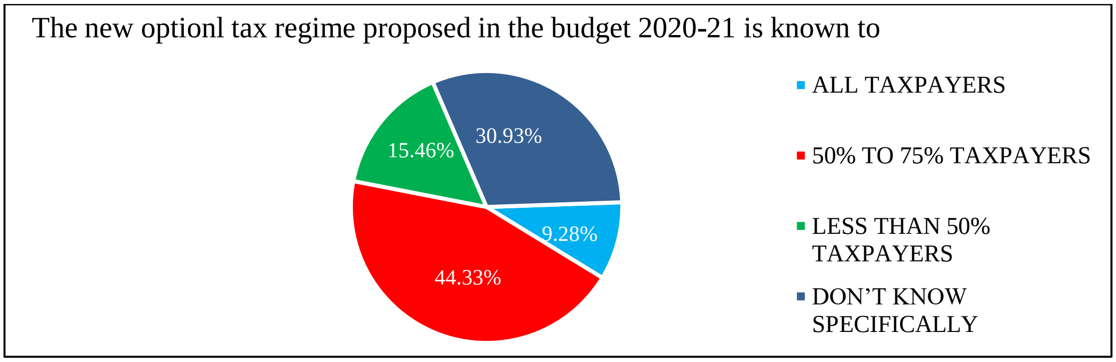


Fig.3

The pie chart above depicts that 44.33% of the respondents has a view that 50% to 75% of the taxpayers are aware about the new tax regime proposed in the union budget 2020-21. And 9.28% of the respondents expressed that all the taxpayers are aware of new regime. Based on the responses received, we can interpret that about 50% to 75% of the taxpayers are having knowledge with regard to the new tax regime.(Fig. 3)

Graph representing taxpayers view about new income tax regime

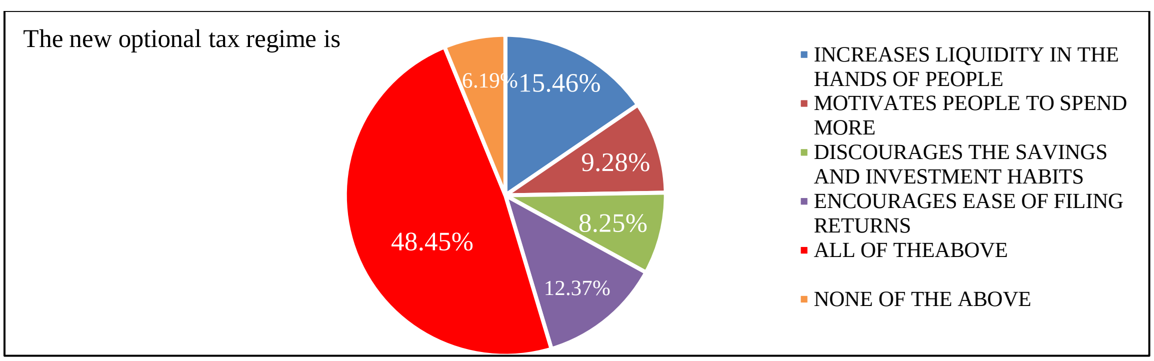


Fig. 4

The above pie chart shows that for about 48.45% of the respondents have clarity that the new tax regime includes the factors such as increases liquidity in the hands of people which in turn lead to motivating people to spend more and discourages the savings and investment habit. This will also encourage the ease of filing returns. Only 6.19% of the respondents do not have the clarity in the concept so they have expressed that new regime does not include such factors. Based on the responses received from the respondents, we can interpret that new regime is inclusive of all such factors mentioned.(Fig. 4)

Graph representing the weather increased liquidity in the hands of people may adversely affect the economy

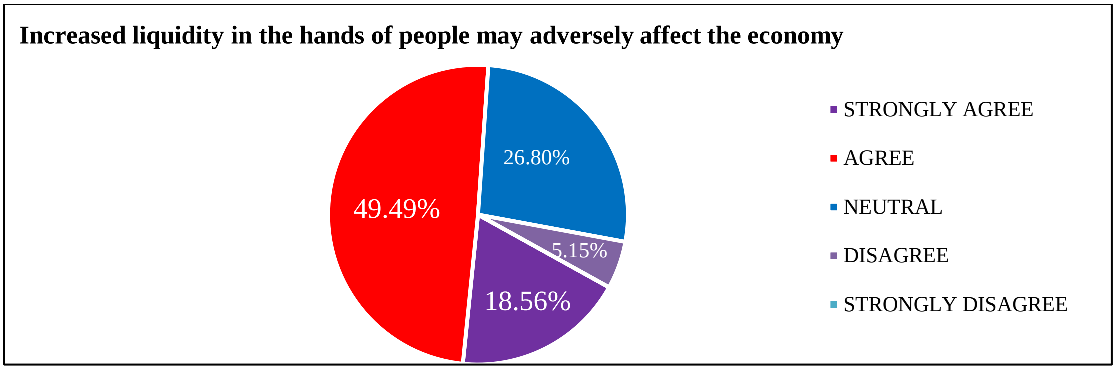


Fig. 5

The increase in liquidity may adversely affect the economy because people may concentrate more on spending rather than making savings to the future. The above pie chart helps us to know that 49.49% i.e. almost 50% of the respondents have agreed to the point that increase in liquidity may adversely affect the economy. Only 5.15% of them express that increase in liquidity will not affect the economy. Based on the responses received, it shows that increase in liquidity will adversely affect the economy of the country, which is actually motivated in the new tax regime. (Fig. 5)

Graph representing that filing returns will be easier under new tax regime

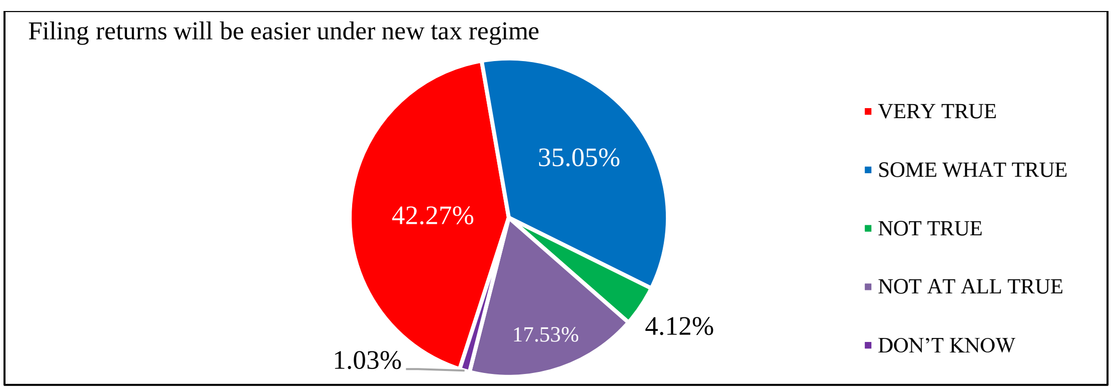


Fig. 6

Claims and deductions are used for reducing of tax liability, it is also a long procedure to calculate tax liability with claims and deductions. From the above chart, it is clear that 42.27% of the respondents have accepted that if the claims and deductions are less in numbers filing tax returns will be easier. But only 1.03% of the respondents still in dilemma whether without claiming deductions will it really lead to easier tax filing. This shows that filing of tax returns will be easier if the taxpayers are claiming less deductions as procedure of filing tax returns will get lesser. (Fig. 6)

Graph representing simplified new tax regime encourages the self-assessment

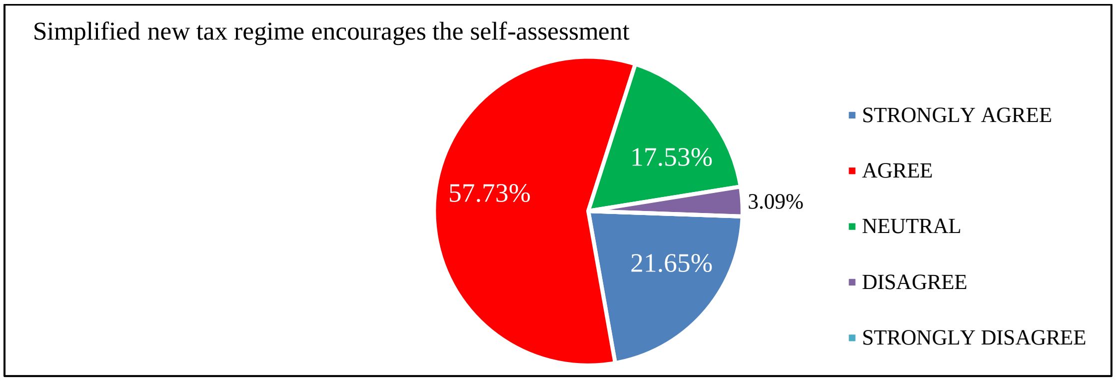


Fig. 7

Without claiming deductions, the tax filing will be of less procedures. From the above pie chart, we can analyze that 57.73% of the respondents have agreed that new regime will encourage more and more self-assessment as it is easy to file returns without deductions. But 3.09% of the respondents have disagreed to this statement. This clearly depicts that new simplified tax regime will encourage the self-assessment. (Fig.7)

Graph representing that flexibility in opting old or new tax regime may develop confusion

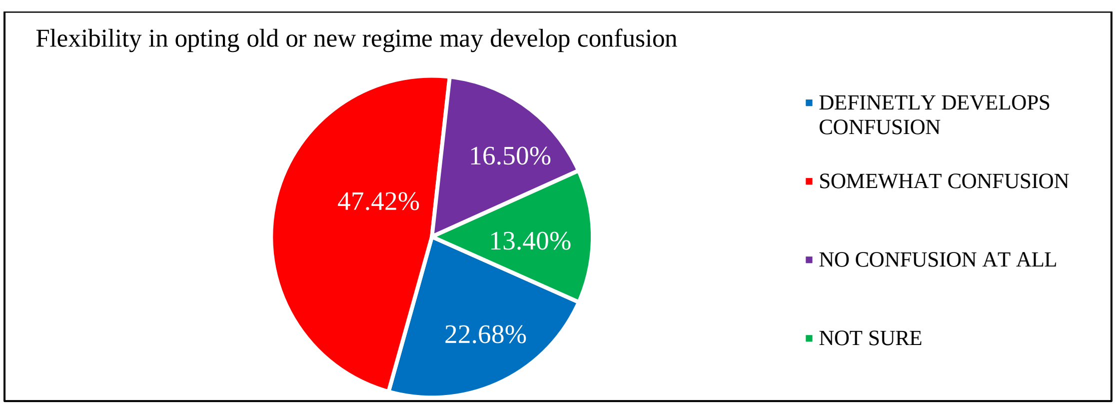


Fig. 8

The new tax regime is also known as optional tax regime, where taxpayers are given an option to choose between old or new tax regime. The above pie chart helps us to know that about 47.42% of the respondents believes that this flexibility of opting may cause somewhat confusion. But 13.40% of the respondents are not sure about this creation of confusion. The respondent's responses clearly depict that the flexibility in opting old or new regime will cause confusion at its primary stage. (Fig. 8)

Graph representing the reduced tax slab rates will be benefited to which income group

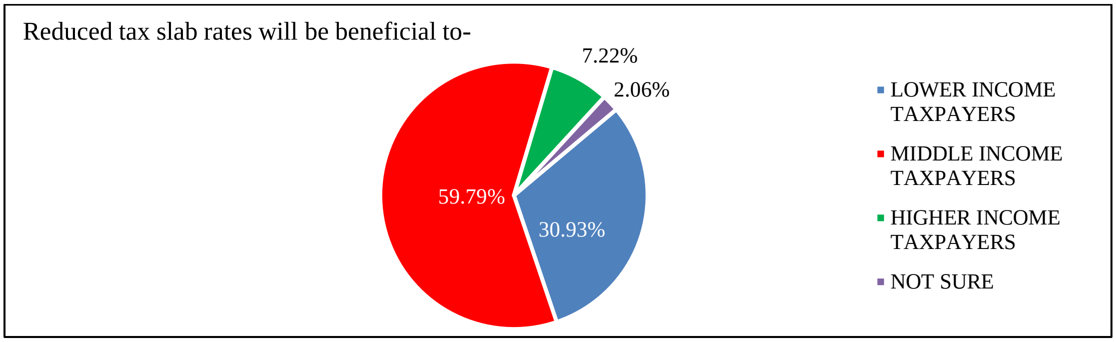


Fig. 9

From the above pie chart, we can analyze that about 59.79% of the respondents have expressed that from the introduction of new tax regime Middle-Income group of taxpayers will be more beneficial. But 2.06% of the respondents was not sure about which category of the taxpayers will be benefited. Based on the responses received, we can interpret that the new tax regime will benefit Middle-Income group of taxpayers the most. (Fig. 9)

Graph representing preferable mode to file IT returns

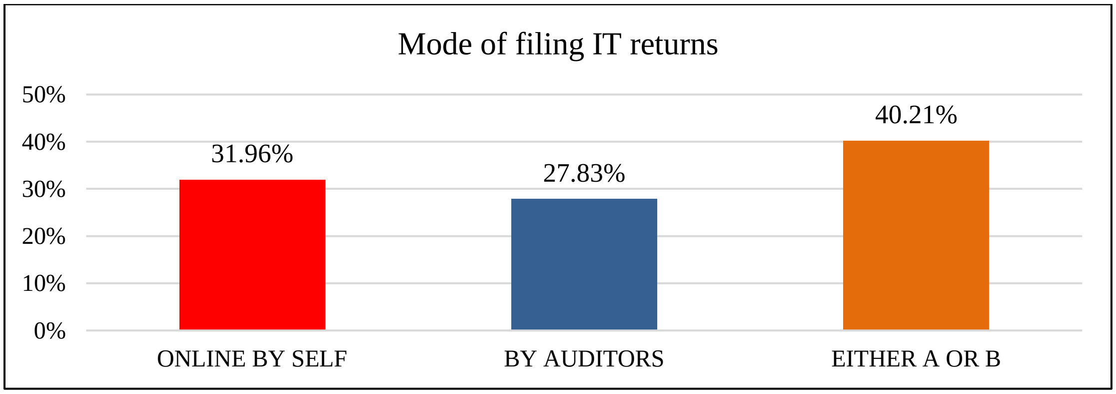


Fig. 10

Due to advancement of technology, tax returns can also be filed online. The above pie chart shows that 40.21% of the respondents are ready to file their tax returns either online or offline i.e. through auditors. And only 27.83% of the respondents are only comfortable with offline method by contacting their auditors. This clearly shows that taxpayers can their file tax returns both online as well as offline which ever they feel more comfortable. (Fig. 10)

Findings

From the present study we can analyze that,out of 97 respondents, 46% of them belongs to 0 -5 Lakhs income group and 37.11% of them belongs to 5 lakhs to 10 lakhs income group. That means most of the respondents fall under middle- income and Lower-income group.38 respondents have given first priority to post office savings and savings in bank account with reference other investment options. 44.33% of the respondents has a view that 50% to 75% of the taxpayers are aware about the new tax regime proposed in the union budget 2020-21. 48.45% of the respondents have clarity that the new tax regime includes the factors such as increases liquidity in the hands of people which in turn lead to motivating people to spend more and discourages the savings and investment habit.49.49% i.e. about 50% of the respondents have agreed to the point that increase in liquidity may adversely affect the economy, as new income tax regime includes increases in liquidity. 42.27% of the respondents have accepted that if the claims and deductions are less in numbers filing tax returns will be easier. 57.73% of the respondents have agreed that new regime will encourage more and more self-assessment as it is easy to file returns without deductions. 47.42% of the respondents believes that this flexibility of opting between old tax regime and new tax regime may cause somewhat confusion. 59.79% of the respondents have expressed that from the introduction of new tax regime Middle-Income group of taxpayers will be more beneficial. 40.21% of the respondents are ready to file their tax returns either online or offline i.e. through auditors.

Suggestions

- The introduction of new optional tax regime will be helpful for the Government to earn good amount of revenue. But the taxpayers should properly understand the structure of the new tax regime which is possible only through proper education and awareness about the regime.

- The ministry of finance has to provide proper list of some of the savings which are still available for deduction. Because most of them have a thought that all deductions have been waived off from the deduction and exemption list.
- The finance minister has given a hint that this new tax regime has been introduced to increase the liquidity in the hands of people. But this increase in liquidity would adversely affect the economy of the country. In developing country like India savings and investments should be given utmost importance.
- The new tax regime will be beneficial only to Lower- and middle-income group of taxpayers, but higher-income group of taxpayers will not be so much advantageous. The higher-income group of taxpayers may also be beneficial in getting lower tax liability only if they do smart tax planning i.e. opt for old regime if their investments are more in the financial year and opt for new regime if have not done much of the investments.

Conclusion

The introduction of new optional tax regime in the union budget 2020-21 has been one of the major changes in the structure of Income tax. The new tax regime has been very beneficial to those taxpayers who used to claim fewer or no exemptions and deductions. The major aspect of the new regime is that taxpayers cannot claim deductions and exemption anymore. This regime is not mandatory to all the taxpayers, it is an optional regime. The taxpayers have a freedom to choose between old tax regime and new tax regime, which may lead to confusion at the initial stages. But sooner taxpayers will get used to it.

I would like to conclude that the new tax regime could be successful only by the proper awareness about conceptual aspects. As most of the taxpayers are unaware about the concepts and purely depend upon their auditors to get suggestions. Therefore, taxpayer's decisions will be influenced by the auditors. The new tax regime is very easy to file and could be done by the taxpayers themselves. So correct clarifications and awareness should be provided by the CBDT.

References

1. www.businesstoday.in
2. https://www.business-standard.com
3. https://cleartax.in

4. https://www.financialexpress.com
5. https://economictimes.indiatimes.com
6. www.livemint.com
7. http://jaison-commerce.blogspot.com
8. http://www.jagranjosh.com
9. http://www.ukessays.com
10. http://www.incometax india.gov.in

"E Banking in India Challenges and Opportunities"

Dr. B.M. Hiremath,
Associate Professor,
Department of Commerce,
KLE's SSMS Arts, Science and Commerce College, Athani.

Smt. S.A. Deshpande,
Assistant Professor,
Department of Commerce,
KLE's G.I. Bagewadi Arts, Science and Commerce College, Nipani.

ABSTRACT

Banks have conventionally been in the front position of harnessing technology to improve their products, services and efficiency. Over a long period of time, they have been using electronics and telecommunication networks for delivering a wide range of value added products and services. In India, the Reserve Bank of India (RBI) is the apex banking institution that regulates the banking system in the country. E-banking is a safe, fast, easy and efficient electronic service that enables people access to bank account and to carry out online banking services, uninterruptedly. The system can save time by carrying out banking transactions at any place and at any time using internet access. E-banking provides number of benefits to customers and banks, it also aggravates traditional banking risks. This paper makes an attempt to study the challenges and opportunities, various services given by E-banking. Developing countries face many impediments that affect the successful implementation of e-banking initiatives as compared to developed countries.

KEYWORDS: E banking, technology, internet, services

INTRODUCTION

Banks have traditionally been in the front position of harnessing technology to improve their products, services and efficiency. Over a long period of time, they have been using electronics and telecommunication networks for delivering a wide range of value added products and services. The delivery channels include direct dial – up connections, private networks, public networks etc and the devices include telephone, Personal Computers including the Automated Teller Machines, etc. With the popularity of PCs, easy access to Internet and World Wide Web (WWW), Internet is increasingly used by banks as a channel for receiving instructions and delivering their products and services to their customers. This type of banking is referred to as Internet Banking, although the range of products and services offered by different banks vary widely both in their content and sophistication.

OBJECTIVES OF THE STUDY

1. To understand the development of e-banking in India.
2. To understand the types of e- banking services
3. To understand the challenges and opportunities of e-banking in India.

RESEARCH METHODOLOGY

The present study is descriptive in nature and uses secondary data collected from RBI bulletin, RBI reports and, Report on trend and progress of banking in India, journals, newspapers etc.

MEANING OF E-BANKING

The term electronic banking means an electronic fund transfer by using the electronic means from one account to another account rather than by cheque or cash. Electronic banking has some advantages over the traditional banking methods. E-banking can also be defined as delivery of banking products and services to a customer at his office or home using electronic technology. The term electronic banking is a common term. It includes internet banking, telephone banking and mobile banking. The concept of e-banking is growing day by day. Electronic banking services allow a bank customer and stakeholders to interact and carry out with the bank seamlessly through a variety of channels such as internet, wireless devices.

HISTORY OF E-BANKING:

The concept of e-banking has evolved with the development of the world wide web. Some person while working on the banking databases came up with the idea of online banking transaction in 1980s.In India e-banking is a new concept. The traditional banking system in India runs through the branch banking system. In the year of 1990 the non branch banking system started. The new concept of e-banking system has gained popularity over the old traditional manual branch banking system. The credit of launching the new technology in banking system goes to the private bank like ICICI bank. Citibank and HDFC bank who introduced the internet banking in 1999.

E-BANKING SERVICES

E-banking involves banking based on information technology. Under this technology enabled system, the banking services are delivered through Computer-Controlled operations. This system does not involve direct face to face dealing with the customers. .

Non-Financial E-Banking Services

Some of the e-banking services offered by various private and national banks in India for non-financial transactions are:

- View personal account balance or balance sheets for both savings and current accounts
- View the history of transactions done by the customer with a huge historical archive limits
- Submitting cheque book requests
- Downloading Bank Statements, as and when required
- View loan status or EMI Summary, if any
- Mutual Funds, Demat accounts, and insurance policy details can also be monitored online

The backend decision-making of any bank like approvals, rejections, etc. for various requests can also be queued in these banking processes that are mapped virtually and help the account holders by skipping a personal visit to the bank branch for such services. This is a win/win for the customers and banks, as it saves time, efforts, energy, and other resources for both parties.

Financial E-Banking Services

Various financial services offered by banks through e-banking:

- Transfer money to the other private and national bank account holders in just few clicks
- Enable the customer to purchase goods and services and pay through credit cards, debit cards, net banking, various payment gateways, and wallets, etc. providing a range of payment options
- Making inter transactions through NEFT, RTGS, and IMPS options, etc. depending on the size of the business transaction amount
- Payment of mobile bills, utility bills, make credit card payments and buy other products/services,

E - Banking Methods

As part of promoting cashless transactions and converting India into less-cash society, various modes of digital payments are available. **These modes are**

Banking Cards (Debit / Credit / Cash / Travel / Others), Mobile Wallets, National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS), Electronic Clearing System (ECS), Immediate Payment Service (IMPS), Mobile Banking, Tele-Banking, Demat Banking

ADVANTAGES AND DISADVANTAGES OF E-BANKING:

The electronic banking has a various advantages than the traditional banking system which is simple and convenient for the users.

The advantages are:

1. Electronic banking is easy operable.
2. One can easily pay the bills and transfer money without any hassle.
3. The electronic banking is available at anytime and anywhere.
4. The E-banking is fast and efficient.
5. Customers can track their transactions and account balances.
6. Bank can endorse their schemes and services to the people

Disadvantages of E-banking system are:

1. People who don't know the how to use the internet, it can be difficult to run them.
2. For e-banking internet connectivity is a must to access the banking services.
3. Potential threat of hacking of accounts and information.
4. Server breakdowns.
5. Network Accessibility.

CHALLENGES AND RISKS INVOLVED IN E-BANKING

Operational risk:

Operational risk is also referred to as transactional risk is the most common form of risk associated with e-banking. It takes the form of inaccurate processing of transactions, non enforceability of contracts, compromises in data integrity, data privacy and confidentiality, unauthorized access / intrusion to bank’s systems and transactions etc. Such risks can arise out of weaknesses in design, implementation and monitoring of banks' information system. Besides inadequacies in technology, human factors like negligence by customers and employees, fraudulent activity of employees and crackers / hackers etc. can become potential source of operational risk. Often there is thin line of difference between operational risk and security risk and both terminologies are used interchangeably.

Security risk:

Internet is a public network of computers which facilitates flow of data / information and to which there is unrestricted access. Banks using this medium for financial transactions must, therefore, have proper technology and systems in place to build a secured environment for such transactions.

System architecture and design

Appropriate system architecture and control is an important factor in managing various kinds of operational and security risks. Banks face the risk of wrong choice of technology, improper system design and inadequate control processes.

Reputational risk

Reputational risk is the risk of getting significant negative public opinion, which may result in a critical loss of funding or customers. Such risks arise from actions which cause major loss of the public confidence in the banks' ability to perform critical functions or impair bank-customer relationship. It may be due to banks' own action or due to third party action.

Legal risk

Legal risk arises from violation of, or non-conformance with laws, rules, regulations, or prescribed practices, or when the legal rights and obligations of parties to a transaction are not well established.

Money laundering risk

As Internet banking transactions are conducted remotely banks may find it difficult to apply traditional method for detecting and preventing undesirable criminal activities. Application of money laundering rules may also be inappropriate for some forms of electronic payments. Thus banks expose themselves to the money laundering risk. This may result in legal sanctions for non-compliance with 'know your customer' laws.

Cross border risks

Internet banking is based on technology that, by its very nature, is designed to extend the geographic reach of banks and customers. Such market expansion can extend beyond national borders. This causes various risks.

Strategic Risk

This risk is associated with the introduction of a new product or service. Degree of this risk depends upon how well the institution has addressed the various issues related to development of a business plan, availability of sufficient resources to support this plan, credibility of the vendor (if outsourced) and level of the technology used in comparison to the available technology etc.

Other risks

Traditional banking risks such as credit risk, liquidity risk, interest rate risk and market risk are also present in Internet banking. These risks get intensified due to the very nature of Internet banking on account of use of electronic channels as well as absence of geographical limits. However, their practical consequences may be of a different magnitude for banks and supervisors than operational, reputational and legal risks. This may be particularly true for banks that engage in a variety of banking activities, as compared to banks or bank subsidiaries that specialize in Internet banking.

Opportunities of E-Banking

Several Channels: Banks can offer so many channels to access their banking and other services such as ATM, Local branches, Telephone/mobile banking, video banking etc,. to increase the banking business.

Bill Payment Services:

E-banking can facilitate payment of various bills, credit cards and insurance premium as each bank has tie-ups with various utility companies, service providers and insurance companies, across the country.

Increasing Internet Users & Computer Literacy:

To use internet banking services people should know and own internet services so that they can easily avail internet banking services. Rapidly increasing internet users in India can be a very big opportunity and the banking industry can encash this opportunity to attract more internet users to adopt internet banking services.

Creating high-value digital services to customers:

Customer behaviors and expectations have changed rapidly over the years. The trend towards digitisation is visible across the board, with the banking industry at the forefront. Customers can access banking services anytime and anywhere, using the channel of their choice. Customers can perform basic banking operations by sitting at office or home through smart phone, or computers. Thus E-banking facilitates home banking.

Competitive Advantage:

The benefit of adopting e-banking provides a competitive advantage to the banks over other players. The implementation of e-banking is beneficial for the bank in many ways as it reduces the cost to banks, improves customer relation, increases the geographical reach of the bank, etc,. The benefit of e-banking has become opportunities for banks to manage their banking business in a better way.

Competence:

Banks can become more efficient by providing internet access for the customers. E-banking provides the bank with paper less system. E-banking creates strong basic infrastructure for the banks to embark upon many cash management products and to venture in the new fields like e-commerce, EDI, etc.

CONCLUSION

In India, E-banking is in a growing stage. No doubt Indian banks are making sincere efforts for the adoption of advanced technology and installation of e-delivery channels but still rural masses are wary of the concept. Banks are making sincere efforts to popularize the e-banking services and products. Younger generation is beginning feels the convenience and benefits of e banking.

In the years to come, e-banking will not only be an acceptable mode of banking but will also be a preferred mode of banking.

REFERENCES

1. https://www.rbi.org.in/SCRIPTs/PublicationReportDetails.aspx?UrlPage=&ID=243#ch4
2. https://www.legalserviceindia.com/legal/article-3322-e-banking-frauds-and-indian-legal-prospective.html
3. https://www.paisabazaar.com/banking/e-banking-services/
4. https://dailytools.in/BankingKnowledge/EBanking

"E-Governance in India: Prospects and Challenges"

Shri. Santosh Basingi
Assistant Professor
Department of Commerce
KLE's S.S.M.S. College, Athani.

Shri. S.L. Patil
Principal
KLE's S.S.M.S. Arts, Science and Commerce College, Athani.

ABSTRACT:

With the development in the region of ICT (Information, Communication and Technology) it has become the requisite of government to alter its services from manual to computers i.e. to penetrate into the paperless era. Even though ICT has produced an environment in which communication has become improved and faster, but executing these E-services is not a single day and it is not a task that can be performed by single person. Government has taken an initiative step to provide a variety of government services to its citizens through the use of ICT. Conversely in developing countries such as India, there are many confronts in front of government in implementing these services through internet. Since the major part of the population is below poverty line and even the rate of literacy towards IT services is also extremely low, it has become a major challenge for the implementing agencies. The government in India has been uninterruptedly putting efforts to provide citizen services in a better way. There have been some successful initiatives and several remarkable projects that have been undertaken in many Indian states. This paper has attempted to discover the challenges faced during the implementation of E-Governance in India and the tactics to improve the effectiveness and efficiency of E-Governance.

Keywords: Advancement, Challenges, E-Governance, E-Services, ICT

OBJECTIVES:

1. To give an outline of E-Governance.
2. To study the grounds and scope of E-Governance.

3. To chart E-Governance initiatives in India.
4. To appraise the main challenges and future scenario of E-Governance in India
5. To scrutinize and present concluding remarks.

RESEARCH METHODOLOGY:

This paper is separated into five parts based on secondary data collected from different sources. The present article illustrates various parts in relation to the above stated objectives.

INTRODUCTION:

Governance is an olden term derived from the Greek word KEBERNON, which means to steer. It is referred to as "use of internet by the government to render its services to the citizens i.e to customers, businesses and other stakeholders". The grow of the digital society, the internet and reasonable computing has brought about a shift from conventional government offices with paper-based processes towards electronic resources such as the web and intranets. This change has affected not only to the citizens and businesses, but also to the public administrations of whole countries. E-governance is not about systems and specifications, but is ultimately about how society will develop. It is this challenge that compels governments to look to internet technology to raise the bar in public services – reducing costs while improving relationships with citizens.

E-GOVERNANCE AND ITS BENEFITS:

E-Government offers a number of prospective benefits to the citizens. E-Government can also helps in massive cost savings to governments as well as citizens identically, helps to enhance transparency, diminish corruption and reinforce general society as well as democratic system. It offers citizens more control on how and when they act together with the government. Similar to the mentioned common rationale, the policy-makers at the top level in India have a tendency to give explanation for the adoption and expansion of e-governance on the basis that it costs less, decreases waste, encourages transparency, abolishes corruption, creates possibilities to resolve rural poverty along with inequality, and promises a better future for citizens.

SCOPE OF E-GOVERNANCE INTERACTIONS:

On the center of the relations between three main players, i.e. government, business and citizens there can be five different interrelated areas of e-government.

Government to Government (G2G):

In this structure, Information and Communication Technology (ICT) is utilized not only to reform the governmental procedures concerned in the working of government units but also to amplify the flow of data as well as services within and between dissimilar units. This type of interaction survives inside the bubble of government at both horizontal (amongst various government agencies and departments) and vertical (amongst the layers of government i.e. national, state as well as local government agencies). This type of interaction promotes efficiency, performance and result in public sector business.

Government to Citizens (G2C):

A line is drawn between the government and citizens which permits the citizens to benefit from proficient deliverance of a large range of public services. This enlarges the ease of use and ease of access of public services on the one hand where as develops the quality of services on the other hand. It furnishes citizens the option of when to intermingle with the government, from where to intermingle with the government and how to intermingle with the government. This type of communication is the root of governance in the brains of citizens' taking part in decision making. It stimulates larger citizens' involvement in governance and builds the government more responsive.

Government to Business (G2B):

E-governance tools are utilized to help the business society – suppliers of products to flawlessly cooperate with the government. The intention is to cut red tape, save time, trim down operational costs and to form a more crystal clear business environment while dealing with the government. The G2B projects can be transactional, such as in licensing, permits, procurement processes and revenue collection. They can also be promotional and beneficial, such as in trade, tourism and investment.

Government to Employees (G2E):

Government is one of the key employers of labor in India and as such engages in a two-way interface with its employees on a usual basis. Utilization of ICT tools helps in making these interactions fast and efficient on the one way and escalating satisfaction levels of employees on the other way.

E-GOVERNMENT INITIATIVES IN INDIA: AN OVERVIEW

A number of areas had been taken up for e-governance. These encompass reforms in the Ministry of Corporate Affairs and introduction of technology along with reforms in 27 areas. The practices in the Railways earlier for reservation and in repayment of customs duty by the Department of Customs have been very affirmative. It is planned that 60,000 general service centers are in place to offer delivery of public services from corner to corner of the country. It is also intended to enlarge the optical fibre network and expand broadband connectivity to each panchayat levels. This would assist in providing all services that are available at the panchayat level through e-mode to the citizens.

Following regions have governance delivery in electronic form:

- Automation of Central Excise and Service Tax (ACES) that intends at upgrading taxpayer services, lucidity, accountability and efficiency in the indirect tax administration in India, commenced in the year 2009.
- On the way to update, the Central Government administrative centers through introduction of ICT and EOFFICE is intended at mounting the practice of work flow along with rule based file routing, quick search and retrieval of files and office orders, digital signatures for authentication, forms and reporting components, since 2008.
- MCA21 was established as a service-directed approach in the design and delivery of Government services, in 2006.
- Digitization of land records has been initiated to assist regarding easy maintenance and updates in land databases.

IV. CHALLENGES OF E-GOVERNANCE IN INDIA:

There are many challenges which are facing by the e-governance. The key challenges that are being faced by India are considered in the following text.

1. Socio-Cultural Problems:

India is one of the most populated countries with around 70% of the population living in rural areas. Illiteracy is around 30% of the population (Census: 2011) and even it is high in case of rural area and fewer developed states like Bihar, Orissa and UP among others. Secondarily, the domination of English on internet is major limitation as in the case of India beyond 80% percent of the population does not speak English (Census: 2011). Because of such massive dominance of English over computers and internet are become pretty useless in the villages of India. Moreover, administrative background is not favorable for such measures. The records signify that considerable digital divide is existing between rich and poor areas in the country (Economic Survey: 2013).

2. Infrastructural and Technological Constraints:

Internet circulation is still very low down in India. According to ITU (2011) there are around 120 million Internet users in a country of 1.2 billion populace — this is just 10% of the population. Also, there are simply about 15 million fixed broadband subscriptions in India that is only 1.23% of the total population of the country. According to the Economist, India is positioned at the bottom block - 58 out of total 70 countries on ‘digital economy rankings’. The telecommunications infrastructure is still unapproachable to all the regions of India. The government has attempted to invest in infrastructure with an aim to support e-government and ICT.

Economic Restrictions:

More than two third of the Indian GDP is enclosed by the towns and cities, even though less than one third of the people live in them (Economic Survey, 2011). As per the studies of World Bank (2010) almost 68.8% people in India reside on just $2 a day. The spending on subscribing to a telephone network, PC and so on is on the neckline of an average citizen. The same is true with acquiring Internet connection in India where hardly all the internet service providers are situated outside the interior of the country. Ordinary citizens find it extremely complicated to access the internet in an environment where broadband growth is very low and the facilities for its installation remarkably expensive. Computers and Internet connection are two crucial facilities required for any e-government activities, but when such facilities are deficient, as is the case with India, it remains to be seen how e-government can be implemented by the people who need it.

3. Privacy and Security Distress:

Security and privacy of data is one of the most serious technical challenges and is a well recognized issue for e-government execution all around the world. Participants feel that making use of websites to convey their personal information (such as name, picture, date of birth, ID number, credit card details, etc.), sharing information with public agencies through electronically is not safe. They are scared that e-services websites are not secured enough to guard their private information from being tainted or distorted by hackers. For e-government activities, service continuity is critical not only for the availability and delivery of services, but also to make citizen confidence and trustworthy.

Future Prospects of E-governance in India: Vision and Objectives.

a. To render all Government services in electronic means so as to make the Government process crystal clear, citizen-centric, proficient and easily accessible.

b. To break information silos and form shareable resources for all Government bodies.

c. To provide both informational and transactional government services through mobile phones and promote innovation in mobile governance.

d. To build Shared Service Platforms to speed up the adoption of E-Governance and reduce the "cycle time" of E-Governance project implementation.

e. To support and improve sustainability of the existing projects by the way of innovative business models and through continuous combination of advanced technology.

f. To uphold ethical use of technology and data and to form a safe and secured E-Governance cyber world.

g. To craft an ecosystem that encourages innovation in ICT for Governance and for applications that can help the citizens.

CONCLUSION

E-governance signs unparalleled reforms in the processes and structures of governance. It presents scores of benefits to the government as well as its citizens and various other stakeholders. In India, problems of weak governance, poverty, and routine corruption among others could be arrested with successful application of e-governance. The electronically boosted reforms, therefore, are capable of stimulating greater involvement of citizens in policy formulation, responsive governance and administration, besides escort global best practices that cultural and contextual companionable. Further, E-Government is a way through which the government relates with its citizens (e-Citizens and e-Services), improves public service delivery and processes (e-Administration) and builds external interactions (e-Society).

REFERENCES

1. www.iimahd.ernet.in/egov/documents/evaluating-government-service.pdf. Accessed June 01, 2007 – July 01-2007.
2. www.mineco.fgov.be/internet_observatory/pdf/advices/advice_en_002.pdf. Accessed June 01, 2007 – July 01-2007.
3. Maheshwari, S.R. (2000), Major issues and challenges of public administration in the third World – An Overview, in R.D. Sharma, (ed.), Administrative systems of developing societies, New Delhi, Mittal.
4. Gutpa, Vandana and Ajay Sharma (2012), "E-Governance in India: Prospects, Problems and Challenges", Research Journal of Economics & Business Studies, Vol. 1, No. 9, pp.

"A Study on Increasing Interest of Retail Investors in Initial Public Offers in India"

Smt. S.A. Deshpande
Assistant Professor,
Department of Commerce,
KLE's G.I. Bagewadi Arts, Science and Commerce College, Nipani.

Dr. B.M. Hiremath,
Associate Professor,
Department of Commerce,
KLE's SSMS Arts, Science and Commerce College, Athani.

ABSTRACT

The stock market is one of the most rewarding investment avenues in India. Investment in the stock market has the potential to yield handsome returns over a shorter period of time and it made people invest in the stock market. Investors trade in the stock market either through the primary market or through the secondary market. In an Initial Public Offering (IPO) to raise money, the offer is usually geared towards institutional investors. They have always been the dominant force, many a time even getting to dictate the terms and conditions on their sheer clout. But, with a huge influx of retail investors, things seem to be changing now. Retail investors are becoming dominant and that no one can ignore now. In fact, their clout has risen so much that merchant bankers are focusing more on them in this fund raising exercise. Retail demand for recent IPOs has been on a rise. This paper attempts to investigate the factors contributing to the increased interest of retail investors in initial public offerings.

Keywords: IPO, Retail Investors, Stock Markets, Listing.

INTRODUCTION:

The stock market is one of the most rewarding investment avenues in India. Investment in the stock market has the potential to yield handsome returns over a shorter period of time and it made people invest in the stock market. Investors trade in the stock market either through the primary market or through the secondary market. The primary market involves investing in the stock market by applying to the Initial Public Offering (IPO) of a company while the secondary market involves purchasing and selling shares directly from the stock exchange.

In an Initial Public Offering (IPO) to raise money, the offer is usually geared towards institutional investors. They have always been the dominant force, many a time even getting to dictate the terms and conditions on their sheer clout. But, with a huge influx of retail investors, things seem to be changing now. Retail investors are becoming a force that no one can ignore now. Their clout has risen so much that merchant bankers are focusing more on them in this fund raising exercise. Retail demand for recent IPOs has been on a rise. The lure of stellar listing gains has been attracting many first-time investors.

In many cases, the response of retail investors is more than the total size of the issue. That means the companies could have reserved all the shares for retail investors and still sailed through!

During the last six (fiscal) years, the market share of individual retail investors has been increasing sharply by 12 percentage points from 33 percent in FY16 to 45 percent in FY21, rising sharply this financial year, offsetting a decline in the share of FIIs and public and private companies during the same period. NSE has registered 51.3 lakh, new investors, in just four months of this financial year. An influx of retail investors has added more money to the market, often leading to hysterical behavior, especially when people were chasing quick returns. Many see this retail exuberance for IPOs as a telltale sign of the market peaking.

But merchant bankers are not complaining. They have priced their client's IPOs aggressively, with the price to earnings reaching up to 90 times in some cases. The fact remains that retail investors have tasted blood in the IPO mart, with listing gains consistently reaching up to 100 percent. As long as they are making money, their love for IPOs may not be lost. And, IPO managers will continue to exploit this new breed of hungry investors.

OBJECTIVES OF THE STUDY

- To understand the development of Initial Public Offerings in India.
- To understand the types and advantages of Initial Public Offerings.
- To probe the factors influencing increasing retail investor's interests Initial Public Offerings.

RESEARCH METHODOLOGY:

The present study is descriptive in nature and uses secondary data collected from journals, magazines newspapers, etc.

THE INITIAL PUBLIC OFFER (IPO) MARKET

Definition of IPO:

An initial public offering (IPO) refers to the process of offering shares of a private corporation to the public in a new stock issuance. An IPO allows a company to raise capital from public investors. The transition from a private to a public company can be an important time for private investors to fully realize gains from their investment as it typically includes a share premium for current private investors. Meanwhile, it also allows public investors to participate in the offering.

Definition of retail investor:

A retail investor is a non-professional investor who cannot apply or bid for shares worth more than ₹ 2 lakh. Given their low purchasing power, these investors often trade in lower amounts compared with institutional investors. They often have to pay a higher fee for their transactions

An initial public offering (IPO) is a key milestone in a firm's life cycle. A healthy IPO market is important for many reasons. IPOs give entrepreneurs liquidity for their investments, so a vibrant IPO market can stimulate the flow of pre-IPO investments and help develop new ventures. An IPO brings in new investors to a firm, which facilitates the firm's access to future growth capital. Being public also reduces the costs of raising future capital by stimulating the supply of information from the investment community. IPOs are significant as they are regarded as the barometer of the health of the capital market. A single bad IPO can create considerable market disruptions and stall the plans of other firms that want to go public. Relatedly, an important reason for ensuring a smoothly functioning IPO market is to manage investor frenzy. IPOs are closely watched by investors and the media. Overheated IPO markets could result in cascades in which enthusiastic investors overbid for IPOs, create bubbles, and ride them out. The subsequent correction of bubbles and the distorted real investments induced by wrong price signals could create negative externalities for the real economy.

From a policy perspective, the key issue in ensuring a healthy IPO market is how to enable an environment where IPOs can be reasonably priced. Fair pricing ensures that firms sell instruments at acceptable prices, and investors get appropriate risk-adjusted returns. Fair pricing for IPOs is, however, challenging. IPO firms face the markets for the first time. Relatively little is known about an IPO firm's prospects, governance quality, and other parameters that are relevant for valuation. These information gaps could result in issues being underpriced or being valued at substantial discounts relative to fair value. Thus, the main focus of IPO regulations is to mitigate information gaps between firms and investors. Regulator Stock Markets in India Securities Exchange Board of India (SEBI) facilitates this through policies to increase the quality of pre-IPO disclosures and by specifying mechanisms by which firms can make IPOs.

Initial Public Offering (IPO) Process Overview

- A private company decides to raise capital through an IPO.
- The company contracts an underwriter, usually a consortium of investment banks that assess the company's financial needs and decide the price/price band of shares, number of shares to be offered, etc.
- The underwriter then participates in the drafting of the application (to SEBI) for approval with details of the company's past financial records including profits, debts/liabilities, assets, and net worth. Also, the draft mentions how the funds to be raised will be used.
- SEBI carefully scrutinizes the application and after making sure that all eligibility norms are fulfilled, it gives the company the go-ahead to release the 'red herring prospectus.
- The 'red herring' prospectus is a document released by the company mentioning the number of shares and the issue price/price band (the price of one share) to be offered in the IPO. It also has details of the company's past performance.
- In a 'Road show', executives travel to meet with and woo potential investors to buy their company's shares.
- An IPO opens and can last for 3-21 days, though it is usually open for 5 days.
- During this time, retail investors can bid for stocks through their banks/brokerages via the Internet.
- Investors need to have a Demat account to participate in an IPO and a PAN card.
- If the stocks bid for are allotted, they'll be credited to investor's Demat account. If not, money is returned.

Methods of IPOs

Book Building Route: It is a type of process that an underwriter uses to figure out at what price should an IPO be sold. Fund managers submit the number of shares they wish to purchase and at what price. This helps the underwriters determine the value & initial share price of the IPO.

Underwriting: An underwriter is the one (or a group of investment banks) who assesses a company's financial needs and decides the price/price range of shares, number of shares, etc. They also participate in the drafting of an IPO's application to SEBI.

Finally, after the IPO comes to an end, the newly public stock is listed on a stock exchange. From then on, trade can take place in the publicly held shares on the stock market.

ADVANTAGES OF INVESTING IN IPOs:

There are certainly some advantages of investing in IPOs. Here are some of these unique IPO advantages

1. Access to top-quality unlisted stocks

There are several marquee companies that have come into the stock markets through the IPO route. Here are some stand-out examples. L&T Infotech is a 9-bagger since its IPO in July 2016. Team lease is a 5-bagger since January 2016. Dixon Technologies has been a 12-bagger since September 2017 while CDSL has been a 10- bagger since June 2017.

In an IPO, the merchant bankers and the issuers try to attract maximum buying interest. Hence, the endeavor is to leave something on the table for investors. That is where the biggest benefit comes from the IPO. While one can buy these stocks in the secondary market, the price would be much steeper

2. IPOs give access to quality PSU stocks

The PSU stocks may not be the darling of the markets but some of them have done well. For example, this year, two major divestment issues of BPCL and LIC are expected to hit the market. In the last few years, the primary markets gave access to the shares of high-quality companies like Hindustan Aeronautics and Cochin Shipyards. Of course, Coal India in 2010 remains the largest IPO ever.

Divestments were a lot more aggressive in the pre-2007 period and one of the classic examples has been the divestment of Maruti in 2002, which went on to become a 100-bagger over time. These IPOs give access to such quality papers of top-class PSU companies.

3. IPO norms favor small investors

If you are a retail investor, then you have a huge benefit in that the allotment process is designed to ensure that the maximum number of applicants get allotment. This normally works in favor of the small investor. Quite a few such measures are favouring retail investors. In most PSU IPOs, retail investors are eligible to get a discount over the issue price applicable to HNIs and institutions. Secondly, even within the retail quota, small investors get higher allotments since the focus of SEBI is on broadening the retail ownerships.

4. SEBI's streamlined IPO regulation and IPO processes

If there is one area where SEBI has placed a lot of accent in fine-tuning processes and ensuring safety, it is in primary markets. Crunching the time to allotment and listing has impelled companies and investment bankers to fine-tune processes. They also follow higher standards of disclosure and transparency. This has made IPO markets more professional and safer for retail investors. In the secondary markets, there tends to be more information and noise but limited insights. IPOs manage to squeeze all the intelligence of the company into the prospectus.

5. Information Symmetry

Most secondary market stocks are tracked by institutional investors, analysts, and insiders. Some are even over-tracked. These institutions and analysts have an edge in terms of information access. IPOs are not tracked by analysts so the only source of information is the IPO prospectus. Therefore, in terms of information symmetry, retail investors are at par with analysts and institutions. This is unique to IPOs.

Top 10: Retail demand for IPOs in 2021

Name of the issue	Issue price (Rs)	Subscription (x)	Subscription (Rs cr)
Glenmark Life Sciences Limited	720	15	7,946
Zomato Limited	76	7	7,336
Indigo Paints Limited	1,490	16	6,467

Name of the issue	Issue price (Rs)	Subscription (x)	Subscription (Rs cr)
Tatva Chintan Pharma Chem Limited	1,083	35	6,244
Indian Railway Finance Corporation Limited	26	4	5,942
MTAR Technologies Limited	575	28	5,928
Clean Science and Technology Limited	900	9	4,982
Nazara Technologies Limited	1,101	75	4,372
Laxmi Organic Industries Limited	130	20	4,256
G R Infraprojects Limited	837	13	4,156

Given the unpredictability of how a company's stocks would behave on debut, it's prudent to be prepared beforehand

Investing in an Initial Public Offering (IPO), during which a company offers fresh shares for sale, is a tricky business. As much as an IPO promises a windfall to investors, it is also rife with risks. Those with deep pockets can bear the shock but retail investors may find it difficult to manage losses if the market decides to swallow their investments. It is thus important that retail investors practice utmost caution when deciding whether to invest or stay away from an IPO. But how do you do that? What are the key points that every retail investor should keep in mind during an IPO?

FACTORS DETERMINING THE INVESTOR DECISIONS IN IPOs.

1. Due Diligence

All listed companies are bound by regulations to publicly divulge information that may affect their stock prices. But a company going for an IPO is not listed, making it difficult for investors to get information about it. Investors should make every effort to learn about a company's financial ability, record, and promoters before applying to buy its shares.

2. The Company Fundamentals:

Analyze the fundamentals of a company going to be listed on an exchange for the first time by comparing it to those leading the segment it operates in. For example: look for the medium-to-long term growth potential of the sector. Compare its potential concerning its competitors. This will give you a fair assessment of the price of the IPO stock whether it is undervalued, overvalued, or just right.

3. The Prospectus:

Every company going for an IPO has a draft red herring prospectus (DHRP). This document contains various details about the company – such as its financial standing, its performance so far, its promoters, and its competition. While this document has a lot of information about the company, it is nonetheless prepared by the company. So, verify.

4. Institutional Investor Interest

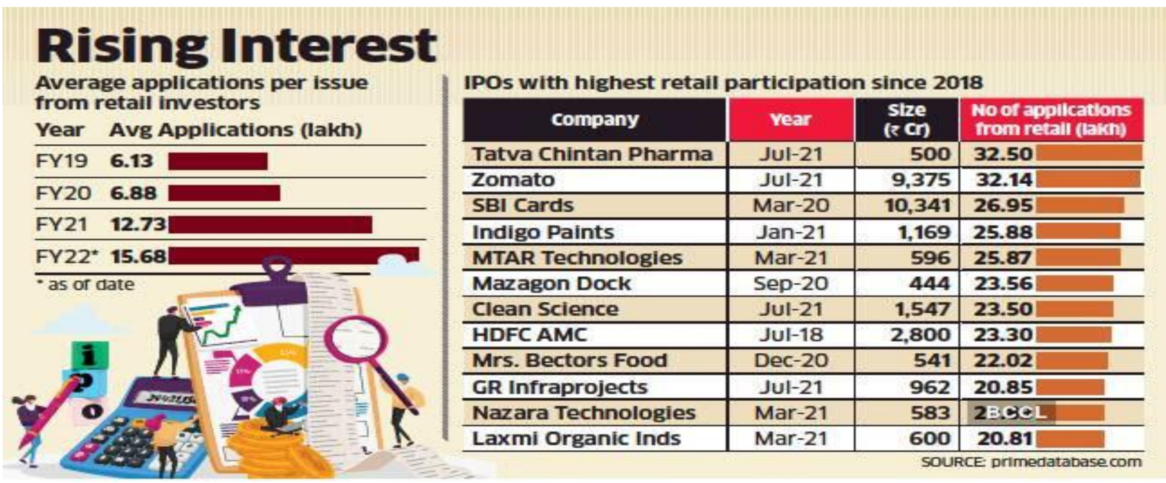
Retail buyers should always check how interested institutional investors appear in an IPO. That would give them a hint of how secure or risky the investment would be. A greater institutional buyer interest may suggest market confidence in the IPO. But retail investors are advised to make their own decisions irrespective of those whose motives are not known to them.

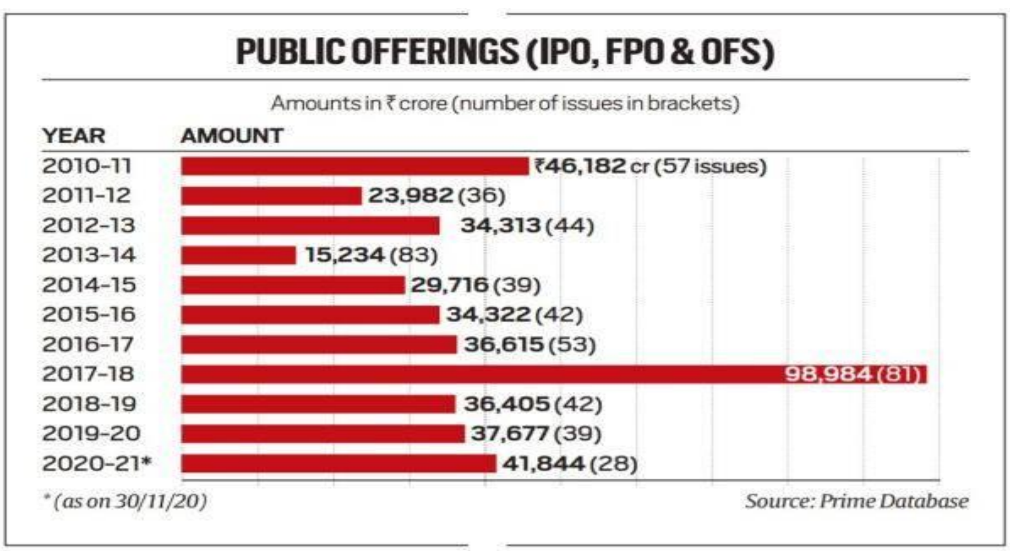
5. Investment Goals

Ask yourself what you want to achieve with a particular investment. Once your goals are clear, you can then compare whether an IPO fulfills them or not and decide accordingly.

The retail participation in Indian stock markets is rising, 44.7 lakh retail investor accounts have been added during the two months of this fiscal. The number of individual investors in the market has increased by a whopping 142 lakh in FY21, with 122.5 lakh new accounts at CDSL and 19.7 lakh in NSDL, the report said. Also, the share of individual investors in total turnover on the stock exchange has risen to 45% from 39% in Mar'20, as shown by NSE data.

FACTORS INFLUENCING INCREASED RETAIL PARTICIPATION IN IPOS:





1. Declining saving avenues amidst the low-interest rate regime has led to greater interest by individuals in the stock market.

2. With the key repo rate at 4%, the FD rates vary from 2.9% to 5.4 for different tenures (SBI FD rate). Even the current small savings rate is low, varying from 7.6% on Sukanya Samriddhi Yojana Account Scheme, 7.4% on Senior Citizen Savings Scheme, 7.1% on Public Provident Fund, and 6.8% on National Savings Certificate.

3. Another reason could be the significant increase in global liquidity. "The stellar performance of the recent IPOs – both in terms of listing gains and returns post-listing – will keep investor interest elevated in new offerings.

4. Additionally, the pandemic which has resulted in people spending more time in their homes might also be another reason for their tilt towards the stock market trading.

5. The stellar performance of the recent IPOs – both in terms of listing gains and returns post-listing keep investor's interest elevated in the new offerings.

6. Mobile trading applications, which are easy to use, have eased the process of applying for IPOs. "Technology has dramatically reduced the barrier of entry for individual investors from participating in the primary market as now it takes just a minute to apply for an IPO. Technology plays a key role in increasing participation in new offerings beyond top-10 cities and penetrating Tier 2 and tier 3 cities now. Earlier, investors had to fill up IPO applications for each issue and the period between the time of issue and the listing was as long as a fortnight, resulting in application money getting stuck

7. ASBA makes IPO investing very economical

Retail investments in IPOs are routed through ASBA. Applications Supported by Blocked Amounts (ASBA) ensure that the amount is only blocked to the extent of your application. The actual allotment amount is debited to your bank only after shares are allotted. Small investors do not lose interest on unallotted portion and so it works out more economical, although access to the funds is still restricted.. Retail investors are pumping money into equities like never before. More than two crore Demat accounts have been added since April 2020.

CONCLUSION

As Sensex crosses, another milestone of 63K points, a large part of it is because of retail investors. Indian investors aren't just investing in stocks more, they are moving the markets now, helping IPOs sail through and cushioning the blow when big investors exit the market. .

REFERENCES

https://www.indianivesh.in/kb-blog/what-is-ipo

https://www.investopedia.com/terms/i/ipo.asp

https://www.ndtv.com/business/key-factors-to-consider-for-retail-investors-before-joining-the-ipo-frenzy-2487329

https://www.livemint.com/market/stock-market-news/why-more-and-more-individual-investors-in-india-are-investing-in-stock-market-11624337297582.html

https://economictimes.indiatimes.com/markets/ipos/fpos/strong-listing-gains-driving-retail-investors-by-hordes-to-ipos/articleshow/84664307.cms?from=mdr

http://timesofindia.indiatimes.com/articleshow/85295571.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst_prime

https://www1.nseindia.com/research/content/nse_nyu/NSE_NYU_12-13WPCh-4.pdf

"Overview of Mergers and Acquisitions in India"

Smt. Roopali Patil,
Assistant professor,
Department of Commerce,
KLE's SSMS College Athani

Smt. Priyanka Kamate
Assistant professor,
Department of Commerce
KLE's G. I. Bagewadi College Nippani

ABSTRACT

Today we are living in a time of significant monetary changing world. Mergers and acquisitions have become now a day's common business tools and these are implemented by number of companies in world. In corporate finance, mergers and acquisitions are transactions in which the ownership of companies, other business organizations, or their operating units are transferred or consolidated with other entities. Mergers & Acquisitions are a business activity where either two companies merge to become one entity or one larger company takes over the control of another small company. As an aspect of strategic management, M&A can allow enterprises to grow and change the nature of their business or competitive position in the modern world. Through mergers and acquisitions deals, companies could quickly enter into new product lines or new markets according to their long-term corporate strategy. The article answers the question why mergers and acquisitions are important in today's economy. It presents brief overview about merger and acquisitions and the advantages of Mergers & Acquisitions deals and underlines their features. The article concludes by focusing motives of merger and acquisitions.

Keywords: Merger, Acquisitions, Deals, Strategic Management, Motives etc..

INTRODUCTION:

In corporate world there are many kinds of transaction, such as a merger, acquisition, initial public offering (IPO) or a bankruptcy. From a legal point of view, a merger is a legal consolidation of two entities into one, whereas an acquisition occurs when one entity takes ownership of another entity's share capital, equity interests or assets. From a commercial and economic point of view, both types of transactions generally result in the consolidation of assets and liabilities under one entity.

A transaction legally structured as an acquisition may have the effect of placing one party's business under the indirect ownership of the other party's shareholders, while a transaction legally structured as a merger may give each party's shareholders partial ownership and control of the combined enterprise. Mergers or amalgamation, result in the combination of two or more companies into one, wherein the merging entities lose their identities. No fresh investment is made through this process. However, an exchange of shares takes place between the entities involved in such a process. Generally, the company that survives is the buyer which retains its identity and the seller company is turn off.

OBJECTIVES OF THE STUDY:

- To know the role of merger and acquisitions.
- To examine the present scope merger and acquisitions in India.
- To analyze impact of merger and acquisitions in corporate world.
- To know the motives behind the merger and acquisitions.

METHODOLOGY OF STUDY:

The Secondary data collection method is applied in this research paper. basically the research paper is conceptual in nature and by the qualitative data collected from secondary source, in which the data are bring together from annual reports, financial statements of the different companies that involve in mergers and acquisitions, newspaper, books, journals and internet. The study examines objectives of paper, how merger and acquisitions impact in corporate world and all other related aspects, so here secondary data can be a suitable source of information to help frame and answer the research questions.

STEPS IN MERGER AND ACQUISITIONS PROCESS

1. Developing an M&A Strategy
2. Develop search criteria
3. Develop a list of companies for acquisition

4. Contact target companies
5. Perform valuation analysis
6. Negotiations
7. Letter of Intent sending
8. M&A Due Diligence
9. Purchase and sale contract
10. Integration process

Merger and acquisitions in India from 1999 to 2013

Chart - 1

TABLE -1

Merger and acquisition deals from 2017 to 2019

Deal summary – April	Volume			Value ($ million)		
Year	**2017**	**2018**	**2019**	**2017**	**2018**	**2019**
Domestic	17	17	22	517	2,020	245
Cross-border	9	19	13	1,591	1,848	490
• Inbound	5	11	7	1,505	1,083	318
• Outbound	4	8	6	86	765	172
Mergers and internal restructuring	3	4		48	15,274	
Total M&A	**29**	**40**	**35**	**2,156**	**19,142**	**735**
PE	85	82	80	2,917	2,624	3,844
Grand total	**114**	**122**	**115**	**5,073**	**21,766**	**4,579**

MERGER & ACQUISITION THROUGH:

There are various methods through which companies can take part in merger & acquisition deals such as:

By purchasing assets

By purchasing common shares

By exchange of shares for assets

By exchanging shares for shares only

MOTIVES BEHIND MERGER AND ACQUISITION

Mergers and acquisitions are regarded as a crucial part of strategic management under the corporate finance. The different motives behind a merger & acquisition can be categorized as follow:

1. **Attain faster growth**

The major benefit of a merger or acquisition deal can be calculated by evaluating the growth plan. Such deals have the probable to exponentially increase the growth of the company due to the high rise of the resources. It is just simple math that when two companies combine, then their corresponding assets, as well as market share, are also merged and this widens opportunities for growth. And the increased market power is directly proportional to more annual turnovers.

2. **Attain positive synergy**

The concept of synergy states that the collective return of two companies will be greater than the sum of the returns of the companies as individuals. A merger & acquisition process helps to boost the company's performance for its shareholders. The potential synergy from the merger & acquisition between two or more companies is evaluated before the final contract is signed. Encouraging and greater synergy is often the main motive for a merger or acquisition.

3. **Development of the market**

No market is perfect and there are always loopholes that businesses utilize for their own profit. Acquiring or merging of two similar companies help to form a leading place in the existing market. This allows them to attain a monopoly over its competitors. A merger & acquisition deal also increases the market power of the involved companies by reducing their dependence on other companies for raw materials.

4. **Facilitates transfer of technology**

When the two companies involved in a merger & acquisition are technology-driven, then a potential motive is the shift of technology. The companies must be using unique technologies and sharing them could empower them a better market share. Through mergers and acquisitions, the growth process can be done in an easier and cost-effective manner.

5. **Achieve diversification**

Mergers and acquisitions assist companies to attain diversification in their business. Always there will be both risks and profit in acquiring special businesses. Entering into different special fields helps the company to maintain a positive impact in the share market. It is always better to diversify your business portfolio, rather than being stuck with a single plan.

6. **Economies of Scale**:

In general it refers to a method in which the average cost per unit is decreased through increased production, since fixed costs are shared over an increased number of goods. When more the products, more is the bargaining power, This is possible only when the companies merge or combine or acquired, as the same can often eliminate duplicate departments or operation, thereby lowering the cost of the company relative to theoretically the same revenue stream, thus increasing profit. It also provides varied pool of resources of both the combining companies along with a larger share in the market, wherein the resources can be work out.

7. **Increased revenue /Increased Market Share**:

This motive believes that the company will be absorbing the major participant and thus increase its power (by capturing increased market share) to set prices.

8. **Corporate Synergy**:

Better make use of of complimentary resources. It may take the form of revenue enhancement. To generate more revenue than its two predecessor standalone companies would be able to generate and cost savings i.e. to reduce or eliminate expenses associated with running a business.

9. **Resource transfer**:

Resources are unevenly distributed across firms and interaction of target and acquiring firm resources can create value through either overcoming information asymmetry or by combining limited resources. E. g: Laying of employees, reducing taxes etc.

10. **Improved market and industry visibility**:

One Company acquires another company to reach new markets and grow revenues and earnings. A merge may expand two companies' marketing and distribution, giving them new sales opportunities. A merger can also improve a company's standing in the investment community; bigger firms often have an easier time raising capital than smaller ones.

ADVANTAGES OF MERGER AND ACQUISITION:

The general advantage behind mergers and acquisition is that it provides a productive platform for the companies to grow, though much of it depends on the way the deal is implemented. It is a way to increase market penetration in a particular area with the help of an established base.

- Accessing of new markets
- It increases the market share
- Improves a company’s performance and accelerate the growth of the company.
- Economies of scale: It enables the company to purchase raw materials in greater quantities, which results in reduced cost.
- Technological changes are followed.
- Tax benefits
- Diversification for higher growth products or markets
- Diversification of risk can be achieved
- Acquiring visibility and global brands
- Buying cutting edge technology rather than importing it

- Taking on global competition
- Improving operating margins and efficiencies

CONCLUSION:

It is not possible for every company to have all the resources and technology required for successful development. A company agrees to a merger & acquisition, then the main motive is to obtain unique capabilities and resources which best suits its shares in the market. For a merger & acquisition, the motive can be a single or several. It is important to select a fittest one to evaluate the resulting synergies and market share, because a weak one can lead to the loss of both time and resources. The crucial reason behind mergers and acquisitions is that organizations merge and form a single entity to achieve economies of scale, acquire strategic skills, and gain competitive advantage. In simple terminology, mergers are considered as an important tool by companies for purpose of expanding their operation and increasing their profits, which depends on the kind of companies being merged. Indian markets have witnessed growing trend in mergers which may be due to business consolidation by big industrial houses, consolidation of business by multinationals operating in India, increasing competition against imports and acquisition activities. Therefore, it is ripe time for business houses and corporate to watch the Indian market, and grab the opportunity.

REFERENCE:

- Report of Ministry of Corporate Affairs Government of India
- Investment analysis andportfolio management, Prasanna Chandra fourth edition, McGraw Hill Education pvt ltd.
- https://www.mca.gov.in/content/mca/global/en/data-and-reports/reports/other-reports/report-company-law/mergers-and-acquisitions.htm
- lhttps://medium.com/@pghbizforsale/what-are-the-different-motives-for-mergers-acquisitions-803a6b2d4fbe
- https://www.globaldata.com/global-ma-activity-increased-48-q1-2021-deal-value-compared-q1-2020-says-globaldata/
- https://www.grantthornton.in/insights/articles/monthly-dealtracker---april-2019
- News paper and journals

"Financial Support System for boosting Start-ups – A study with reference to Bengaluru City"

Dr Balaji M,
Assistant Professor,
Department of Commerce
St. Francis College, Bengaluru, Karnataka.

ABSTRACT

India stands in third place as the most prominent tech start-ups globally and has the second-largest start-up ecosystem. Bengaluru being the Mecca of startups, accounts for 41% of all new ventures launched in India." Start-up India flagship initiative" was the primary reason for such an outcome. Though there is an essential shift towards creating a business-friendly and favourable environment for the startups, the actual translation of ideas into realities requires adequate and appropriate funding sources. The process of embracing and nurturing innovative business ideas that contribute to employment generation and acting as a problem-solving mechanism requires only funding sources at each startup stage. This research paper aims to analyze and study the modes of funding at each stage of startups and problems associated while accessing the same.

Keywords: Start-ups, Start-up Ecosystem, innovation, Sources of funding, Associated Problems.

Introduction

India is the developing south Asian country, is the 7th largest by its area and the most populous one. A rise in the population signals a more significant prospective for more employment generation. And there is an increasing demand to a great extent for more innovative systems. One of these systems is a startup ecosystem. And India is in the process of undertaking an essential shift towards creating a business-friendly environment. The years between 2010-2020 are declared to be the innovative decade by India. The motives for self-employment and the urge to embrace the startup India Initiative, which remains a nurturing force and creating a platform of dynamism for the startup ecosystem, are remarkable.

According to the NASSCOM- ZINNOVE report titled "Indian startup ecosystem 2018," India has emerged as the third biggest startup hub globally. In particular, across India, Bengaluru has been receiving increased global recognition as a tech startup hub. It is considered the home for the most significant tech startups in the country and the third-largest in the world.

According to Gazette notification released by the Department for Promotion of Industry and Internal Trade (DPIIT) defined Start-up as an entity with the following parameters:

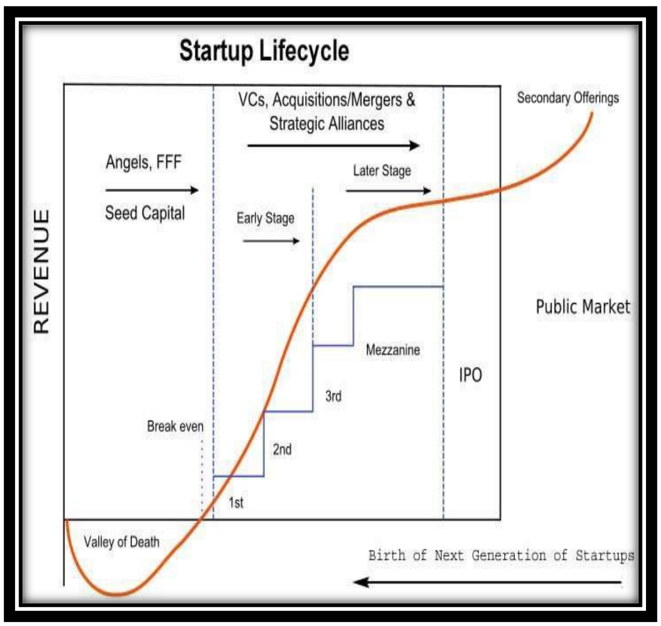
Till up to 10 years from its date of incorporation.

With an annual turnover not exceeding INR100 crores in the preceding financial year and working towards innovation, development, or improvement of product or process or service.

It is a scalable business model with a high potential for employment generation or wealth creation and such an entity is not formed by splitting up or reconstructing a business already in existence.

1.1 Diagrammatic representation of Start-up funding

Stages of startup and available modes of funding at each stage



(Source: Secondary data)

1. **Self-funding/Bootstrapping:** It is a form of pre-seed capital that consists of low-level financing for fructifying a new idea.
2. **Startup funding:**Startup funding refers to the expenses being directed for manufacturing and new firms' early sales funding.

3. **Second- Round:** This funding phase is related to the operational capital given for early-stage companies selling products but not returning a profit.
4. **Third-Round:** Also known as Mezzanine financing, this is the money for expanding a newly profitable company.
5. **Fourth-Round:** Also called bridge financing, the fourth round is proposed for the "going public" process.

Sources of finance:

1. **Angel investors:** Angel finance is an informal form of direct finance, where wealthy individuals can invest directly in small companies or startups through an equity contract.
2. **Venture Capital:** Venture capital is a formal kind of financing strategy made available to the firm's early-stage that involves ample risk of total loss or failure of the firm. It is the primary source of finance for the high technology firm and contributes to startup firms' growth and maturity stage.
3. **Owner's capital**: for the startup firms in the initial stage, owner's capital is seen as "Seed Funding" when the options for external finance are limited. It is an essential source of internal financing that comprises funds from the owner's savings, investments, family, and friends. These firms have no collateral or track records to approach external funding.
4. **Banks:** The decision for startups to opt for banking finance depends upon different criteria like time frame, amount of credit availability, level of inference, and supervision across firms. As it is an external source of funding, startups have difficulty obtaining it due to vague prospects.
5. **Government grants**: Through the startup India initiative, India's Government launched various schemes exclusively for startups to promote innovation and generate multiple societal benefits.

Here is a list of popular Startup schemes launched by the Indian government, run under different ministries, and further headed by other departments:

Nature of the Scheme	**Industry Applicable**	**Fiscal Incentives**
Support for international Patent	I.T. services, analytics, hardware technology	Up to 15 lakhs or 50% of the total expenses incurred in filing

Protection (SIP)	enterprise software, internet of things, A.I.	and processing of the patent application to grant, whichever is lesser.
Coir Udyami Yojana	Agriculture	The amount of bank credit will be 55% of the total project cost after deducting 40% of the margin money and the owner's contribution of 5% from beneficiaries.
Stand-up India	Sector Agnostic	Composite loans between INR 10 lakhs and INR 1CR to cover 75% of the project cost can be taken up, including term loan and working capital.
MahilaUdyam Nidhi yojana	Sector Agnostic	Provides financial assistance of Rs. 10 lakhs to set up a new small-scale venture, and the repayment of loans is within 10 years.
Pradhan ManthriMudhra Yojana	Sector Agnostic	Provides Sishu Loans covering up to INR 50000, Kishore loans up to 5 lakhs Tarun loans up to 10 lakhs.
MSME Market Development Assistance	Sector Agnostic	The total subsidy on airfare and space rental charges will be restricted to INR 1.25 lakhs per unit.
Software Technology Park (STP)	I.T. services, fintech, enterprise software, analytics, A.I.	Sales in DTA up to 50% of the FOB value of exports is permissible, and depreciation of computers at accelerated rates up

		to 100% over 5 years is acceptable.
The Venture Capital Assistance Scheme	Agriculture	The quantum of SFAC Venture capital Assistance will depend on the project cost and will be the lowest of; 26% of the promoter's equity or INR 50 lakhs.
Idea2PoC	Sector Agnostic	The funding level is up to 50 lakhs, released in tranches as per project milestone.
Credit limited Capital subsidy for technology up-gradation	Sector Agnostic	The funding level of up to INR10 Cr and rate of subsidy enhanced to 15%.

1.3. Issues and Challenges of Startups;

- Inadequate Financial Resources
- Poor Revenue generation
- Acquisition of the right kind of talent(Team Members)
- Regulations
- Growth decelerators
- Lack of mentorship

Review of Literature

"Institutional finance of economic development in India" by Sethuraman. Reveals that there is a lack of co-operation among different Financial institutions, follow different patterns of processing techniques for availing financial assistance, a consequence of which entrepreneurs have to bear additional expenditure in the form of application fees and legal charges.

The research paper presented by Dr.Gopaldas Pawan Kumar titled " Indian startups –Issues, Challenges, and Opportunities" discussed the objectives, issues, and challenges that the Indian startups have to face along with the opportunities that the country can provide in the current ecosystem.

"Entrepreneurial issue of funding Startup companies" by Dr.AchibaneMustapa and Jamal Tlay wrote about entrepreneurial finance's basic mechanisms and its relationship with the early stages.

Tamoor Tariq, in his research work titled "startup Financing," stated that startup firms face restricted access to finance, which acts as the main barrier to their growth.

Ankash Dutta, in his journal "Start-up Initiative," showed the limelight on the startup campaign initiative taken by the Indian government and discussed various governmental policies, plans, policies, schemes, and strategies related to startups.

Research Design

3.1. Statement of Problem

Finance is the critical input of the production, distribution, and development of any business organization. Therefore, it is aptly described as the 'Life-blood' of industry and is a prerequisite for accelerating industrial development. Due to lack of financial assistance from banks and other financial institutions, the entrepreneurs' entrepreneurs' capable and potential ideas could not be materialized effectively, as the consequence of which many startups fail in the early stage or even sometimes in the pre-start-up location itself. To know the availability of the financial institutions for startups, awareness level among the entrepreneurs regarding financial facilities and various schemes that are exclusively provided for the startups and also the problems faced while obtaining the loans are studies in the present research paper 'A study on the Financial Support System for Start-ups in Bengaluru City.

3.2. Objectives of the study

1. To study the financial facilities provided by the Indian government for startups.
2. To examine the major problems faced by startups while obtaining financial support.
3. To examine the Entrepreneurs perception regarding institutional financing for startups.

3.3. Data collection sources: Data collection is through Primary sources.

3.4. Scope of the study: The present research paper aims to study the various financial facilities that are available for the startup community, and to analyze the different government economic policies, credit schemes, and plans that are exclusively available for startup firms, and to find the problems associated while obtaining the financial assistance from the Financial Institutions.

The study was conducted in the Bengaluru district.

3.5. Data Collection Instrument: Likert scale questionnaire of 21 questions.

3.6. Sampling design: Stratified random sampling.

3.7. Sample size: 50

3.8. Statistical tools used for analysis: Descriptive statistics such as percentage and graphs are used to describe the results of the study, Weighted average is used to examine the data set which influences the data, and chi-square analysis is used to explore the association between the awareness level of the entrepreneurs and the educational qualification and the association between the managerial experience of the entrepreneurs and problems faced while obtaining the loan.

3.9. Hypothesis:

i. H0: There is no association between the Educational qualification of the entrepreneurs and Awareness level of schemes offered by financial institutions.

   H1: There is an association between the Educational qualification of the entrepreneurs and the Awareness level of schemes offered by financial intuitions.

ii. H0: There is no association between the Managerial experience of entrepreneurs and Problems faced while obtaining the loan from financial institutions.

   H1: There is an association between the Managerial experience of entrepreneurs and Problems faced while obtaining the loan from financial institutions.

3.10. Limitations of the study

1. The study is particularly relating to the financing of startups that covers only Bengaluru urban districts.
2. The sample size of the study was restricted to 50 Startups due to time constraints.
3. The study is majorly focused on governmental financial assistance for Startups.

Data collection and Interpretation

4.1. Demographic study: the demographic study of these startup entrepreneurs reveal that most of the respondents belong to the age group between 21-25 years, with a majority of 92% of the respondents are male, and also the majority of the respondent's entrepreneurs are qualified Graduates.

4.2. Nature of Entrepreneurial activity: respondents from different fields like Agriculture, Automotive, Food catering, Retail, Fashion, Finance, etc. are taken for study. Followed with a majority of 30% of the Startups are Sole proprietorship and more than 50% of the startups are working for less than 2 years.

4.3. Accessibility of government schemes for financing startups

- Start-up India initiative among the entrepreneurs: a majority of 52% of the respondents have a good awareness level.
- Awareness about government schemes of financing: A majority of 32% of the respondents have a good awareness level.
- Awareness about governmental lending procedures: The majority of 44% of respondents' awareness level is average.
- Awareness about terms and conditions of governmental lending: A majority of 40% of respondents' awareness level is average.
- Accessibility of governmental financial facilities: The majority of 44% of respondents have a good awareness level.
- Accessibility of person-in-charge for availing financial assistance: A majority of 48% of respondents have a good awareness level.

4.4. Accessibility of Financial Institutions among the entrepreneurs

- Financial Institutions among the entrepreneurs: A majority of 52% of respondents have a good awareness level.
- Awareness about the financial institution's schemes of financing: A majority of 52% of respondents have a good awareness level.
- Awareness about financial institutions' lending procedures: the majority of 60% of respondents have a good awareness level.
- Awareness about financial institutions' terms and conditions of lending: the majority of 56% have a good awareness level.
- Accessibility of financial institutions: the majority of 44% of respondents have a good awareness level.
- Accessibility of financial services provided by financial institutions: The majority of 52% of respondents have a good awareness level.
- Accessibility of Person-in-charge: 60% of respondents have a Good awareness level.

4.5. Reliability of Financial Institutions

- Reliability of financial institutions lending norms:
- A majority of 52% of respondents say that the reliability of financial institutions' lending norms is good.
- Reliability of assistance given on time: The majority of 44% of respondents say that the responsibility of the aid is delivered on time.
- Reliability of initial funding: A majority of 44% of respondents say that initial financing reliability is Good.
- Reliability for long term finance: the majority of 44% say that long term finance is average
- Reliability for modernization and up-gradation of finance: A majority of 36% of the respondents say that the reliability for modernization and up-gradation required is Good and Average.
- Reliability of financial assistance at financial crisis: A Majority of 44% of the respondents say that the service given at the time of economic turmoil is Good.

4.6. Opinion of Financial Institutions

- Financial institutions follow cumbersome procedures: A majority of 32% of respondents agree that the financial intuitions follow cumbersome procedures.
- Performance of Financial Institutions is less than the expectations of borrowers: the majority of 30% agree that financial institutions' performance is less than the expectations of borrow-up owners.
- Financial Institutions need to educate the Startup entrepreneurs: A majority of 60% of the respondents agree that Financial Institutions need to educate the Start-up entrepreneur.
- Institutional finance for the promotion of technology is inadequate: A majority of 38% of the respondents agree that the Institutional finance for technology is insufficient.
- Financial Institutions should tune in their consonance policies to Startups: A majority of 48% of the respondents say that Financial Institutions should tune in their policies following the Startups.
- Financial Institutions should act as s guide, philosopher, and promoter of Startups: The majority of 52% of respondents agree that the Financial Institutions should serve as a guide, philosopher, and advocate of startups.
- Awareness about the Financial Institutions among the entrepreneurs is deficient: A majority of 40% of respondents agree that the awareness about Financial Institutions among the entrepreneur is low.
- Financial Institutions are inefficient and not at all reliable at financial crisis: A majority of 26% of the respondents agree that Financial Institutions are weak and not reliable at the financial crisis.

4.7. Problems of Financial Institutions

- Processing Time: A majority of 36% say that it is Very High.
- Terms and Conditions: A majority of 48% of respondents say that financial institutions' terms and conditions are neutral.
- Amount of Financial assistance: the majority of 36% of the respondents say the amount of financial aid is High. Higher the amount of financial aid, the higher the problems associated with it.

- Interest: the majority of 44% of respondents say that the financial institutions' amount of interest is high.
- Getting timely assistance: the majority of 44% of the respondents agree that the problem associated with getting timely aid is high.
- Procedure to comply: The majority of 48% of respondents are neutral regarding procedures to have complied.
- Availing concessions for payments: A majority of 16% of the respondents feel that availing concessions for regular repayment of the loan are High.

4.8. Chi-square analysis between respondents' Educational qualification and Awareness level regarding the schemes offered by the financial institutions.

Statistical Tool	Chi-square
Degree of freedom	4
P-Value	0.05
Calculated value	0.999

From the above values, it could be interpreted that since the calculated value is more than the P-value, Null Hypothesis (H0) must be accepted, and the Alternative Hypothesis (H1) is rejected. **Therefore, there is no significant relationship between the respondents' Educational qualification and the Awareness level of schemes offered by financial institutions.**

4.9 Chi-square analysis between the Managerial Experience of respondents and Problems faced while obtaining the loan from financial institutions.

Statistical Tool	Chi-square
Degree of freedom	4
P-Value	0.05
Calculated value	0.999

From the above table, it could be interpreted that the calculated value is more than the P-value, Null Hypothesis (H0) must be accepted, and Alternative Hypothesis (H1) is rejected.

Therefore, there is no significant relationship between the respondents' Managerial Experience and Problems faced while obtaining the loan from financial institutions.

Findings

- Since the first objective of the research paper was to study the various financial facilities provided by the Indian government for financing startups, there is a good awareness level among the respondents about the Start-up India initiative, accessibility, and availability of financial facilities are exclusive for startups.
- But the reliability of financial facilities is ranked to be on average in terms of assistance given on time, initial funding, long-term finance, modernized and up-gradation finance, financial aid in times of economic crisis.
- The study reveals that the financial institutions should act as a guide, philosophers, and promoter of Start-up to lift ideas into reality.
- A majority of the entrepreneurs agree that the financial institutions follow cumbersome procedures, performance is less than the borrowers' expectation.
- Financial institutions need to educate the entrepreneurs, institutional finance for the promotion of technology is inadequate, should tune the policy in accordance to startups.
- A majority of the respondents are unhappy with the processing time, terms and conditions, relationship with banks and other financial institutions, and financial assistance.
- Interest charged for the loan is too high, and availing concession for regular payments is a matter of materialization and procedures to comply.
- The majority of the respondents fall in the age group of 21-25 and are sole proprietors.
- Fifty percent of the startups are working for less than 2 years.

Conclusion

Small fragments of contributions from several entrepreneurs would have a cascading effect on the economy and the employment generation, which would complement large and medium industries' efforts to catapult India into a fast-growing economy. The Start-up community has many challenges ranging from finance to human resource and from launch to sustain the growth of tenacity. Being a country with a large population, many opportunities are available for startups offering products and services ranging from food, retail, hygiene to solar and I.T. applications for day-to-day problems.

Suggestions

- The financial assistance provided by the financial institutions should be feasible for all types of entrepreneurial activities.
- It is suggested to make sanctioning loans and other forms of financial assistance easier by implementing user-friendly modes.
- Financial institutions should conduct various training programs among the entrepreneur community to combat reality and fit in their new ideas to the customer demands.
- Inadequacy of financial and moral support for the development of technology in India is a significant hindrance, therefore exclusive assistance in this field is to be evolved.
- Concessions for the loan's regular repayment and reduced rate of interest charged on the loan amount could be considered

References

1. *Vishnu Varshney, President, and CEO, Gujarat Venture Finance Ltd, Seminar on Venture Capital Financing move eras most dynamic impetus of growth.*
2. *Sethuraman. T.V. (1970), Institutional finance of economic development in India.*
3. *Yousif Khalifa, Financial Development and Economic growth: Another look at the evidence from Developing countries, Journal of economic development.*
4. *Dr. C Shekar Upaadhyaay, Dr. Priyanka Rawal, Start-up, let's start them up.*
5. *RubaAndalleb and Dr. S.D Singh, A Study on Financing Sources for startup companies in India.*
6. *Ankash Dutta, Start-up Initiative Facts for you. p;23197668*
7. *TamoorTriq Start-up Financing*
8. *The problems with and the promise of Entrepreneurial fiancé by Douglass Cumming.*
9. *The entrepreneurial finance and the Issue of Funding Start-up Companies by Dr.Achibane (Doctor in Economic Sciences) and Jamal Tlay (Ph.D. student in management sciences).*
10. *Dr.Gopaldas Pawan Kumar, Start-ups-Issues Challenges and Opportunities.*

"ATTITUDE TOWARDS ADOPTION OF BANKING APPS: AN EMPIRICAL STUDY"

Balaji Ashok Kumar, Assistant Professor,
Government First Grade College, Vemagal, Kolar

Dr. K. Nirmala, Professor,
Bangalore University, Bengaluru

Lavanya Balaji, Research Scholar,
Christ (Deemed To Be University), Bengaluru

ABSTRACT

In modern society, the number of cashless transactions is rapidly increasing. Cashless transactions can be done in a variety of ways. It can be done through cards such as debit cards, credit cards, or UPI etc. Due to the widespread availability of the internet, mobile applications are making it easier for consumers to make payments. The role of technology is rapidly evolving on a daily basis, which benefits banks and financial organizations. Bank is one of the largest financial organizations in the world, and it continuously investigates the usage and benefits of technology in order to provide a variety of services to its consumers. Mobile banking is a service that allows customers to manage their financial transactions and operations via a mobile device. In recent years, the majority of Indian banks, including public sector banks, have developed their own Android client to conduct financial transactions. Even while the younger generation in metropolitan regions finds it convenient, older people in rural areas are still hesitant to adopt this new technology. In this paper acceptability of this new technology in rural areas and elderly people is investigated using structural equation modeling, as well as the factors that influence the use of Android Banking Apps in rural areas and among elderly people is examined.

KEYWORDS: Android App, Factor analysis, Structural Equation Model

INTRODUCTION

The global banking sector is undergoing a profound transition, with visible symptoms developing daily with the introduction of new products and channels of service to clients in the banking business. Technology, which has played a crucial role in this shift, has resulted in the creation of a new variety of products and services that are breaking down geographical barriers (Balakrishnan & Sudha, 2016)**.**The rising use of mobile banking applications in different areas of society has resulted in the provision of numerous mobile banking facilities to customers, allowing them to conveniently make online payments and eliminating the use of paper cash (Brid, Agrahari & Chandran, 2017)**.** Banks use mobile banking as an innovative strategy to succeed in this competitive business. It also helps banks improve their performance and keep their clients satisfied (Lazo & Woldesenbet, 2006)**.** By properly exploiting technology breakthroughs, banks can gain a competitive edge and generate a higher return (Roberts & Amit, 2003).Banks are expected to keep improving their banking products and mobile banking processes in order to achieve a higher return (Porter, 2004)**.** According to data, India will earn roughly Rs. 20,250 crore in fee-based income from mobile banking over the next five years, thanks to decreasing transaction costs, a favourable environment, and higher usage (Singh & Sinha, 2016)**.**As a result, this study focuses primarily on the acceptance of mobile banking apps for paperless banking transactions in rural regions, as India moves toward digitization, there is a need to understand people's acceptance. As a result, this study uses the SEM technique to better understand the factors that influence the use of Android banking apps in rural areas and among elderly people, to make recommendations to banks on how to develop banking apps to satisfy the needs of rural customers and elderly people.

LITERATURE REVIEW

According to (Singh & Sinha, 2016)**.**This paper discusses the importance of mobile E-transactions for customers and encourages banks to work on those areas in order to improve client relationships. Customers' transactions will automatically rise, resulting in more fee-based revenue for banks. This study examines ten different banks in the Delhi/NCR region, as well as providing user feedback on the banks' mobile banking capabilities. Banks can use this information and conduct further analysis to assess client needs in mobile banking. In the banking industry, further research on the use of reviews and ratings in development decision-making is needed. (Ali, Gallivan & Sangari, 2019) suggested that there is a need to study the importance of mobile app development in terms of banking strategic planning. The financial sector, particularly banks, must make the system considerably faster, more mobile, and more convenient for clients so that it reaches all of the country's residents (Balakrishnan & Sudha, 2016). There is a need to study variables such as gender, age, socioeconomic position, experience, or user interaction with bank mobile applications, as well as the impact of device type (differentiating between smartphones and tablets, among others) would be appropriate examples for analyzing the customers interaction with the banking apps (Munoz-Leiva, Climent-Climent & Liébana -Cabanillas, 2017). According to (Gurme & Meshram, 2017) the knowledge of mobile banking, a new era of technology that aids the banking industry in growing at a faster rate, as well as its most crucial role in the development of India's economy. The benefits of mobile banking should reach the average man in even the most remote parts of the country for inclusive growth. All parties, including regulators, the government, telecom service providers, and mobile device manufacturers, as well as bankers, must work together to ensure that mobile banking is widely used, from high-end to low-end consumers, and from metros to midsize towns and rural areas. All will profit from the inclusion of the non-banking population into the financial mainstream. There is also a need to raise knowledge about mobile banking so that more individuals can take advantage of it (Deshwal, 2015). According to (Sankaran & Chakraborty, 2021) given the country's rapidly growing digitization trend, future research can focus on the advocacy model for customers' satisfaction with the use of mobile technology services, as this study evaluates the consumer's behavioral intent to adopt m Banking. Hence in this paper Structural equation modeling is used to evaluate the acceptance of this new technology in rural areas and among elderly people.

NEED FOR THE STUDY

From the literature review we can understand that there are fewer researches done in this field so there is need to study the adoption of Android Banking Apps in rural areas and among elderly people using Structural Equation Modelling.

OBJECTIVES OF THE STUDY

Adoption of Banking Apps in rural areas and among elderly people is investigated using Structural Equation Modelling.

METHODOLOGY

3.3.1 Choice of Kolar District

The Kolar district is the area where the study was conducted. The choice of Kolar district was made based on the researcher's familiarity of the locality, the accessibility of the locality which made easy for the researcher to develop immediate rapport with the respondents hence making data collection more manageable.

3.3.2 Sample

The sample size for the study was 390 and the sample period was from January to May 2021. The technique used for sampling was purposive sampling. The study population consisted of bank customers who frequently visit banks from Kolar district rural areas.

3.3.3 Tools used collect data

The primary data for this study was collected through employing questionnaire to bank customers who frequently visited the banks in and around rural areas of Kolar district.

3.3.4 Data Analysis

To analyse data in this study Structural Equation Modelling was used.

RESULTS AND DISCUSSION

Factor analysis was conducted on the various questionnaire items. From the analysis we first analyse the KMO-Bartlett results.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.704
Bartlett's Test of Sphericity	
Approx. Chi-Square	449.074
df	10
Sig.	0.000

Table 1: KMO & Bartlett test

From the above table it was found that the "Kaiser-Meyer-Olkin Measure of Sampling Adequacy" was more than 0.704, which is good and the "Bartlett's Test of Sphericity" is significant indicating that we can proceed to factor analysis. Next we proceed to perform

"Principal component analysis" using "Varimax rotation" to extract factors.

Table 2: Total Variance Explained

	Initial Eigen values			Extraction of Sums of Squared Loadings			Rotation Sums of Squared loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.337	46.731	46.731	2.337	46.731	46.731	2.108	42.162	42.162
2	1.156	23.129	69.860	1.156	23.129	69.860	1.385	27.698	69.860
3	.642	12.842	82.702						
4	.514	10.283	92.985						

After factorisation we find that two factors were extracted and those two factors explain cumulatively approximately 70% of the total variance. Since the total variance explained was satisfactory, we proceed to analyse the rotated component matrix.

Table 3: Rotated Component Matrix

Items	Component1	Component 2
Banking app is confusing	0.877	
Using Banking app is risky	0.845	
Banking app endangers privacy	0.771	
I can learn technology easily		0.791
Mobile app leads to faster access of banking services		0.834

From the rotated component matrix table it can be found that items of the questionnaire can be categorised into two dimensions. The first component can be described under Perceived risk dimension and second component as attitude dimension. Since there are no cross loadings in the rotated component matrix and to find the impact of risk perception dimension on attitude dimension we proceed to do structural equation modelling.

4.1 Structural Equation Model

We perform Structural Equation model to find the impact of Perceived risk on attitude of the respondents. For this purpose we first analyse the model fit values.

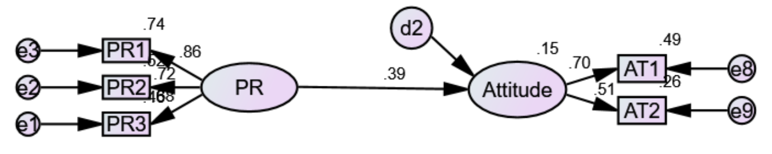


Figure 1: Standardised Model

Table 4: Model Fit Measures

Fit statistic	Recommended	Obtained
Chi-square (χ^2)	-	8.372
Degree of freedom	-	4
Chi-square significance	p<= 0.05	0.000
Chi-square/df	<5	2.093
Goodness of Fit Index	>0.90	0.991
Adjusted Goodness of Fit Index	>0.90	0.968
Normed fit Index	>0.90	0.981
Relative Fit Index	>0.90	0.954
Comparative Fit Index	>0.90	0.990
Root Mean Square Error Approximation	<0.08	0.053

In the model Chi-square appears to be good 8.372 and further Chi-square/df value is 2.093 which is less than 5 suggesting a good fit (Bentler and Bonnet, 1980). Hence we go ahead testing the fit indices like GFI, AGFI, NFI, RFI, CFI all of which were more than 0.9 hence in the acceptable range. Also the Models RMSEA is 0.067 which is less than 0.053 suggesting good model fit. Since the model has a good fit we go ahead to test the path hypothesis.

4.2 Hypothesis framing

Table 5: Path Estimates

			Standardised Estimate	Unstandardised Estimate	Standard Error	Critical Ratio	P value
Attitude	<---	PR	0.387	0.415	0.087	4.795	***
PR3	<---	PR	0.677	1			
PR2	<---	PR	0.721	1.264	0.108	11.703	***
PR1	<---	PR	0.858	1.92	0.163	11.745	***
AT1	<---	Attitude	0.7	1			
AT2	<---	Attitude	0.506	0.693	0.198	3.492	***

Hypothesis: Perceived Risk has the significant impact on Attitude.

Based on the research model and output of AMOS results shown in the above table, the research hypothesis was statistically significant since the Critical ratio (C.R.) is 4.795 which is more than 1.96 and the value of significance level i.e., p value <0.000 which is lower than 0.05. Therefore, Perceived Risk has the significant impact on Attitude.

Conclusion

It was found that the respondents felt that most of the apps of popular banks user interface were confusing. They also opined that they were risky for money transaction and could endanger their privacy. The respondents were confident that they could learn new technology and were aware the speedy delivery of the banking services through apps. But they feel less confident over performing transactions over the mobile apps.

Hence the banks should redesign the user interface of the apps and conduct awareness camps to increase the users confidence, to promote the use of apps among the elderly people and rural users. We the undersigned declare that this manuscript is original, has not been published before and is not currently being considered for publication elsewhere.

We wish to confirm that there are no known conflicts of interest associated with this publication and there has been no significant financial support for this work that could have influenced its outcome.

We confirm that the manuscript has been read and approved by all named authors and that there are no other persons who satisfied the criteria for authorship but are not listed. We further confirm that the order of authors listed in the manuscript has been approved by all of us.

We confirm that we have given due consideration to the protection of intellectual property associated with this work and that there are no impediments to publication, including the timing of publication, with respect to intellectual property. In so doing we confirm that we have followed the regulations of our institutions concerning intellectual property.

We understand that the Corresponding Author is the sole contact for the Editorial process (including Editorial Manager and direct communications with the office). He/she is responsible for communicating with the other authors about progress, submissions of revisions and final approval of proofs. We confirm that we have provided a current, correct email address which is accessible by the Corresponding Author.

References

Ali, R., Gallivan, M. & Sangari, S. (2019). A study of mobile apps in the banking industry.

Balakrishnan, L. & Sudha, V. (2016). Factors affecting mobile banking services--An empirical study. *ISBR management journal, 1*(2).

Brid, S., Agrahari, K. & Chandran, P. (2017). Study of mobile banking application usage in various sectors of society. *Int. J. Sci. Eng. Res, 8*(5), 2-5.

Deshwal, P. (2015). A study of mobile banking in India. *International Journal of Advanced research in IT and Engineering, 4*(12), 1-12.

Gurme, V. & Meshram, P. (2017). A study on mobile banking awareness of customers perspective with reference Tokothrud, Pune area. *International journal of proresses in engineering, management, science and humanities (ijpemsh), , .*

Lazo, B. B. & Woldesenbet, K. (2006). The dynamics of product and process innovations in UK banking. *, 1*(4), 400-421. doi:10.1504/ijfsm.2006.010120

Munoz-Leiva, F., Climent-Climent, S. & Liébana-Cabanillas, F. (2017). Determinants of intention to use the mobile banking apps: An extension of the classic TAM model. *Spanish Journal of Marketing-ESIC, 21*(1), 25-38.

Porter, R. L. (2004). *Regulatory risk management in commercial banking: An empirical investigation of agency theory*. : Rutgers The State University of New Jersey-Newark.

Roberts, P. W. & Amit, R. (2003). The dynamics of innovative activity and competitive advantage: the case of Australian retail banking, 1981 to 1995. *Organization science*, *14*(2), 107-122.

Sankaran, R. & Chakraborty, S. (2021). Factors impacting mobile banking in India: empirical approach extending utaut2 with perceived value and trust. *IIM Kozhikode Society & Management Review,* , 2320206820975219.

Singh, N. & Sinha, N. (2016). A study on mobile banking and its impact on customer's banking transactions: a comparative analysis of public and private sector banks in India. *FIIB business review, 5*(2), 57-70. Declaration

"VOLATILITY CLUSTERING IN NIFTY ENERGY"

Dr. K. Nirmala, Professor,
Bangalore University, Bengaluru

Balaji Ashok Kumar, Research Scholar,
Bangalore University, Bengaluru

Lavanya Balaji, Research Scholar,
Christ (Deemed To Be University), Bengaluru.

ABSTRACT

Volatility has become increasingly important in derivative pricing and hedging, risk management, and portfolio optimization. Understanding and forecasting volatility is an important and difficult field of finance research. According to empirical findings stock market returns demonstrate time variable volatility with a clustering effect. Hence there is a need to determine the volatility in Indian Stock Market. The authors use Nifty Energy data to analyse volatility since the Nifty Energy data can to be used to estimate the behaviour and performance of companies that represents petroleum, gas and power sector. The results reflect that Indian stock market has high volatility clustering.

Keywords: Volatility, Nifty Energy Index, GARCH**.**

INTRODUCTION

The stock market has witnessed enormous fluctuations in the context of economic globalisation, particularly after the impact of the current international financial crisis. This volatility raises the stock market's uncertainty and risk, which is undesirable for investors. The relationship between stock volatility and stock returns is the subject of a lot of research in this field. Commodity market returns, like stock market returns, exhibit time variable volatility, clustering, and an asymmetric influence. They also have a good memory. The assumption of return volatility is required for empirical confirmation of the effectiveness of price behaviour and risk management in these markets. The volatility of an asset refers to the size of the variations in its returns. On one hand, there is the belief that stock market volatility is considerably and positively connected with economic growth Babatunde (2013), while on the other hand, its contribution to long-run economic growth is still disputed. Commodity volatility research is becoming increasingly important. The fact that financial assets return can been predictable established by Bollerslev (1990) further increased the interest in predicting the volatility stock market. Non-normal distribution, asymmetry, and structural breaks are empirically formalised properties of commodity returns as well as plump tails. As a result, the performance of the model is influenced, and there is an increased interest in the investigation of volatility through the use of various models (Hung, Lee and Liu (2008); Cheng and Hung (2011); Aloui and Mabrouk (2010)). In 10 emerging stock markets (China, India, Indonesia, Korea, Malaysia, Pakistan, Philippines, Sri Lanka, Taiwan, and Thailand), Haque and Hassan (2004) investigates the stability, predictability, volatility, and time variable risk premium in stock returns. According to their findings, eight out of 10 markets produce consistent returns over time. Asian markets appear to be predictable, according to the predictability tests. For all markets, non-parametric runs are used to rule out the hypothesis of weak-form efficiency. The majority of markets exhibit volatility clustering, as per the different volatility tests conducted to determine volatility in various stock markets (Hameed and Ashraf 2009). Hence there is need to determine volatility in Indian stock markets for better predictions of stock prices.

LITERATURE REVIEW

From the firm's perspective, Sercu and Vanhulle (1992) offer a possible explanation for the links between currency rates and stock markets. They divide the stock market into individual companies that import and/or export goods and are thus influenced by currency fluctuations. Exchange rates affect a company's international competitiveness, real income, and stock prices, which are viewed as the present value of the company's future cash flows. As a result, there is a link between exchange rate volatility and stock price volatility. Diebold et al. (1998) give empirical evidence of contagion.

Choi et al. (2009) undertook a similar study using data from the stock and exchange rate markets in New Zealand (NZ). For the periods before and after the 1997 crash, they show considerable volatility spillovers from currency rate changes to stock returns in New Zealand. As volatility is an indicator of inefficiency of the market, it is an important aspect for analysts and investors for assessing risks of investment. In volatile market, risk averters invest in safe but low returns options to avert risk. High risk takers invest in risky options with high expected returns. Risk takers are willing and able to bear/losses for high expected returns in the short run. But long run investors wait for returns over the long period and are, therefore, not affected by volatility of the market (Arora (2017)). Hence this study attempts to determine the volatility of Nifty Energy High Frequency data to examine the volatility in Indian stock market.

Also Kumar (2021) used GARCH modelling to determine the presence of volatility clustering using High Frequency data for all the major Indian stock exchange indices. In his study he reasons that, volatility tends to revert to mean than remaining constant.

NEED FOR THE STUDY

The price of a stock that fluctuates rapidly and frequently is more volatile. High volatility increases the risk of an investment while also increasing the possibility for gains or losses. There is fewer research done to determine the presence of volatility in Nifty Energy Index High Frequency data. Hence this study will assist the investors to plan a well-defined investment tailored to financial goals and circumstances.

OBJECTIVES OF THE STUDY

To determine the volatility of Indian stock market for Nifty Energy Index High frequency data using GARCH technique.

METHODOLOGY

Traditional approaches for measuring volatility, such as variance or standard deviation, according to Omari et al. (2017), fall short of capturing the characteristics presented by financial time series data. Time-varying volatility, volatility clustering, excess kurtosis, heavy-tailed distributions, and long memory properties can only be captured using the most commonly used models, namely the Autoregressive Conditional Heteroscedasticity (ARCH) model and its generalisation, and the Generalised Autoregressive Conditional Heteroscedasticity (GARCH). Hence this paper uses these techniques to determine volatility in Nifty Energy Index High frequency data.

RESULTS AND DISCUSSION

One-minute Nifty Energy index data from January 1, 2017, to March 31, 2020.

Stationarity of data

Before proceeding to model volatility, unit root rests such as the Augmented Dickey-Fuller test and the Phillips-Perron test, are performed to determine series' Stationarity (Everitt & Skrondal 2010).

Augmented Dickey–Fuller test (ADF)

The Augmented Dickey-Fuller test (ADF) is a unit root test for time-series data, which is employed to find the series stationarity.

	Value obtained	**Significance at 5 %**
$\tau 3$	0.8945	-3.47
$a0$	2.5983	4.68
a_2t	3.8947	6.25

Table 6: ADF test results at level Nifty Energy

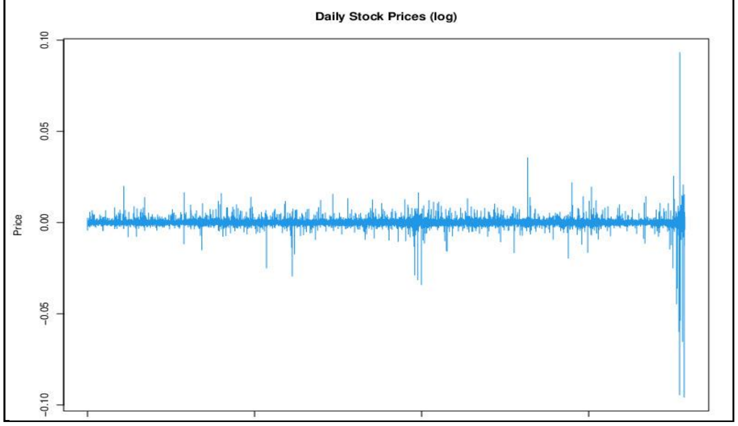
Since $\tau 3$ value obtained is more than the significance level, it implies that $\tau = 0$. Hence we could say that the series has unit root. If any series has a unit root, it means that the series is not stationary. Hence to make the series stationary we proceed to calculate log first difference of the series.

Calculation of First log difference return series

The first log return series can be calculated using the following formula:

logreturn = (log(PRICEt) − log(PRICEt−1))

Figure 2: Nifty Energy return



Phillips-Perron Test at first Log difference

After obtaining the new return series we proceed once again to perform unit root tests. This time we perform Phillips-Perron test, which is more robust than Augmented Dickey-Fuller test to check the stationarity of the series.

Dickey-Fuller Z (alpha)	Truncation Lag Parameter	P-value
-292441	29	0.01

Table 7: Phillips Perron (PP) test results at First difference Nifty Energy

Since the p value obtained was less that significance level α = 0.05, it can inferred that there is no unit root in the series and further the series is stationary.

GARCH (Generalised Auto Regressive Conditional Heteroscedasticity)

GARCH (Generalised Energy Regressive Conditional Heteroscedasticity) is one of the methods used to model volatility clustering in a time series data. Before proceeding to GARCH model it is necessary to confirm the presence of ARCH (Auto Regressive Conditional Heteroscedasticity) in the series. This can be confirmed by performing ARCH LM ( ) test

Testing for the presence of ARCH effects is a prerequisite for GARCH modelling. The ARCH LM test is one of the ways for determining ARCH effects.

ARCH LM test:

Here in order to test the presence of ARCH effects we use Lagrange Multiplier test, which is also known as ARCH LM test.

The hypothesis of ARCH LM test are as follows:

H0: There is no ARCH effects

H1: There is ARCH effects.

χ2	**df**	**p value**
202.53	12	2.2e − 16

Table 8: ARCH LM test results.

Since the p value obtained was less that significance level α = 0.05, it can inferred that there is ARCH effects and we can proceed to perform GARCH (Generalised Auto Regressive Conditional Heteroscedasticity) modelling.

GARCH Model Equation

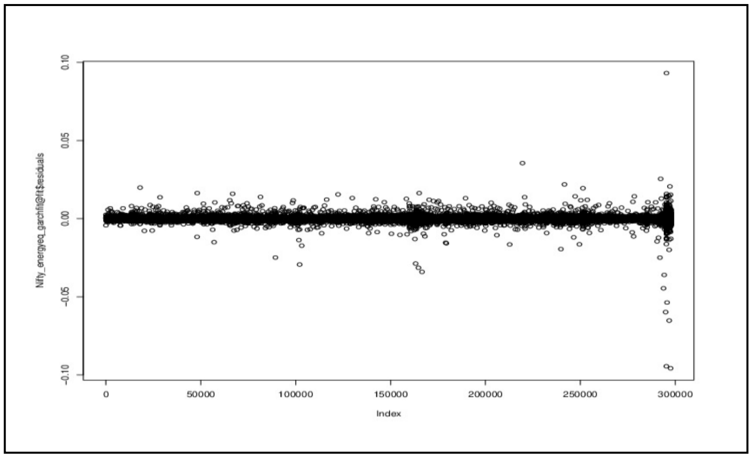
After confirming the presence of ARCH effects we proceed to perform GARCH (1,1) modelling. The following result was obtained.

	Estimate	**Standard Error**	**T value**	**P value**
μ	0	0.0000001	-0.233609	0.81529
ar1	0.005525	0.1224688	0.041019	0.96728
ma1	0.003656	0.137252	0.026639	0.97875
ω	0	0	0.264492	0.7914
α1	0.06053	0.000821	73.684304	0
ß1	0.903249	0.001084	833.43382	0
shape	4.241426	0.020703	204.868	0

Table 9: Nifty Energy return series GARCH(1,1) output

From the output we can find that the intercept ω was not significant because the value was more than 0.05. But both α1 and ß1 values were significant because the value is less than zero. With the help of α1 and ß1 values we could easily write the GARCH equation. Further the total of α1 and ß1 values is less than one indicating that the series is stationary. The GARCH equation can be written as follows.

$$\sigma 2t = 0.06053\epsilon^2_{t-1} + 0.903249\sigma^2_{t-1}.$$



CONCLUSION

From the above results it can be found that volatility clustering can be seen in the model. The model captures return series volatility. In order to improve the model further other High Frequency based Heteroscedastic models can be used. In the above graph the QQ plot have fatter tails, and it can be improved further by considering other GARCH parameters and GARCH family models. But the most important finding in this paper it the discovery of presence of Volatility clustering which is evident from the sum of the coefficients. Since the value of the sum of the coefficients is equal to one, it represents the presence of volatility clustering. This indicates that the asset returns are interdependent over time.

References

Arora, H. (2017b). *Examining the Intraday Stock Market Anomalies in India*, Guru Nanak Dev University, Amritsar.

Aloui, C. and Mabrouk, S. (**2010**). *Value-at-risk estimations of energy commodities via long-memory, asymmetry and fat-tailed GARCH models*, Energy Policy 38 : 2326-2339.

Babatunde, O. A. (**2013**). *Stock market volatility and economic growth in Nigeria (1980-2010)*, International review of management and business research 2 : 201.

Bollerslev, T. (**1990**). *Modelling the coherence in short-run nominal exchange rates: a* *multivariate generalized ARCH model*, The review of economics and statistics : 498-505.

Cheng, W.-H. and Hung, J.-C. (**2011**). *Skewness and leptokurtosis in GARCH-typed VaR estimation of petroleum and metal asset returns*, Journal of Empirical Finance 18 : 160-173.

Diebold, F. X., Hahn, J., & Tay, A. (1998). *Real-time multivariate density forecast evaluation and calibration: Monitoring the risk of high-frequency returns on foreign exchange.*

Everitt, B. and Skrondal, A., 2010. *The Cambridge Dictionary of Statistics*. Cambridge University Press, .

Hameed, A. and Ashraf, H. (**2009**). *Stock Market Volatility and Weak-form Efficiency: Evidence from an Emerging Market*, International Journal of Business and Emerging Markets 1 : 249.

Haque, M.; Hassan, M. K.; Maroney, N. C. and Sackley, W. H. (**2004**). *An Empirical Examination of Stability, Predictability, and Volatility of Middle Eastern and African Emerging Stock Markets*, Review of Middle East Economics and Finance 2 : 18-41.

Hung, J.-C.; Lee, M.-C. and Liu, H.-C. (**2008**). *Estimation of value-at-risk for energy commodities via fat-tailed GARCH models*, Energy Economics 30 : 1173-1191.

Declaration

We the undersigned declare that this manuscript is original, has not been published before and is not currently being considered for publication elsewhere.

We wish to confirm that there are no known conflicts of interest associated with this publication and there has been no significant financial support for this work that could have influenced its outcome.

We confirm that the manuscript has been read and approved by all named authors and that there are no other persons who satisfied the criteria for authorship but are not listed. We further confirm that the order of authors listed in the manuscript has been approved by all of us.

We confirm that we have given due consideration to the protection of intellectual property associated with this work and that there are no impediments to publication, including the timing of publication, with respect to intellectual property. In so doing we confirm that we have followed the regulations of our institutions concerning intellectual property.

We understand that the Corresponding Author is the sole contact for the Editorial process (including Editorial Manager and direct communications with the office). He/she is responsible for communicating with the other authors about progress, submissions of revisions and final approval of proofs. We confirm that we have provided a current, correct email address which is accessible by the Corresponding Author.