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Education Quality Upgradation and Inclusion Programme (EQUIP) to achieve a Sustainable Quality in Higher Education – An analytical Study

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"We want that Education by which Character is formed, strength of mind is increased, the intellect is expanded and by which one can stand on one's feet"

\- ***Swami Vivekananda***

Abstract

21st century has witnessed that; those countries will lead the world! if they equipped with quality higher education system. Because higher education not only generates huge human capital and social wealth, but it fosters all the facets of sustainable development such as intellectual, social, cultural, aesthetic, economical, moral, spiritual and skilled human resource. During this 21st century, the India's Higher Education sector has witnessed a tremendous increase in the number of Universities, stand alone institutions, affiliated Colleges and the student's enrolment ratio (GER). To improve and strengthen the scenario of higher education to meet the global standards and also to frame strategies of expanding access, achieving equity to promote excellence in higher education; the Government of India has started Rashtriya Uchchatar Shiksha Abhiyan (RUSA), a Centrally Sponsored Scheme in 2013 and a 5 year vision plan 'Education Quality Upgradation and Inclusion Programme (EQUIP) June 2019. As a result, at present the gross enrolment ratio at national level is 26.3%. The country has shown remarkable improvement in the gross enrolment since 2010 (20%), but the quality in higher education is a matter of concern till date, which is essential to achieve the goal and implementation of national policy framed by MHRD. The burning issues are, Poor infrastructure, examination ridden curriculum, memory based examinations, lack of quality faculty members, poor teaching methods, lack of funds, poor research and innovation standards and outputs, widening gender parity index (GPI), reaching GER to 30% by 2020, inconsistent government policies regarding higher education, vested political motives, huge demands of young population, political turmoil, growing privatization, lack of access, equity and excellence, poor governance, poor skill sets for employment and entrepreneurship, poor usage of technological tools for better reach and lack of holistic education principles and so on. There are many more such challenges in front of the authorities and this research paper critically analyses all those challenges along with the possible solutions adhering to the recommendations of ministry of human resource department, government of India.

Keywords: EQUIP, RUSA, GER, GPI, MHRD, Access, Equity, Excellence

Introduction:

Higher education is the key for sustainable growth and development of any country as quoted by **Swami Vivekananda "We want that Education by which Character is formed, strength of mind is increased, the intellect is expanded and by which one can stand on one's feet"** and as defined in a **holistic approach of Education: "A multi-levelled experiential journey of discovery, expression, and mastery where all students and teachers learn and grow together". "A philosophy of education based on the premise that each person finds identity, meaning, and purpose in life through connections to the community, to the natural world, and to humanitarian values such as compassion and peace".** Moreover, higher education creates ample of job opportunities, makes the students to develop skill to fit for the job, improved their standard of living, helps in framing national policies of the country, makes aware of the present socio-economic-political awareness among the people, makes them a real democratic citizens and engages them in the nation building process. The knowledge obtained through higher education leads towards research and innovation, with the help of research new knowledge is being discovered in different fields. To overcome all or some of the challenges faced by higher education institutions, authorities and the stakeholders as highlighted in the abstract and analysed in the foregoing paragraphs, ministry of human resource development (MHRD) and Rashtriya Uchchatar Shiksha Abhiyan (RUSA) , Government of India has made number policy initiatives. .

Objectives of the Paper:

In this research paper an attempt has been made to;

1) To highlight the various challenges faced in the field of higher education in India,
2) To discuss and to evaluate the various disparities prevails in higher education sector in India, and
3) Finally, to focus on the various strategies initiated by the competent authorities to overcome various challenges faced by the higher education sector and for strengthening the higher education system to cope up with the local requirements and global standards for achieving access, equity and quality in India.

Research Methodology or Data Source:

The paper is solely based on secondary source of information collected from different sources like books, journal articles, reports of various government organization and commission, articles published in national and local news papers, web-resources etc.

Significance of Higher education in India for Indians

As far as the higher education is concerned, it should be linked with the development of human resources and formation of human capital. In the present situation, it is observed that alleviation of poverty, giving the right direction to the youth etc. can be ensured through developing proper manpower planning which will enhance the scope of employability of our human resources. Again, India has enough potential to increase the productive use of the youths by enhancing their skills, capacities and efficiency for work. As per India's Census 2011, India's total population is 124.72 crores, out of which, Youths (aged between 15-25 years) constitutes 24-25 crores (one-fifth) or (19.1%) of India's total population. India is expected to have 34.33% share of youth in total population by 2020. It is the most productive age group and hence an asset (known as demographic dividend) for the country.

In this context, Dr.A. P. J. Abdul Kalam, has said,

"India has a population of 130 crores people. Out of this, 25 crore people are below the age of 25 years, which is our national strength. We have natural resources. Also we have a roadmap for transforming India into a developed nation by the year 2020. Ignited minds of 25 crores youth will definitely transform India into a developed country by the year 2020."

Today higher education is not only confined to the development of the individuals physically, mentally, intellectually and spiritually, but it is also meant to equip them with necessary skills for their wellbeing as well as for the socio-economic development of the society at large. Regarding the role of education as a means of human development as well as human resource development, Amartya Sen, the Nobel Laureates in Economics, has remarked the education is ' essentially a capacity building and it widens the choice of the people and empower the nation." (Elena Philip, 2008). Thus, the main goals of higher education are the dissemination of knowledge, use of information networks and mass media technologies, helping in the improvement of productivity which can be defined as a way of ensuring the prospect of employability and employment. In this globalised world, the formation of human capital is possible through education only. Human capital realizes two things, i.e. the person, and the person should be acquainted with the need based skills. Actually, it indicates the utilization of the human resources and enhancing the capabilities of manpower for the development of the country.

Present scenario of Higher Education in India:

In India the higher education sector has witnessed tremendous development since the Independence in 1947, in the number of Universities/University level Institutions & Colleges and student's enrolment, faculty members, infrastructure, technology, medical, vocational and technical education, humanities, commerce & management of education and different national agencies like NAAC, UGC, AICTE, AISHE in controlling, assessing and maintaining the quality of higher education.

Categories of Higher Education Institutions in India : their nature and numbers

As per the key results published by All India Survey on Higher Education (AISHE-2018-19) Higher Education Institutions are categorized in 3 broad categories; University, College and Stand-alone Institutions, there are 993 Universities, 39931 Colleges and 10725 Stand Alone Institutions have been listed. Out of 993 universities, 298 Universities are having affiliating Colleges, 385 Universities are privately managed. 394 Universities are located in rural area. 16 Universities are exclusively for women and 3 are Cluster universities. In addition to 1 Central Open University, 14 State Open Universities and 1 State Private Open University, there are 110 Dual mode Universities, which offer education through distance mode also and the maximum 13 of them are located in Tamil Nadu. There are 548 General, 142 Technical, 63 Agriculture & Allied, 58 Medical, 23 Law, 13 Sanskrit and 9 Language Universities and rest 106 Universities are of other categories.

The top 8 States in terms of highest number of colleges in India are Uttar Pradesh, Maharashtra, Karnataka, Rajasthan, Haryana, Tamil Nadu, Gujarat and Madhya Pradesh. Bangalore Urban district tops in terms of number of colleges with 880 colleges followed by Jaipur with 566 colleges. Top 50 districts have about 32.2% of colleges. College density, i.e. the number of colleges per lakh eligible population (population in the age-group 18-23 years) varies from 7 in Bihar to 53 in Karnataka as compared to all India average of 28. 60.53% Colleges are located in Rural Area. 11.04% Colleges are exclusively for Female. Only 2.5% Colleges run Ph.D. programme and 34.9% Colleges run Post Graduate Level programmes. There are 34.8% Colleges, which run only single programme, out of which 83.1% are privately managed. Among these privately managed colleges, 38.1% colleges run B.Ed. Courses only. 77.8% Colleges are privately managed; 64.3% Private-unaided and 13.5% Private-aided. Andhra Pradesh & Uttar Pradesh have about 88% Private-unaided colleges and Tamil Nadu has 87% Private-unaided colleges, whereas, Assam has 16.0% . 16.3% of the Colleges are having enrolment less than 100 and only 4% Colleges have enrolment more than 3000.

Top 10 districts having maximum number of Colleges

Sl. No.	District Name	Number of Colleges
1	Bangalore Urban	880
2	Jaipur	566
3	Hyderabad	463
4	Pune	450
5	Prayagraj	343
6	Rangareddy	332
7	Nagpur	313
8	Mumbai	305
9	Guntur	298
10	Bhopal	280

(Source: AISHE survey report 2018-19)

Students Enrollment in higher education (Between 18-23 years)

Category	Total	Male	Female
Total Enrollment	37.40 Million	19.20 Million	18.20 Million
Gross Enrollment Ratio (GER)	26.30%	26.30%	26.40%

(Source: AISHE survey report 2018-19)

Course-wise enrollment status

About 79.8% of the students are enrolled in Undergraduate level programme. 1,69,170 students are enrolled in Ph.D. that is less than 0.5% of the total student enrolment. Maximum numbers of Students are enrolled in B.A. programme followed by B.Sc. and B.Com. Programmes. 10 Programmes out of approximately 187 cover 80.3% of the total students enrolled in higher education. At Undergraduate level the highest number (35.9%) of students are enrolled in Arts/ Humanities/Social Sciences courses followed by Science (16.5%), Engineering and Technology (13.5%) and Commerce (14.1%). At Ph.D. level, maximum number of students are enrolled in Science stream followed by Engineering and Technology. On the other hand at Post Graduate level maximum students are enrolled in Social Science stream and Management comes at number two. Uttar Pradesh comes at number one with the highest student enrolment followed by

Maharashtra and Tamil Nadu. Scheduled Casts students constitute 14.9% and Scheduled Tribes students 5.5% of the total enrolment. 36.3% students belong to Other Backward Classes. 5.2% students belong to Muslim Minority and 2.3% from other Minority Communities. The total number of foreign students enrolled in higher education is 47,427. The foreign students come from 164 different countries from across the globe. The top 10 countries constitute 63.7% of the total foreign students enrolled. Highest share of foreign students come from the neighbouring countries of which Nepal is 26.88% of the total, followed by, Afghanistan (9.8%), Bangladesh (4.38%), Sudan (4.02%), Bhutan constitutes (3.82%) and Nigeria (3.4%). There are more than 78.0% colleges running in Private sector; aided and unaided taken together, but it caters to only 66.4% of the total enrolment.

Teaching Position in higher education:

The total number of teachers giving the information through teachers incentive funds (TIFs) for the year 2018-19 are 14,16,299 as compared to total number of Teachers (13,88,732) for the year 2017-18. Out of total no. of 14,16,299 teachers for 2018-19 about 57.85% are male teachers and 42.15% are female teachers. The lowest gender proportions recorded in Bihar where female to male teachers' ratio is 1:4 which in percentage terms is 78.97% for male and only 21.03% for female teachers. A few States like Kerala, Punjab, Haryana, Chandigarh, Meghalaya, Nagaland, Delhi and Goa on the other hand have more female teachers than male teachers.

Pupil Teacher Ratio (PTR)

Taking into account all types of Institutions (University, Colleges and Stand-alone Institution), Pupil Teacher Ratio (PTR) at All India level comes out to be 26 and 24 if only regular enrolment is considered. In case of University and its Colleges, PTR is 29 for regular mode. It has been observed that, PTR in University along with its Constituent Unit is significantly high at 18 in case of Regular Mode, which is a good indicator. Looking at the State-wise variation, it is seen that there are large variations among the States. PTR is more than 50 in Bihar, Jharkhand and Uttar Pradesh. Among top 6 major States in terms of Enrolment Pondicherry has the best PTR of 11 followed by Lakshadweep 12, in terms of regular mode in all institutions

Out-Turn/ Examination Result in Higher Education Courses

Percentage share of student Out-Turn in different levels are shown in Figure 31. As per the response received in the survey total number of students awarded Ph.D. level degree during 2018 is 40, 813 with 23,765 male and 17,048 female. The Ph.D. were awarded to 34,400 students during 2017. Tamil Nadu has maximum number (5,844) of Students who were awarded Ph.D. level degree followed by Karnataka (5020) and Uttar Pradesh (3996). 64.74 lakh Students have been graduated and 15.00 lakh students passed Post-Graduation level during 2018.**su**B.A. degree has been awarded to 19.99 lakh students which is the highest among all Programmes with the percentage of male as 42.55%. B.Sc. is the second highest with 10.41 lakh students followed by B.Com. (9.65 lakh). B.Ed. and B.Tech. Degree are awarded to 5.08 lakh and 4.27 lakh students, respectively. 51, 283 students have been awarded with M.B.B.S. degree and out of which 26978 are females. At Post Graduate level number of M.A. pass students is maximum (5.96 lakh) followed by M.Sc. (2.78 lakhs) and M.B.A. (2.00 lakhs). About 55380 and 16691 students have been awarded M.Tech. and M.E. degree in which share of male students is more than 61.1% and 52.04%, respectively. **-19**

Challenges before Higher Education

The present higher education system is facing n'number of challenges in maintaining quality, access, equity, Excellency, employment and other things to suit with the global requirements.

Mismatch between nature of Output- Skill and Employability

In higher education, there seems to be the problem of the mismatch. The mismatch indicates basically two things – the supposition that those who have acquired professional, technical and higher education, have greater possibilities of getting absorbed in the job market compared to those who have acquired low level of education and skills. However, even this section of skilled and educated persons fail to get absorbed in the employment market due to problems of employability of these skills in the market. Thus, this amply points at the mismatch in the supply of the educated (degree) which are product by the institution which often fails to take note of the nature of the demand of skill and education in the contemporary situation. From this, one can further infer and also conclude as substantiated by facts that where there is more supply of graduates from general education there occur large numbers of un-employment due to lack of employment opportunity and substantiate this ultimately, directly and indirectly encourages the export the brain from the state (i.e. called brain-drain), create the problems like youth unrest and ultimately drive the youths to indulge in various anti-social activities.

Widening gap between Rural and Urban GER

Besides this mismatch regarding the productivity level of employment in education and the nature of education being provided, specifically at the higher stage, enrolment is also abound with several disparities and variations like rural-urban disparity, inter-state variation, gender disparity, occupational disparity, etc. Generally, the Gross Enrolment Ratio (GER), Net Enrolment Ratio (NER) and Enrolment of Eligible Ratio (EER) have been used for estimating the access of higher education in our country. (GER measures the access level by taking the ratio of total enrolment to all persons in the age group of 18 to 23 years. NER measures the level of enrolment for age specific groups namely those in age group of 18 to 23 years. While the EER measure the level of enrolment of those who have completed higher secondary level education. These three concepts thus look at the access to higher education from three different angles.

There are significant disparities in the enrolment ratio between rural and urban area. The population census of 2011 came up with the GER of 18.99% for rural area and 24.52% for urban area in 2011 - the GER in rural area being all most 23% lower compared with urban area. The EER (Enrolment Eligible Ratio is useful to estimate the access to education to those who have completed the higher secondary stage of education) worked out to 51.1% for rural and 66% for urban area-later being higher by about 15 percent. This means only half of the rural boys and girls who have completed higher secondary go to higher education which is less by 15percent compared with urban area.

Inter-state variation in GER

The Gross Enrolment Ratio (GER) in higher education of India has registered an increase from 24.5% in 2015-16 to 25.2% in 2016-17 according to latest All India Higher Education Survey (AIHES) released by HRD Ministry. India is aiming to attain GER of 30% by 2020, but it is still far behind countries like China with GER of 43.39% and US with 85.8%. Tamil Nadu has highest GER in India at 46.9%. Six states have registered GER higher than national average (25.2%), with their share of students entering higher education is growing twice as fast as overall rate. These states are Tamil Nadu (46.9%), Himachal Pradesh (36.7%), Kerala (34.2%), Andhra Pradesh (32.4%), Haryana (29%) and Punjab (28.6%) & Karnataka (27%). However, eight states UP (24.9%), Madhya Pradesh (20%), Odisha (21%), Bihar (14.4%), Gujarat (20.2%), Rajasthan (20.5%), Mizoram (24.5%) and West Bengal (18.5%) had GER ratio far less than the national average. Bihar has lowest GER with just 14.4% of its eligible population (in age group of 18 to 23 years) pursuing higher education.

Widening Gender Parity Index (GPI)

India registered its best performance on the GPI in last seven years — 0.94 in 2016-17 from 0.86 in 2010-11. GPI is calculated as quotient of number of females by number of males enrolled. GPI equal to 1 indicates 1, value less than 1 indicated disparity in favour of males. In Seven states — Goa, Himachal Pradesh, Meghalaya, J&K, Nagaland, Sikkim and Kerala — women in higher education have outnumbered men.

Disproportionate Finance Allocation adversely affects Equity

Budget is another important aspect in the functioning of education system. The bureaucrats, pressure groups and other forms of advocacy groups play the role in allocating the funds in each of the developmental sectors of the state. An asymmetry in the allocation of funds within the various stages of education can be observed in which politics may have a significant part to play. For example, in primary or elementary education the Government has given more focus whereas in the higher stage of education the fund allocation is proportionately rather low. Although, it is known to all that the higher educational institutions have the scope to generate the fund itself (from the fees of students, resource generation engaging the students in productive activities within the campus, etc) the policy makers taking this logic further has created a situation which in the rebound tends to keep the meritorious students outside the ambit of higher education. Making of higher education, at times, a very costly affair for those economically underprivileged has gone on to situate some of the meritorious but economically poor learners relatively deprived. Keeping out this section of meritorious students, in fact, cuts on the resource creation prospects within higher education and the society. Thus, it affects the socio- cultural, economic and intellectual development of a country and society. Therefore, equity in financing is another big issue of concern in the education system of India as a whole. This contributes to the disparities between categories especially in the EER.

Quality status of higher education, regarding the recognition by UGC, NAAC

Despite having more than 993 universities and 39,931 colleges, the avenues in place falls utterly short in raising the national GER in the age group of 18-24 years to above 30 percentage in India. Again, the UGC has recognized 32,000 (about 80 %) colleges out of more than 39, 931 colleges under the section of 2(f) of UGC Act and from them only 28,000 colleges (about 70%) receive grants under the section of 12(B) of the UGC Act of 1956. (MHRD Report 2016-17). But NAAC is able to assess or accredit only 80% of the colleges. (Planning Commission Report) Quality education, despite the large number of educational institutes in India is not broad based, as indicated by the above statistics. Regular assessment and accreditation by UGC-NAAC based on specific time frame with as much coverage as possible as an effective and continuous process of quality monitoring and management in higher education in India has suffered on account of lack of effective strategies, efficient ways and indecision regarding the time framework. The concerned bodies need to gear up to take up the challenge of monitoring the quality of the number of higher education institutes in India without further delay.

Several regulatory bodies

In India, apart from UGC (University Grants Commission) there are several regulatory bodies like AICTE, MCI, BCI, NCTE and those under state governments. These individual bodies move in different paths, creating various hurdles like exams, teaching methods for students. So we need to bring all important regulatory bodies on a common platform and develop a common understanding and strategy for managing the change.

Lack of research centric approach

Most of the Indian higher education system lacks strong teaching-learning process and research. That is the reason why no higher education institution of India figures in the global top 200 higher education institutes around the world. Indian Institute of Science (IISc) Bangalore, which was in the 201-250 band in 2016, has slipped into the 251-300 band. According to World University Rankings– which ranks the top 1,000 universities from 77 countries – performance of Indian centres of learning has deeply deteriorated. Apart from IISc, The Indian Institute of Technology Delhi, Indian Institute of Technology Kanpur and Indian Institute of Technology Madras have also dropped by at least one band.

Lack of good faculty

Shortage of quality faculty is proving to be a great stumbling block in the transformation of higher education in India. According to a government report, there is a massive need for expansion in higher education; but there is also a lack of deserving Ph.D. candidates for faculty positions in the higher education. This has created a shortage of almost 54 percent in the faculty talent pool in higher education, such a deficiency will greatly prove to be a stumbling block, which mainly due to the bad decisions taken by policymakers, bureaucrats, and university administrators.

Lack of new teaching methods

The Indian higher education system has been following lecture drive method for several years. This has turned ineffective and not sufficient in many areas. Besides, there is a lack of teacher's learning and development areas need which is should be in the form educating them. There are no approaches like mentoring, spot visits, practical educational tours and involvement in research projects with peers. Finally, one need to change the teacher's training curriculum along with content, subject and methodology. Teachers must be encouraged take short duration professional training courses, which could help to strengthen the teacher's learning and development areas. Finally, there is no syllabus for integrating development concepts like emotional competencies, life skills and info-savvy skills. etc. Education institutions often lack the emphasis for pointing out on the learning outcomes than content teaching. Many institutions never take the initiative to collaborate or participate with international institutes in order to get the exposure of digital learning methods or technologies.

Increase in profit making institutions

Though private player in the higher education contributes significantly to the growth of the sector, the profit intent of these institutions has threatened the very basic foundation of social development goal. Many private players who are politicians, realtors, businessmen/women mint huge money by creating educational institutions, which had made us to say that no secret that the education industry has long lost its noble cause and is more of a business. This greatly harmed the higher education system.

Government initiatives for the issues

The government has taken a number of initiatives to tackle the reduce the demand supply gap in school education. It has been proposed to set up another 6,000 schools at the block level as model schools to benchmark excellence. Of these, 2000 will be set up under Public Private Partnership. Besides, a new proposal by the Human Resource Development Ministry has been put forward to replace the University Grants Commission, which is the governing body for all the colleges and universities. The new Higher Education Commission of India will also govern the functioning of the universities and colleges but it would give a special power of acting as 'self-governing' bodies.

Suggestions to achieve sustainable quality and excellence

1. **Classroom Teaching:** India has some of the **finest minds to teach and learn**. But most of the Indian education system is **focused on theory**. Classroom knowledge needs to be little **more interactive**. It's good to focus on basics and only because of this India has produced so many brilliant minds yet a little more practical approach would only be icing on the cake.
2. **Student-Teacher ratio**: Thanks to the population and lack of teachers in schools, it remains to be somewhere 1:60 or even more at times. In west, it is close to 1:10 or even less. This allows both students and teachers to be more interactive leveraging to better understanding and results.
3. **Exclusivity**: There is close to 4 dozen IITs, IIMs combined in India. These two groups remain on the zenith of our education system and bring a lot of exclusivity in the system. Only a handful make it to the top and rest are left to their own fortune. India needs to have more IITs, IIMs at least 1 in every 10 cities.
4. **Reservation**: India needs to end the reservation system based on class. A more deserving misses out on the chance to go to an elite school when an underperforming candidate gets his/her seat just because he is privileged. It's good to have reservation but it should be on the basis of income and not caste.
5. **Exchange programs**: Europe is developed and home to some bright minds because of the EU's directives to have more exchange programs. Almost all of the students studying in European universities spend 1–3 semesters abroad depending upon their program. This does not only help them earn a foreign diploma but learn different cultures, challenges and ideas as well. Imagine how cool it would be if students from India can go to China, Japan and vice versa to learn more, do more, think more. Today only a privileged few are able to do it. There are various things which can bring in a huge change if done properly like more access to vocational training, extra curricular activities, study trips etc. In the end, it's the govt. of India who will take the call and universities which need to adapt.
6. **Dynamic curriculum:** The curriculum in most Indian colleges and universities (including the top-tier ones) is outdated. In the current age, where technologies, platforms, ideas, innovations etc do not last for more than 4-5 years before being replaced, the course structure and content

of most educational institutes remains unchanged for years altogether. Each college needs to have a committee comprised of both teachers and students that analyzes course curricula on a regular basis to ensure that it is relevant and crucial.

7. **Focus on original research:** The primary reason most Indian universities do not feature on the top "X" list. "Unless we focus on research, it is not possible to improve the quality of education," he said. As many experts involved with the Times ranking point out, Indian universities fare badly in this survey because they give merely 30 per cent Weightage to research work.
8. **Investment in infrastructure:** For a country that produces over 1.5 million engineers every year, good colleges have less than 25000-30000 seats (around 2%). 90% of Indian engineering graduates are not employable because the government has been unable to keep up the quality of education (and the quantity too).
9. **Investment in streams other than engineering, medicine, and management:** Again, except for IITs, NITs, BITS, IIMs, ISB, AIIMS, and a few other names, most colleges (especially in niche streams) are not well-known. The Indian educational ecosystem mainly evolved post-liberalization when industrialization and IT boom were at their respective peaks. This triggered a huge demand for Engineers (with an even greater focus on Computer Science). Though times have changed, the mentality did not. We are still stuck in limbo, where although demand has waned, the supply of Engineers keeps increasing. Non-engineering streams are considered inferior and suffer a social taboo.
10. **Stronger industry collaboration:** Very few colleges and universities have corporate tie-ups to ensure that students get at least some amount of industry exposure before they graduate and are ready to enter the workforce.
11. **A system that focuses on learning, and not rote memorization:** In India, the coaching industry is valued at $40 bn and is increasing at 35% annually. Why? Because the future of a student depends on their performance in a test (IIT-JEE) that tests how well they can remember theories and formulae. To clear the said test, people often undergo 2-3 years of coaching, primarily in Kota, which are nothing but a grueling series of hours and days, where kids are expected to read, re-read, and memorize every type of question that might be asked in the examination. Since the government or the Ministry of Human Resourced Development is unwilling to change the perverse incentives in the current system, these institutes are blooming, creating a pool of mindless drones by stifling the creativity of individuals.
12. **Quality of Professors, lecturers, teachers:** Teaching in India is one of the most underrated professions. The pay scale of teachers and professors is pathetically low, making it a pretty un-lucrative career choice for people. This leads to mediocre people teaching and shaping the future of the youth (with a few exceptions). Unless you can ensure that the brightest minds in the country seriously consider teaching as a profession, there is little that can be done to increase the quality of education. Quit the "one size fits all" approach!.
13. **Removal of the reservation system:** Seriously, this needs to stop. A system that was supposed to level the playing field in 2 decades has overstayed its welcome by 5 more decades, has yielded no substantial results, and has become a political pivot. There is only a certain extent to which you can fix a faulty/broken system. Sometimes, you need to take everything apart and start afresh.
14. **Indian Higher educational Institutions – a Paradise for Bookworms :** All Higher educational Institutions in India are not bad. We have excellent higher educational institutions in India like AIIMS, JIPMER, IITs, IIMs, IRMA, and IISC etc. But this is not enough. We need better institutions with focus on core technology and innovation. Our Higher educational Institutions

need to undergo big change to Change the future of India. There is a need to change our Book-worm approach to more practical oriented training. This will make India innovation hub of the world.

15. **Recommendations by World Economic Forum :** The following are the soft skills required by any individual in 2020 to get jobs:
    - Complex problem solving
    - Critical thinking
    - Creativity
    - People management
    - Coordinating with others
    - Emotional intelligence (new)
    - Judgment and decision making
    - Service orientation
    - Negotiation
    - Cognitive flexibility (new)

Note: Is our higher education system is serious enough to work on any such thing? No!! Any hopes in coming future?? Seems hazy!!

16. **Education Quality Upgradation and Inclusive Programme by MHRD :** On June 29, 2019 Ministry of human resource development (MHRD) and Rashtriya Uchchatar Shiksha Abhiyan (RUSA), Government of India has made number policy initiatives.
    - Education Quality Upgradation and inclusive Programme (EQUIP) report strategies for expanding access,
    - Moving towards global best teaching/learning process,
    - Promoting Excellence, iv) Governance reforms in higher education,
    - Assessment, Accreditation & Ranking systems,
    - Promotion of research & innovation
    - Employability & entrepreneurship,
    - Using Technology for better reach,
    - Internationalisation – MoU between world class universities
    - Financing higher education
    - Creating new universities through Upgradation of existing autonomous colleges and conversion of colleges in to a cluster.
    - It would create new model degree colleges, new professional colleges and provide infrastructural support to universities and colleges.
    - Faculty recruitment support, faculty improvements programmes and leadership development of educational administrators are also an important part of the scheme.

Conclusion:

The Indian government and its representative institutions like MDRD, UGC, AICTE and others must totally revamp our higher education system, they must adopt latest technology, update syllabus in Universities across India, Only genuinely talented students must be allowed to take admission for higher education based on skill and talent. Any tom dick and harry must not be allowed to study courses based on skills. We need to produce world class professionals who can build nation, not mediocre professionals. Start higher education in native language and courage private participation in building industry based on skills where students can make a living.

In this globalized world, for promoting social security through development in education, economic as well as social life, we need to enhance the skills and capacities of the vibrant human resources of our country. So ensuring the accessing of higher education by all (in order to create knowledge economy) should be the priority agenda for the Government as well as for the various private bodies in India. We strongly believe that a stratified three tiered structure that enables seamless vertical and horizontal mobility of students would be able to create the desired intellectual, economic and social value.

The implementation framework suggests the student at the center stage to foster innovation and choice, an ICT architecture that will increase access, equity and quality, and a transparent governance framework that will enable autonomy and self –regulation. A framework for governance has been detailed in the addendum document which proposes a mechanism based on outcomes and strong institutional accountability, clearly delineating the role and responsibilities of the government as well as public and private higher education institutions. So. We can say that Indian Higher Education is crucially important to improve and it is possible to have synergy between equity and excellence. Strong political handholding will not only foster improved equity but excellence even amongst the children who are in the brinks of despair.

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A Study on Pre and Post Impact of Demonetization on the Operational Performance of NBFC – MFIs

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Abstract
Micro finance institutions (MFIs) are one of the key sources of finance for the people of economicallylower section of society and also for micro and small businesses.They provide small amount of loans (micro loans) to these people and entities. They are highly cash intensive industry; the disbursement of loan and their repayment happensthrough the cash. Central government decision to discontinue the HighValue Currency Notes (HCVNs) from November 9th of 2016 created a cash crunch in whole of the country. It impacted the microfinance industry in a bigger way. The paper aims to study thepre and post impact of demonetization on the operational performance of Non-Bank Finance Company - Micro Finance Institution (NBFC-MFI) which are registered with Microfinance Institutions Network (MFIN). The data has been sourced mainly through the quarterly reports on MFIs published by MFIN. As the study shows, there had been a significant decline in the number ofloans disturbed (33%) and the amount of loan disbursed (35%), loan portfolio, quality of loans, and even in the client base.It took the industry more than a year or two to recover.
Keywords: Demonetization, Microfinance Institutions (MFIs), Operational Performance (JEL G21, L25)

Introduction

Micro finance institutions (MFIs) are the financial intermediaries which aims to create individual andsocial benefits and promote financial inclusion by providing financial services to clientsof financially un-served and underserved households. (Sa-Dhan, 2015).The goal of microfinance is to ultimately give impoverished people an opportunity to become self-sufficient.They are a type of banking service provided to unemployed or low-income individuals or groups who otherwise would have no other access to financial services.When conventional financial institutions like banks, couldn't reach the rural and economically backward society, then these microfinance institutions emerged as a powerful instrument for their upliftment. MFIs provide array of financial services, including loans, savings and insurance, money transfers available to socially and economically disadvantaged segment of the society who have no collateral and wouldn't otherwise qualify for a standard bank loan.Typically, clients of MFIs are farmers, artisans, shop-keepers, street vendors, labours, household entrepreneurs etc. Out of the services provided, credit or loan disbursement is their primary activity. Loans disbursement by these institutions and collections happen through cash only that makes MFIs highly cash intensive.

Government of India, in its gazette notification dated November 8th, 2016 has cancelledthe legal tender character of the high denomination notes of Rs.500 and Rs.1000which were issued by RBI effective from November 9th of 2016. Along with this, the government also limited the withdrawalsfor all bank accounts (RBI, 2016). This created lot of panic among the people. There was a cash crunch; people were unable to exchange their old notes and to get the less denominated currencies for the living. This move has affected almost all the businesses. Studies on demonetization shows there had been a 50%

decrease in sales due to unavailability of cash, spending per customers per visit dropped by 40%, 70% of the shopkeepers had to extend credit facilities to their customers (Rani, 2016).

Demonetization also impacted the cash driven microfinance industry. This study aims at throwing the light on the same. The paper is structured as follows, the introduction followed by conceptual understanding, objectives, methodology adopted, data analysis and conclusion.

Microfinance Institutions (MFIs)

MFIs are those organizations, other than banks, providing micro financial services.Micro finance refers to provision of thrift, credit, and other financial services and products of very small amounts to the poor in rural, semi urban or urban areas, for enabling them to raise their income levels and improve living standards. These institutions can incorporate under different Acts of the country, which determines the legal form. The common legal forms include Society, Trust, Cooperative, Section 25 Company, Non-Banking Finance Company (NBFC) (Sa-Dhan2014). Non-Banking Financial Company-Microfinance Institutions (NBFC-MFIs) are one such legal form, which are RBI regulated MFIs, who takes a registration with RBI and fulfill the accompanied conditions (NBFC-MFIs (n.d.))

Microfinance Institutions Network (MFIN)

MFIN is a Self-Regulatory Organization (SRO) of NBFC-MFIs.It was established in 2009, as a Society under the Andhra Pradesh Societies Registration Act 2001. The main moto is to establish industry standards and client protection. MFIN seeks to make sure that proper framework and processes are put in place by members, to ensure adherence to the regulations stipulated by the RBI, the Fair Practices Code (FPC) and the Industry Code of Conduct (CoC), voluntarily adopted by the all Microfinance Institutions.Thereby, MFIN plays an active role in financial inclusion of the unbanked and underbanked society through the medium of microfinance. During 2014, the Reserve Bank of India (RBI)has recognized MFIN as the Self-Regulatory Organization of NBFC-MFIs. The primary objective of this SRO is to work towards the robust development of the microfinance sector, by promoting responsible lending, creating a supportive regulatory environment, protecting the interest of the clients, and promoting good governance. Below is the pictorial representation of the MFIN's mission statement.

As per MFIN Bye-Laws, all NBFCs registered with the RBI as NBFC-MFIs are eligible for membership of the Society.As on October 2019,there were 55of the leading NBFC-MFIs members registered as members of the MFIN member organizations, which constitutes over 90% of the Indian microfinance sector (excluding SHGs).MFIN member institutions have their presence in 35states/union territories (of 36)and more than 600 districts in India.

Objectives of the study

- Analyzing the NBFC-MFIs performance through quarterly comparison
- To study the pre and post demonetization effect on the operations of NBFC-MFIs

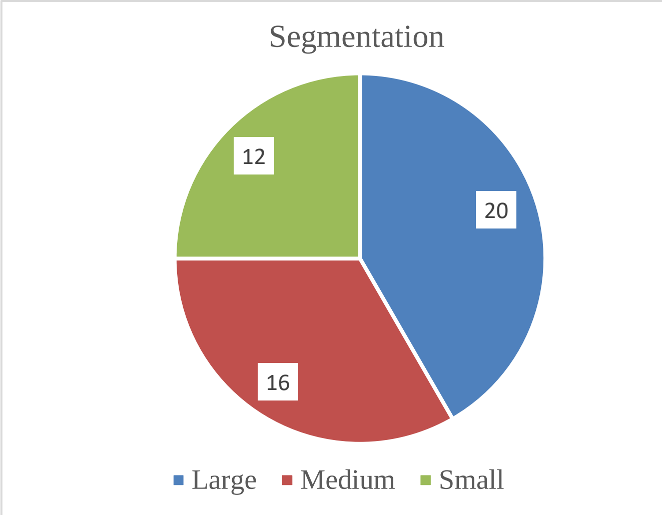
Methodology

The study is descriptive in nature based on the secondary data. The data was collected from the quarterly reports published by MFIN,"Micrometer". Such quarterly reports (a total of 13 reports) from quarter ending June 2016 to 2019 (latest available) has been considered for the study. Quarterly data of June 2016 has been taken as base for the analysis. The data had been taken directly from the published quarterly reports, however when the data for the same quarter was used for comparison in the subsequent quarters might have different numbers, based on the methodology adopted in each report. Thepresentation of the data was done using tables, graphs, percentages and cross tabulations.

NBFC-MFI Industry

As on quarter ending 30thSeptember 2018, there were 48 MFIN member NBFC-MFIs. These MFIs can segmented as small, medium and large based on the gross loan portfolio (GLP). If the GLP is less than Rs.100 Cr., then it is considered to be a small MFI. Whereas, the GLP is between RS.100 Cr. To Rs.500 Cr., then it is medium MFI, and GLP above Rs.500 Cr is referred as large MFI. Below chart shows the number wisedistribution of MFIN member NBFC-MFIs (as on 30thSeptember 2018):

Chart 1: Segmentation of MFIN Member NBFC-MFIs



As we can see from the above chart, fortytwo percent of the member MFIs were large, whichaccounts for more than 90% of the industry activities. Industry activities include branches, clients, employees, funding, GLP, loan amount and distribution.

Table 1: Quarterly Comparison of NBFC-MFI Industry Data from 2016-2019

Indicator	Q1 as of June, 2016	Q2 as of Sept, 2016	Q3 as of Dec, 2016	Q4 as of Mar, 2017	Q1 as of June, 2017	Q2 as of Sept, 2017	Q3 as of Dec, 2017	Q4 as of Mar, 2018	Q1 as of June, 2018	Q2 as of Sept, 2018	Q3 as of Dec, 2018	Q4 as of Mar, 2019	Q1 as of June, 2019
Branches	9,084	9,853	10,198	**8,060**	8,432	8,948	9,838	10,102	10,727	12,094	11,747	11,475	12,145
		8%	4%	**-21%**	5%	6%	10%	3%	6%	13%	-3%	-2%	6%
Clients (in Cr)	2.97	3.3	3.38	**2.04**	2.08	2.16	2.37	2.53	2.65	2.93	2.94	2.61	2.73
		11%	2%	**-40%**	2%	4%	10%	7%	5%	11%	0%	-11%	5%
Loan accounts (in Cr)	3.58	3.9	3.75	**2.36**	2.35	2.48	2.67	2.85	2.96	3.31	3.6	3.07	3.2
		9%	-4%	**-37%**	0%	6%	8%	7%	4%	12%	9%	-15%	4%
Gross Loan Portfolio (GLP) (Rs. in Cr)	52,372	57,941	56,634	**32,593**	35,045	38,288	42,701	48,211	51,878	59,514	60,549	54,586	56,827
		11%	-2%	**-42%**	8%	9%	12%	13%	8%	15%	2%	-10%	4%
Loans disbursed (during the quarter, in Lakhs)	80.67	88.48	59.22	**52.57**	55.82	63.1	67.00	81.00	76.00	84.00	77.00	76.00	61.00
		10%	-33%	**-11%**	6%	13%	6%	21%	-6%	11%	-8%	-1%	-20%
Loan amount disbursed (during the quarter, Rs. in Cr)	16,330	18,995	12,424	**10,901**	11,959	13,583	15,035	18,928	17,836	21,001	19,919	20,644	16,137
		16%	-35%	**-12%**	10%	14%	11%	26%	-6%	18%	-5%	4%	-22%
No of NBFC - MFI members for the Study	57	53	51	46	44	43	48	48	48	48	50	53	54

Source: Data compiled from 'Micrometer', MFIN

Demonetization had played a bigger role in this mostly cash intensive industry. As Table 1 depicts, the impact of demonetization could be seen mostly in Quarter 4 of 2017 (highlighted). NBFC-MFI industry had gone past a milestone of achieving 10,000 branches in the third quarter of 2016.However, there had been a decline of 21% in the number of branches during Q4 vis-à-vis Q3 of 2016-17. It took the industry more than a year to return to the milestone mark. The growth in number of clients slowed down in December 2016 and declined considerably (-40% (Q4 vs Q3 2016-17) during March 2017. The number of clients grown gradually after demonetization effect in March and still not been able to reach to the client base of three crores. With regard to loan accounts, it started declining right after the demonetization and saw a decline of 37% for March 2017 quarter. The gross loan portfolio is discussed separately in the next section.

Notably, the number of loans and the loan amount experienced a considerable dip for the Q3 of 2016 and continued for the March quarter. Both parameters recovered gradually, however once again these indicators saw a significant decline in the latest quarter of June 2019. There had been a higher growth of Banks' portfolio and lower growth for NBFC MFIs during Q1of 2019-20, due to merger of BFIL with IndusInd Bank.

Overall, the principal activity of the industry has been majorly affected post demonetization. It has impacted both demand and supply side of the business, meaning the credit demand from the borrowers and the capacity to disburse new loans by the institutions were affected. Low availability of new currency and less denomination notes, limits on cash withdrawal could be the noted reasons. However, the current economy slowdown and decline in the activities of manufacturing sector, mostly factories and micro & small-scale industries, (mainly due to GST) has again started to affect the industry. This could be related to latest quarters performance of these NBFC MFIs, as seen in the above table.

The table 2 provides a yearly comparison of the industry data from financial year 2015 to 2019.As discussed above, demonetization had major impact on the industry for the FY 2017-18. However, their performance based on these indicators show the industry has well recovered for the current financial year.

Table 2: Yearly Comparison of NBFC-MFI Industry Data from 2016-2019

Indicator	FY 2015-16, as on Mar 2016	FY 2016-17, as on Mar 2017	FY 2017-18, as on Mar 2018	FY 2018-19, as on Mar 2019
Branches	6,867	9,012	10,077	12,277
		31%	12%	22%
Clients (in Cr)	2.12	2.75	2.53	3.17
		30%	-8%	25%
Loan accounts (in Cr)	2.48	3.07	2.84	3.88
		24%	-7%	37%
Gross Loan Portfolio (GLP) (Rs. in Cr)	37,469	46,847	48,094	68,207
		25%	3%	42%
Loans disbursed (during the quarter, in Cr)	2.49	2.83	2.68	3.25
		14%	-5%	21%
Loan amount disbursed (during the quarter, Rs. in Cr)	44,324	50,266	59,629	82,928
		13%	19%	39%
No of NBFC - MFI members for the Study	56	46	47	53

Source: Data compiled from 'Micrometer', MFIN

NBFC – MFI Loan Portfolio

Loan portfolio is considered to be the major asset of any lending institution. Here, gross loan portfolio is referred as the combination of net loan portfolio and managed portfolio. Net loan portfolio (balance sheet portfolio) refers to alloutstanding principals due for all outstanding client loans. It doesn't consider interest receivable. Whereas, managed portfolio (off balance sheet or securitizedportfolio) is one that is managed by the company but not shown in the books of the MFI as it has been securitized, assigned or created as BC (business correspondent). Below table shows the aggregate gross loan portfolio for available 10 quarterly data from June 2016 to September 2018.

Table3: Quarterly Gross Loan Portfolio of NBFC-MFI for the Financial Years 2016-18

	Q1 as of 30th June, 2016	Q2 as of 30th Sept, 2016	Q3 as of 31st Dec, 2016	Q4 as of Mar, 2017	*FY 2016-17, as on Mar, 2017*	Q1 as of June, 2017	Q2 as of Sept, 2017	Q3 as of Dec, 2017	Q4 as of Mar, 2018	*FY 2017-18, as on Mar, 2018*	Q1 as of June, 2018	Q2 as of Sept, 2018
Gross Loan Portfolio (Rs. in Cr.)	52,372	57,941	56,634	**32,593**	*46,847*	35,045	38,288	42,701	48,211	*48,094*	51,878	59,514
-Net	42,804	47,185	47,395	**27,307**	*39,630*	29,922	32,792	35,583	38,803	*38,686*	42,652	48,141
-Managed	9,568	10,756	9,239	**5,286**	*7,218*	5,123	5,496	7,117	9,409	*9,409*	9,226	11,373

Source: Data compiled from 'Micrometer', MFIN

It is evident from the above table that the loan portfolio of the MFIs have reduced slightly (-2%) for the third quarter and declined substantially (-42%) during fourth quarter of 2017, which was the result of lower disbursement of loans and that could be directly attributed to the effect of demonetization. It took the industry more than a year to get back to the same asset size.Notably, GLP saw a decline of close to 10% in the fourth quarter of 2019.

Portfolio Quality

If it is not the portfolio that is most important, then it has to be quality of the portfolio. The management and the stakeholders are more concerned about quality, maintaining it and not letting it to be non-productive is a vital task. MFIs are such institutions where repayment of loan is always on higher side.

Here, portfolio at risk (PAR) is defined as the total principal value outstanding of loans that have at least one payment overdue for more than a certain period. This can be classified into three types, they are:

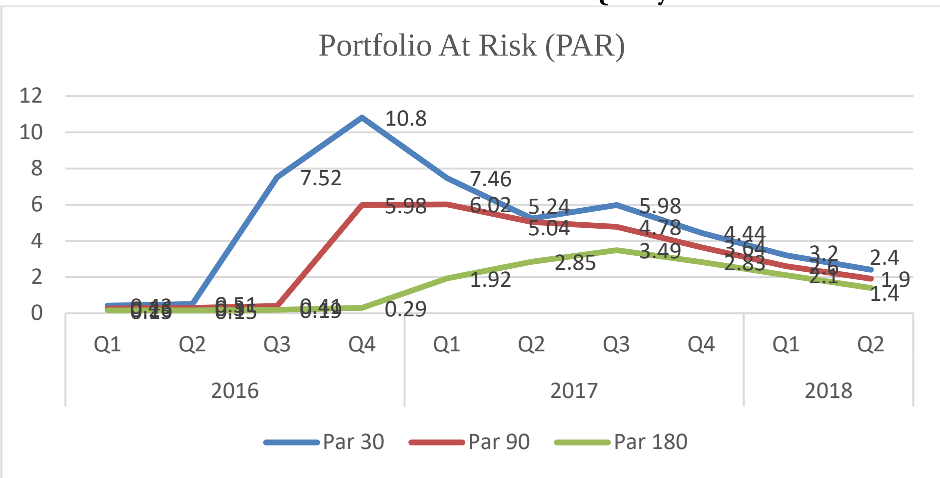
- i PAR30: The total principal value outstanding of loans that have at least one payment more than 30 days overdue
- ii PAR90: The total principal value outstanding of loans that have at least one payment more than 90 days overdue
- iii PAR180: The total principal value outstanding of loans that have at least one payment more than 180 days overdue.

Table 4: NBFC-MFIs Portfolio Quality (in %)

	2016				2017				2018	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Par 30 Days (%)	0.43	0.51	7.52	10.8	7.46	5.24	5.98	4.44	3.2	2.4
Par 90 Days (%)	0.26	0.3	0.41	5.98	6.02	5.04	4.78	3.64	2.6	1.9
Par 180 Days (%)	0.15	0.15	0.19	0.29	1.92	2.85	3.49	2.83	2.1	1.4

Source: Data compiled from 'Micrometer', MFIN

Chart 2: NBFC-MFIs Portfolio Quality

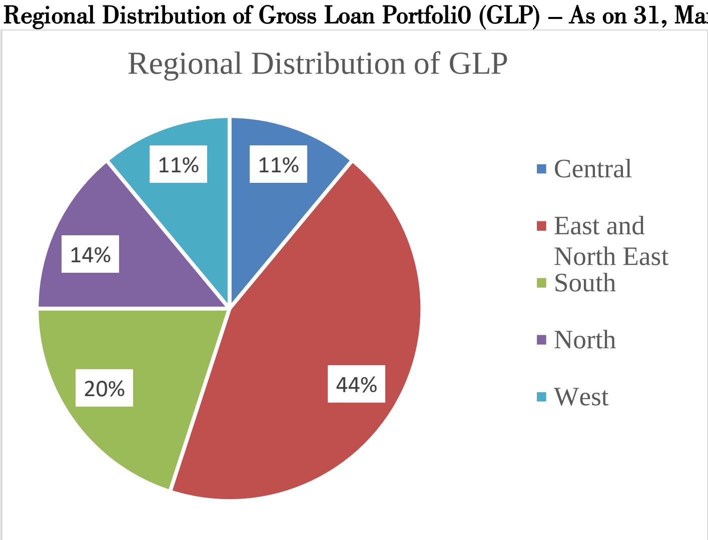


We can see from the above table and chart that there is an abnormal rise in the PAR 30 for the third quarter and fourth quarter of 2016-17, which was due to lower recoveries post demonetization. The cash crunch has led to shortage of cash and adversely affected the employability and income of the people.This is a clear indication of instant effect of demonetization.Based on the schedule of loan repayments (Par 90 and Par 180), we can notice that there had been a deterioration in portfolio quality for after overdue of payment for 90 and 180 days. As per the data availability, we can see that portfolio at risk percentage had not gone below one percent, like it was during the Q1 and Q2 of 2016-17, nearly even after two years of demonetization.

Portfolio Size – State wise

As can be seen in the below chart, East and North East accounts for the highest total NBFC MFI portfolio pf 44%, followed by South with twenty per cent. As a result of demonetization, the growth of loan portfolio in many states had degrown marginally during third quarter and substantially during fourth quarter of 2016-17.

Chart 4: Regional Distribution of Gross Loan Portfoli0 (GLP) – As on 31, March 2018



The below table 5 depicts the quarterly percentage change in the portfolio at risk for the top 15 states (based on GLP). As we can see that, Uttar Pradesh and Haryana recorded the double-digit rise in PAR 30 for the quarter ended 31st December 2016, while more than 11 states among top the top 15 states registered the double-digit rise for the same indicator during fourth quarter of 2016-17. Whereas Odisha, Kerala and Assam were the least affected states.The quarter ending data as on 31st March 2018 provides a yearly comparison , where we can notice that even after more than a year of demonetization, still most of the top states were having had risky portfolios.

Conclusion

Cash, as a payment mechanism, considered to be very high in salience of form, high on salience of amountand high on transparency (NIPFP, 2016). Demonetizationhad a major impact on lower section of the society. These people became unemployed, especially daily labours', the salary people could not get their money on time, they were not able to withdraw their money, when needed. Due to non-availability of cash, created an illiquid position among the businesses, which led to decline in activities and losses, all these led to a slow-down in the Indian economy. As the study concludes, the MFIscouldn't disburse any new loans and their clients were unable to make repayments (repayment rate had come down to 80-85%), led to a rise in PAR and deteriorated the quality of loans. Many of the branches of these MFI were shut, created unemployment in the industry. The demonetization had a severe impact onMFIs operations and performance. It took almost two years for the industry to recover.

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A Study on Green Behaviour of Corporates in India

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Abstract
Environmental issues have influenced the marketing strategies of various companies across the globe. With the well published "Earth Day" activities in the United States of America in April 1990, the" Green Marketing "was born. An explosion of "environmental friendly "products and marketing programs appeared as company after company tried to capitalize on consumers' increased sensitivity to environmental issues. The term "Green Marketing" came into prominence in the late 1980s and early 1990s.The American Marketing Association held the first workshop on "Ecological Marketing" in 1975.The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing". Thus, green marketing incorporates a broad range of activities including product modification, changes to the product ion process, packaging changes as well as modifying advertising, yet defining green marketing is not a simple task. Indeed the terminology used in this area has varied. It includes –Green Marketing, Environmental Marketing and Ecological Marketing. Green Marketing offers business bottom line incentives and top line growth possibilities. This paper aims attempts to throw light on the evolution, causes, challenges, future and green behavior of corporate in India
Keywords: Green Marketing, Environment, Product Modification, Sustainable Development, Global warming

INTRODUCTION

GREEN MARKETING is awareness in the recent days among the producers, consumers, suppliers. It is a buzz word which has created a tremendous stimulation among the stake holders of business and marketing activity. Environmental issues have influenced the marketing strategies of various companies across the globe. With the well published "Earth Day" activities in the United States of America in April 1990, the" Green Marketing "was born. An explosion of "environmental friendly "products and marketing programs appeared as company after company tried to capitalize on consumers' increased sensitivity to environmental issues. The term "Green Marketing" came into prominence in the late 1980s and early 1990s.The American Marketing Association held the first workshop on "Ecological Marketing" in 1975.The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing". Thus, green marketing incorporates a broad range of activities including product modification, changes to the product ion process, packaging changes as well as modifying advertising, yet defining green marketing is not a simple task. Indeed the terminology used in this area has varied. It includes –Green Marketing, Environmental Marketing and Ecological Marketing. Green Marketing offers business bottom line incentives and top line growth possibilities.

GREEN MARKETING- A CONCEPT:

The word GREEN MARKETING came into existence for the first time in the first workshop on 'Ecological Marketing' in 1975 by the American Marketing Association. As the society has become more concerned with the environmental issues and conservation of nature the whole of its concentration is on the environmental enlightenment and its sustaining. However the misconception of green marketing by majority of people makes its definition very critical; yet defining green marketing is not a simple task.

Indeed the terminologies and definitions used in this area are varied. The terminologies include; green marketing, Environmental marketing and ecological marketing (Polonsky, 1994). Therefore, there is no universally accepted terminology and definition of green marketing till today. According to the American Marketing Association green or ecological marketing refers to the "the study of the positive and negative aspects of marketing activities on pollution, energy depletion and non-energy resource depletion" (Henionand Kinnear 1976b, 1). According to Herbig (1993) green marketing refers "to products and packages that have one or more of the following characteristics; they are less toxic; are more durable; contain reusable materials and/or are made of recyclable materials". These two definitions are narrow in scope as they focus on a narrow range of environmental issues. Green marketing needs to be broadly defined.

"Green or Environmental Marketing consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment." [Polonsky 1994b, 2].

Pride and Ferrell (1993) Green marketing, also alternatively known as environmental marketing and sustainable marketing, refers to an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment.

REVIEW OF LITERATURE:

SANJAY K. JAIN & GURMEET KAUR (2004) in their study environmentalism has fast emerged as a worldwide phenomenon. Business firms too have risen to the occasion and have started responding to environmental challenges by practicing green marketing strategies. Green consumerism has played a catalytic role in ushering corporate environmentalism and making business firms green marketing oriented. Based on the data collected through a field survey, the paper makes an assessment of the extent of environmental awareness, attitudes and behaviour prevalent among consumers in India.

DONALDSON (2005): In his study Donaldson opined that the general attitude of the consumers had a positive change when the products were sold in the label of "Green".

SANJAY K. JAIN & GURMEET KAUR (2004) in their study environmentalism has fast emerged as a worldwide phenomenon. Business firms too have risen to the occasion and have started responding to environmental challenges by practicing green marketing strategies. Green consumerism has played a catalytic role in ushering corporate environmentalism and making business firms green marketing oriented. Based on the data collected through a field survey, the paper makes an assessment of the extent of environmental awareness, attitudes and behaviour prevalent among consumers in India.

JAIN AND KAUR (2006) studies depicts that all consumers are not always fervent and factual supporters of the protection of environment and certainly are not particularly influenced by the green marketing. However, they constitute a target group which can prove to be particularly profitable for the enterprises which will be activated in the sectors of production and disposal of friendly to the environment products.

MISHRA (2011) Green marketing is phenomenon which has developed particularly important in the market. This concept has enabled for the remarketing and packaging of existing products which already adhere to such guidelines.Additionally,the development of green marketing has opened the door of opportunities for companies to co-brand their products into separate line lauding the green-friendliness of some while ignoring that of others. Such marketing techniques will be explained as a direct result of movement in the minds of consumer market. As a result of this, businesses have increased their rate of targeting consumers who are concerned about the environment. These same consumers through their concern are interested in integrating environmental issues into their purchasing decisions through their incorporation into process and content of the marketing strategy for whatever product may be required

MANJU (2012) Green marketing refers to a holistic marketing concept wherein the production, marketing, consumption and disposal of product and services in a manner that is less detrimental to the environment. Green marketing has emerged as an important concept in India as in other parts of the developing and developed world and is seen as an important strategy of facilitating sustainable development.

OBJECTIVES OF THIS PAPER:

This paper intends to establish the importance of Green Marketing in the present scenario. It also tries to emphasise the role played by the corporations to establish and publicise the green marketing, and activities of the concerned companies and other organisations in the global ethical perspectives. The key objectives are:

- To study the concept, evolution, need and importance of green marketing.
- To study companies' green behaviour in India.
- To study the actions initiated by corporations towards satisfying green market needs.
- To study the challenges and opportunities of green marketing in India

EVOLUTION OF GREEN MARKETING

Green marketing was given prominence in the late 1980s and 1990s after the proceedings of the first workshop on ecological marketing held in Austria, Texas(US), in 1975. According to Joel makeover, green marketing faces a lot of challenges because of lack of standards and public consensus to what constitutes "Green". The green marketing has evolved over a period of time. According to Peattie (2001), the evolution of green marketing has three phases. First phase was termed as "Ecological" green marketing and during this period all marketing activities were to help environmental problems and provide remedies for environmental problems. Second phase was named "Environmental "green marketing and the focus shifted on clean technology that involved designing of innovative new products, which tool care of pollution and waste issues. Third phase was "Sustainable" green marketing It came into prominence in the late 1990s and early 2000. Green marketing can make a difference by building total consumer demand for renewable and ultimately increasing the supply of renewable in the market place.

NEED OR SIGNIFICANCE OF GREEN MARKETING

The awareness about the limited availability of the resources and the unlimited usage of these resources for the urbanisation and development of the mankind has made the world to think seriously about its conservation. These limited resources have to be conserved for the sake our future generation. Otherwise the future has to suffer for the lack of these resources. Green marketing is important since it helps to advance environment friendly products. It aids to reduce the fear of global warming as well as other environmental issues. It also helps companies use Mother Nature's resources efficiently, effectively but judiciously.

As resources are limited and human wants are unlimited, it is important for the marketers to utilize the resources efficiently without waste as well as to achieve the organization's objective. So green marketing is inevitable.

There is a growing interest among the consumers all over the world regarding the *protection of environment*. Worldwide evidence indicates people are concerned about the environment and are changing their behaviour. As a result of this, green marketing has emerged which speaks for growing market for sustainable and socially responsible products and services.

Thus the growing awareness among the consumers all over the world regarding protection of the environment in which they live, People do want to donate a clean earth to their children. Various studies by environmentalists indicate that people are concerned about the environment and are changing their behaviour pattern so as to be less hostile towards it. Now we see that most of the consumers, both individual and industrial, are becoming more concerned about environment-friendly products. Most of them feel that environment-friendly products are safe to use. As a result, green marketing has emerged, which aims at marketing sustainable and socially-responsible products and services. Now is the era of recyclable, non-toxic and environment-friendly goods. This has become the new tune for marketers to satisfy the needs of consumers and earn better profits. Green marketing is a vital constituent of the holistic marketing concept. It is particularly applicable to businesses that are directly dependent on the physical environment; for example, industries like fishing, processed foods, tourism and adventure sports. Changes in the physical environment may pose a threat to such industries. Many global players in diverse businesses are now successfully implementing green marketing.

ACTIONS INITIATED BY CORPORATES/ COVERNMENT ORGANISATIONS IN INDIA TOWARDS SATISFYING GREEN MARKET TRENDS

1. **Digital Tickets by Indian Railways.** : - Recently IRCTC has allowed its customers to carry PNR no. of their E-Tickets on their laptop and mobiles. Customers do not need to carry the printed version of their ticket anymore. Many state transport corporations like Karnataka State Road Transport Corporations also follow the same strategy in their operations.
2. **No Polythene carry bags for free** :-Forest & Environmental Ministry of India has ordered to retail outlets like Big Bazaar, More, Central, D-Mart etc that they could provide polythene carry bags to customers only if customers are ready for pay for it. In some of the pilgrimage places like Shringeri, Dharmasthala in Karnataka no plastic carry bags are given, but cloth bags are being used to pack the prasadams.
3. **3: Green IT Project: State Bank of India**:-By using eco and power friendly equipment in its 10,000 new ATMs, the banking giant has not only saved power costs and earned carbon credits, but also set the right example for others to follow. SBI is also entered into green service known as "Green Channel Counter". SBI is providing many services like; paper less banking, no deposit slip, no withdrawal form, no checks, no money transactions form all these transaction are done through SBI shopping & ATM cards. State Bank of India turns to wind energy to reduce emissions. The wind project is the first step in the State Bank of India's green banking program dedicated to the reduction of its carbon footprint and promotion of energy efficient processes, especially among the bank's clients.
4. **4: Lead Free Paints from Nerolac: -** Nerolac, one of the giant in paint manufacturing field where green concept is highly difficult to pursue due to its method of manufacture it self, has worked on removing hazardous heavy metals from their paints. The hazardous heavy metals like lead, mercury, chromium, arsenic and antimony can have adverse effects on humans. Lead in paints especially poses danger to human health where it can cause damage to Central Nervous System, kidney and reproductive system. Children are more prone to lead poisoning leading to lower intelligence levels and memory loss.
5. **Wipro's Green Machines:-**Wipro InfoTech was India's first company to launch environment friendly computer peripherals. For the Indian market, Wipro has launched a new range of desktops and laptops called Wipro Green ware. These products are RoHS (Restriction of Hazardous Substances) compliant thus reducing e-waste in the environment.
6. **HINDUSTAN UNI LEVER LIMITED:** The world's giant in producing the fast moving consumer goods Hindustan Unilever Ltd has already reduced almost 30 % of its carbon dioxide emissions and waste generation b y 35%. This has resulted in reduction of toxic waste by 75% in all its manufacturing units. As a part of Unilever Sustainable Living Plan the company has committed to reduce its GHG, waste and water usage by 50% within a span of ten years. The company is also working on to reduce the energy consumed in its production process in its soap manufacturing units.

7. **BHARAT SANCHAR NIGAM LIMITED (BSNL) :** As a part of the global initiatives to reduce the emissions of Green House Gases and with a view to reduce Carbon emissions the TRAI had given its recommendations in April 2011. On accepting these recommendations it has issued to the service providers that:
   a. At least 50% of all rural towers and 20% of the urban towers are to be powered by hybrid power i.e. Renewable Energy Technologies and Grid Power by 2020.
   b. All telecom products, equipments and services in the telecom network should GREEN PASSPORT by the year 2015.
   c. All the service providers should declare to TRAI at least twice in a year about carbon footprint of their network operations.

CHALLENGES IN GREEN MARKETING:

- **LACK OF STANDARDISATION:** At present, there is lack of standardization to certify a product as organic. There are no verifiable means unless there are some regulatory bodies to provide certifications.
- **NEW CONCEPT:** The merits of green products are well known to the Indian literate and urban consumer. Yet, the concept is new for the masses. Environmental threats are to be brought to the notice of the consumer and they must be well educated regarding them. The new green movements need to reach the masses and that will take a lot of time and effort.
- **PATIENCE AND PRESERVERANCE:** The environment must be viewed as a major long term investment opportunity by the investors and corporate. The long term benefits from this new green movement need to be looked at by the marketers.
- **AVOIDING GREEN MYOPIA:** Consumers' benefits must be given focus and they must be motivated to switch brands or even pay a premium for the greener alternative It is nit going to help if a product is developed which is absolutely green in various aspects but does not pass the consumer satisfaction criteria. This will lead to green myopia. If green products are priced high,then,it will lose its market acceptability.

FUTURE OF GREEN MARKETING:

- This article remains incomplete if it fails to through light on the future of green marketing. It is a buzz word which has created a tremendous stimulation among the stake holders of business and marketing activity. Companies are feeling pressure from a whole range of stakeholders including customers, employees and vendors.Then, there are physical mammoth environmental pressures namely such as climate change and water shortages that are evolving no matter what the economic situation. Really there is no choice anymore if all these forces are combined. But there are great proactive reasons to look at the business through a green lens. It saves money, reduces risk, drives innovation for new product development and builds brand value and loyalty. Evidence indicates that successful green products have avoided green marketing myopia by complying with the golden rules of green marketing as cited below.
- **Know your customer:** It must be ensured that the issues that the product attempts to address are brought to the notice of the consumer.
- **Educating your customers:** Masses must be educated about whatever is being done is to protect the environment. If this is not done, green marketing campaign goes nowhere.
- **Being genuine and transparent:** Green marketing campaign will succeed only if there is a match between the claim being made in green marketing campaign and what is being really done and the rest of business policies must be consistent with what is being done that is environment friendly.

- **Reassure the buyer:**An awareness must be created in the minds of the consumers that product quality is not foregone in the name of the environment.
- **Consider your pricing:** While fixing the high price for a product, it must be ensured that environmentally preferable products cost more due to economies of scale and use of higher-quality ingredients and consumers can afford the high price and feel it is worth it.
- **Giving your customers an opportunity to participate:**Here,the customer is allowed to take part in the positive environmental action for personalising the benefits of environmentally friendly actions

SOME GREEN MARKETING PROGRAMMES-SOME FAILURES

Some marketers tried and failed with green marketing efforts

- Philips Electronics NV branded its eco –friendly, energy saving fluorescent bulb as "Earthlight". But due to lack of sales success the product was relaunched as convenient, 7 years life "marathon" bulbs.
- Another mistake committed by companies is neglecting to mention the products' benefit to the consumers, not just to the environment

CONCLUSION:

It can be concluded that green marketing is an important part of advancing renewable energy in the market place. However, green marketing is not an adequate substitute for public policies that correct the market failures that will hinder renewable and clean fossil resources in the market. Green marketing should not be considered as just one more approach in marketing but has to be pursued with much greater vigour as it has environmental and social dimensions to it. With the threat of global warming looming large, it is extremely important that green marketing becomes the norm rather than an exception or just a fad.

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An Analytical Study on the Online Banking Services of Public Sector Banks

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Abstract
The emergence of new banking technology creates highly competitive market conditions, which have a critical impact upon customer behavior. Hence, it is the need of the hour for the banking sector, to better understand their customers and their attitudes toward technology in general, to enhance increased satisfaction of their customers using online banking. If they succeed, banks will be able to influence and even determine customer behavior, which will become a major issue in creating competitive advantage in the future. Mainly four objectives are involved in this study. The tools used for this study is percentage analysis and chi-square. The study focused on the online banking services of public sector banks operating in Coimbatore district with an objective of getting valuable suggestions to take strategic decisions and its implementation.

INTRODUCTION

Internet banking uses the Internet as the delivery channel by which to conduct banking services accessed via the internet's World Wide Web. It uses the global network of computer networks without any "brick and mortar" branch offices. By eliminating the overhead expenses of conventional banks, Internet banking theoretically can pay customers higher interest rates on savings than the national average. Internet Banking can provide speedier, faster and reliable services to the customers for which they are relatively happy. At present, the total internet users in the country are estimated at 9 lakh. However, this is expected to grow exponentially to 900 lakh by 2025 *(N.Ajjan, 2012)*[1].

The cost-conscious banks in the country have therefore actively considered the use of internet as a channel for providing services. Fully computerized banks, with better management of their customer base are in a stronger position to cross-sell their products through this channel. Internet banking sites offer the prospect of more convenient ways to manage personal finances, and such services as paying bills on-line, finding mortgage or auto loans, applying for credit cards, and locating the nearest "Automated Teller Machine" (ATM) or branch office. Some internet banks also offer 24-hour telephone support, so customers can directly discuss their needs with banks services representatives *(Divya et al, 2008)*[2].

REVIEW OF LITERATURE

***Nadia Asghar (2012)*[4]**, in their article titled, "*An empirical analysis of Customer satisfaction on adoption of Internet Banking in Pakistan*" proves that in Pakistan 9particularly in twin cities), customers are satisfied on adopting the internet banking and feel comfortable which processing their day to day business through the online banking facility.

***Alabar, T. Timothy (2012)*[5]**, in their research paper titled, "Electronic Banking Services and Customer Satisfaction in the Nigerian Banking Industry", identified that electronic banking services has been able to cut costs, save time and offer services at the expenses of man-hour to the satisfaction of customers and with electronic banking, opportunities are also created for small banks to compete on more equal footing with the other larger banks in the world to satisfy customers.

Ravichandran. S, Dr. A.Murugarathinam (2012)*[6]*, in their research article titled, "Factors influencing the Customer Preference towards E-Banking Services in Cuddalore District", identified that a majority of the customers are highly satisfied with the e-banking services. Although there are some drawbacks in e-banking like complaints regarding use of ATMs, high service charges and more working hours leading to frustration among the employees but still the e-banking is preferred, as the efficiency of the employee working through e-channels proves better.

Mahtab Alam, Ankita M. Soni (2012)*[7]*, in their research paper titled, "Customer Satisfaction of Internet Banking and Theory of Big Push: An Analytical Study with Special Reference to Selected Customers in Vadodara City", identified that the satisfaction of internet banking users depends on five factors namely reliability, responsiveness, security, ease of use and tangibility.

Jayaraman Munusamy, et al., (2012)*[8]*, in their article titled, "Perceived Barriers of Innovative Banking among Malaysian Retail Banking Customers", identified that there are significant barriers in the adoption of internet banking in terms of difficulty to operate, hassle to use, unreliable, risky and high connection fees and concluded that when the level of perceived barrier factors increases, the adoption of internet banking customers decreases.

Yasser Mahfooz, et al., (2013)*[9]*, in their research article titled "A Study of the Service Quality issues of internet banking in non-metro cities in India", confirms that non-users can be converted into users by proper education on the services available and assuring them of the secure environment. Banks can strive for a fully secure online environment where customer details and money are secure.

STATEMENT OF THE PROBLEM

Though, customers are enjoying the benefit of online banking in one aspect, they are also facing some problems during their interaction with the machines. Some of the important problems include.

Many people do not trust the bank services through internet. Usually, human beings prefer to trust others like them and may have some difficulty in trusting a machine especially in the matters of money. They get a doubt whether their money is safe in the process of online banking. In addition, a few cases of forgery have been reported in online banking. There are some frauds or proxy websites which can hack information entered by a person for transaction and later misuse it. As some people fine difficult to use online banking and a wrong click may cause monetary loss.

The network is down in one area leads to slow process of transactions. In case of normal banking when a problem occurs they can visit employees in person to solve it. But in online-banking the endless call to the customer care makes it difficult. Another important problem that we face in i-banking is that it may take some time to connect to the banks' network and to register with online banking. Due to the above problems the customers highly hesitate to make use of the online customer service offered by the banking sector. At this backdrop, following questions stand as challenges for the entire banking industry operating in online.

1. What is the source of awareness of the banking customers?
2. What factors influence a customer to adopt online banking services?
3. What are the determinants of customers' satisfaction on online banking services? and
4. What problems are faced by the customers in online banking?

OBJECTIVES OF THE STUDY

Based on these questions the following objectives were framed for the study.

- To study the socio-economic profile of the customers using the on-line banking services,
- To evaluate the opinion of customers on online banking services offered by banks in order to ascertain the extent of customer satisfaction
- To analyze the variables influencing customer satisfaction on online banking services.

- To identify the problems faced by customers on on-line banking services and to suggest suitable measures to improve quality of on-line banking services.

METHODOLOGY

To achieve the objectives of this present study, the study has adopted the following research methodology.

SOURCES OF DATA

Of the total population in Coimbatore district it is found that only 17-20 percent of the customers make use of online banking services. A sample of 200 customers has been selected on convenient sampling method to collect the primary data required for the study. The primary data for the study has been collected through distributing questionnaires to the customers of online banking. Questionnaire contains questions relating to customer awareness on online banking services, factors influencing them to adapt to the on-line banking services, satisfaction on online services and problems faced by the customers while using online banking services of all public sectors banks in Coimbatore District. The collected data was analyzed using simple percentage and chi-square test.

SAMPLING

For this study, the customers using online banking services of the twenty six public sector banks operating in Coimbatore District are chosen randomly there are twenty six public sector banks operating in Coimbatore District are Allahabad Bank, Andhra Bank, Bank of Baroda, Bank of India, Bank of Maharashtra, Canara Bank, Central Bank of India, Corporation Bank, Dena Bank, IDBI Bank, Indian Bank, Indian Overseas Bank, Oriental Bank of Commerce, Punjab & Sind Bank, Punjab National Bank, Syndicate Bank, UCO Bank, Union Bank of India, United Bank of India, Vijaya Bank, State Bank of India, State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Travancore, State Bank of Mysore and State Bank of Patiala. These banks are mostly located in Avinashi, Pollachi, Kaniyur, Saravanampatti, Papanaickanpalayam, Thudiyalur, Thondamuthur, Peelamedu, R. S. puram, Ramanathapuram, Sai baba colony, Maruthamalay road, Sulur, Karamadai, Mettupalayam, Annur, Mathukarai, Sulthanpet, Kanathukadavu, Railway station road, Siruvani main road, Race Course road, Tata Bad, Oppanakara street, Ukkadam, Ram Nagar, Periyanaickanpalayam, Trichy main road, Pollachi main road, Variety Hall road, Gandhipuram and so on. For analyzing the collected data the two statistical tools namely simple percentage analysis, chi-square test.

SUMMARY OF FINDINGS

The socio-economic profile of the customers, information about online banking, online services availed to customers by public sector banks has been evaluated using simple percentage analysis and to analyze the satisfaction level of the consumers, chi-square test has been employed.

1. Socio Economic Profile

The socio-economic profile of the two hundred sample respondents have been evaluated for gender, age, educational qualification, marital status, occupation, monthly income, number of members in the family, number of earning members in family, type of account, type family, status of member in family and annual savings has been evaluated using simple percentage analysis and the results are summarized in the following table.

TABLE NO: 1 - SOCIO-ECONOMIC PROFILE OF RESPONDENTS

Variables	Category	No. of Members	Percentage
Gender	Male	126	63
	Female	74	37
Age	Up to 25 years	72	36
	26-30	58	29
	31-50	59	29.5

	More than 50	11	5.5
Educational Qualification	H.S.C	23	11.5
	Diploma	24	12
	Under Graduate	73	36.5
	Post Graduate	48	24
	Professional	32	16
Marital Status	Married	109	54.5
	Unmarried	91	45.5
Occupation	Student	43	21.5
	Housewife	17	8.5
	Agriculturist	7	3.5
	Employee	70	35
	Professional	28	14
	Business	35	17.5
Monthly Income	Less than Rs. 1,00,000	87	43.5
	Rs. 1,00,001 - Rs. 2,00,000	56	28
	Rs. 2,00,001 - Rs. 3,00,000	27	13.5
	Above Rs. 3,00,000	30	15
No. of Members in a Family	Below 4 Members	105	52.5
	4 - 5 members	76	38
	5 - 6 members	16	8
	Above 6 members	3	1.5
No. of earning members in family	1 member	66	33
	2 members	107	53.5
	3 members	16	8
	Above 3 members	3	1.5
Type of Account	Savings A/C	159	79.5
	Recurring Deposit	8	4
	Current A/C	16	8
	Fixed Deposit	8	4
	Others	9	4.5
Type of family	Nuclear	155	77.5
	Joint	45	22.5
Status of member	Head of the family	76	38
	Member of the family	124	62
Annual savings	Less than Rs. 1,00,000	142	71
	Rs. 1,00,001 - Rs. 1,50,000	34	17
	Rs. 1,50, 001 – Rs. 3,00,000	15	7.5
	Above Rs. 3,00,000	9	4.5

Source: Primary Data

The socio economic profile of respondents implies that the majority of the respondents were males with majority in the age group of less than 25 years and many of them were graduates. Most of the respondents were married. The majority of the respondents are employees and earn less than Rs. 1,00,000 as monthly income. Maximum number of respondents belong to the nuclear family having the total members less than four with two earning members in their family. Majority of the respondents have an annual savings below Rs. 1,00,000 and have the savings bank account.

2. Information about Online Banking

Majority of the respondents are found to hold their accounts only in State Bank of India and majority of the respondents came to know about the online banking services mostly through the advertisements. Many respondents revealed that their bank provides all type of core banking facilities and they make use of alternative banking facilities too. They recommended the use of online banking to friends, relatives and their associates. Many of them are found to use the customer service facility in online banking and also reveal that the bank charge a very reasonable amount for the special services offered by them.

3. Online Services availed to Customers by public sector banks

Most of the respondents had chosen online banking for time convenience using it for bill payments. Many respondents have opined that they use online banking once a month. Many respondents have reported that they use mobile phones to access the online banking and the majority of the respondents opined that they are neither satisfied nor dissatisfied in online banking. Many of them have suggested bringing out certain reformations in the module of internet banking. They feel online banking is time saving concept compared to person-person banking for easy transfer of money from one bank to another and from one account to other account.

4. Customer satisfaction

For analyzing customer satisfaction, socio economic profile of the respondents such as gender, age, educational qualification, marital status, occupation, monthly income, number of members in the family, number of earning members in the family, type of account, type of family, status of member and annual savings are taken as independent factors and the customer satisfaction is taken as a dependent variable.

TABLE NO: 2 - RESULT OF CHI-SQUARE ANALYSIS

Personal factors	Factor	df	Calculated value	Table value @ 5 percent level	Table value @ 1 percent level	Significant
Gender	Customer Satisfaction	1	0.58	3.841	6.635	NS
Age		3	1.56	7.815	11.341	NS
Educational qualification		4	11.63	9.488	13.277	Significant
Occupation		5	8.32	11.070	15.086	NS
Marital status		1	13.07	3.841	6.635	Significant
Monthly income		3	8.68	7.815	11.341	Significant
No. of members in the family		3	0.66	7.815	11.341	NS
No. of earning member in family		3	1.902	7.815	11.341	NS
Type of Account		3	1.30	7.815	11.341	NS
Annual savings		3	0.30	7.815	11.341	NS

Source: Primary Data

From the chi-square analysis we identified that there is a significant effect of three variables namely educational qualification, marital status and monthly income of the respondents towards customer satisfaction *(Simon Gyasi et al.)*[10]. Gender and age of the customers does not influence the customer satisfaction towards online banking *(Vijay M. Kumbhar)*[11]. It is reflected in this study, where there is no significant effect of gender, age, occupation, number of members in family, number of earning members in the family, type of account and annual savings of the respondents towards the customer satisfaction.

SUGGESTIONS

The study prefers to offer the following suggestions,

- ✓ Banks must provide more advertisement in rural areas.
- ✓ Banks must provide frequent updates of their online banking services to customers.
- ✓ The procedure for usage of online banking must be in a simple mode.
- ✓ The processing speed should be increased for fast use of all services.
- ✓ The pages setup and procedure for registration should be simple.

CONCLUSION

Undoubtedly e-banking is a strong catalyst for the economic development and in order to enhance the propensity to use e-banking as a primary channel, it must be tailored suiting to the need of the customers. As more and more customers adopt the internet for their banking transactions, it becomes important for management of banks to be innovative in their approach to meet customer requirements.

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The paradigm shift to inclusive growth and women empowerment

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Abstract
Poverty still surfacing in Indian economy though significant poverty alleviation programmes has been implemented. The success rate is not to the expectation of the policy framers and in many area the government sponsored programme met utter failure. External poverty has been on the decrease but most economies faces the challenge of hunger, under nourishment, child mortality, low achievements in primary education. In many of economies inequalities belonging to income and no income outcomes between different groups of population particularly between rich and poor and the vulnerable sections have been widening.Sustainable and enhancement of economic growth needs an increased participation of the economically vulnerable segments of population. As India is moving towards higher trajectory growth, inclusive growth, financial inclusion and empowerment of women are assuming significance.

Introduction:

The paradigm shift to inclusive growth is evident from the Approach papers 11th FYP, GOI (2007-12) which focused on faster and more inclusive growth. Inclusive growth is broad based growth in which the poor derive not only benefits but also participate in the growth process. It creates not only near economic opportunities but also ensures equal access to the socio economic influences. It provides equality of opportunity empowering people through education and skill development.

Inclusive growth covers a growth rate process which is more environment friendly, aims for good governance and helps in creation of gender sensible society. Mathma Gandhi Rural Employment Generation (MGNREG) is one of the largest social safety network in India which has improved the standard living of people in India and has been able to check migration. Besides this the GOI has laucnhed various flagship programmes like SarvaShikshaAbhiyan (SSA) National Rural Health Mission (NRHM), BharathNirman etc. to bring out improvement in the area of education, health and infrastructure thereby making growth made inclusive.

Meaning and Definition:

Inclusive growth means having access to essential services in health and education by the poor. It also means economic growth that creates employment opportunieis and helps in poverty reduction. It encompasses a growth process that is environment friendly growth, aims for good governance and helps in creation of gender sensitive society.

The Asian Development Bank expressed its opinion that inclusive growth must benefit everyone. Further it says that inclusive growth more appropriately may be defined “disadvantage-reducing growth”.

Significance of Inclusive Growth:

The growth must be inclusive on account of the following salient features.

1. A continuous rejection of inequalities is highly danger from the point of view of social peace and unemployed may be forced or lured by criminal activities, make women more worst and push them to prostitution, force children to take up undesirable labour. This may

end up in wasting valuable vast human resources that could be otherwise employed positively in the productive development.

2. Indian economy is facing serious problems like low quality of employment growth, low agricultural output, rural urban divide, gender inequality, social and regional disparity. Through inclusive growth poverty can be reduced raising economic growth can be attained.
3. From the ethical angle equity and fairness the economic gain should be shared equally and should be inclusive across the globe amongst different population groups. Economic shocks creates panic amongst poor and weakens their strength and growth that results in highest disparity is not acceptable.
4. Studies estimated that the cost of corruption in India amounts to over 10% of GDP. Corruption is one of the ills that prevent inclusive growth.
5. Achievement of 9% of GDP growth for country as a whole is one of the boosting factor which gives the importance to the inclusive growth in India.
6. At the global level researchers, planners and administrators are showing concern over inclusive growth which acts as a catalyst in reducing unemployment, removing gender inequality increasing agricultural growth and output, reducing social and regional disparities etc.
7. The existence of continuous inequalities in outcomes and access to opportunities may create severe differences and rift in the society and consequently results in civil unrest and surge in violence may emerge from people who are continually ignored and may cause damage to sustainable growth. Further, this may create political unrest and disturb the social fabric and national integration, undermining the potentials for long term sustained growth.
8. A good progress through achieved in combating extreme poverty and despite achieving good global growth rates till there exists poverty in many developing countries. In 2011, 1.2 billion people were living in less than $1.25 per day, equivalent to 24% of global population.
9. Inclusive growth is essential in order to rise the literacy level in order to provide skilled workforce required for higher growth.

Challenges of inclusive growth in India

Indian economy is growing and a limited success achieved in the poverty eradication programmes. The growth rates, combines with a flourishing democracy is making people to notice the trends that are taking place at the global level. The country remains plagued by corruption, red tape, age old social barriers and a puzzling lack of transparency. It is observed by planners and researchers that growth is not uniform across sectors and large portion of vulnerable remains outside its preview.

Indicators of women empowerment

Empowerment of women is a necessity for every development of a society as it is going to widen both quality and quantity of women resources available for their development. Enhancing women's status and their empowerment can play a decisive role in the success of many development programmes and bring about possible positive changes in social, economic and political issues. Gender equality, social status, children education and transformation into favorable quality, facing the prevailing patriarchal gender norms can be achieved through proper empowerment.

Empowerment process measurement is little difficult as different scholars viewed different parameters of measurement quantitatively. Different authors used education, work participation, and exposure to media, the means of sources by which women are expected to develop decision making contracts, greater freedom of movement, autonomy and attitudinal changes in gender equality.

Education is a base which decides all social, economical and cultural development. Investment in women's education results in an improved status through improved economic prospects. Greater decision making autonomy, control over resources, exposure to the global level, communication pattern, self-reliance in old age, and reduced restrictions on physical mobility. Labour force participation not only gives women an opportunity to earn more but also greater global exposure. Employed women contributes to the progress of the society. Further, improvement in the joint decision making, jewelry and land prices, voting, participation in local elections, children's education and marriage etc., decides the women empowerment status.

Though different authors regard different parameters as a basis to quantity women empowerment, it's common to see in rural areas some selected parameters are considered to test whether empowerment is existing or not. They are listed below:

a) Purchase and sale of fixed assets,
b) Improvement of Housing property,
c) Better management of family unit,
d) Contesting in local elections,
e) Savings and investment,
f) Children education,
g) Marriage, and
h) Involvement in income generating activities.

Conclusion:

Sustainable and enhancement of economic growth needs an increased participation of the economically vulnerable segments of population. As India is moving towards higher trajectory growth, inclusive growth, financial inclusion and empowerment of women are assuming significance.

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A Study on the Status of Non Performing Assets in Indian Commercial Banks

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Abstract
A Non-performing asset (NPA) is defined as a credit facility in respect of which the interest and/or installment of Bond finance principal has remained ‘past due’ for a specified period of time. NPA is used by financial institutions that refer to loans that are in jeopardy of default. Once the borrower has failed to make interest or principle payments for 90 days the loan is considered to be a non-performing asset. Non-performing assets are problematic for financial institutions since they depend on interest payments for income. Troublesome pressure from the economy can lead to a sharp increase in non-performing loans and often results in massive write-downs. Gross NPAs of commercial banks have increased from Rs3.4 in 2013 to 7.6 in 2016. The gross NPAs or bad loans of scheduled commercial banks as on December 31, 2017 due to loans to industry were at Rs 6,09,222 crore, accounting for 20.41 per cent of the gross advances. That was followed by Rs 1,10,520 crore (5.77 per cent) dues from services s.

Introduction

The Indian banking sector has been facing serious problems of raising Non- Performing Assets.(NPAs). The NPAs growth has a direct impact on profitability of banks. Non- performing assets are one of the major concerns for commercial banks in India. As long as an asset generates the income expected from it and does not disclose any unusual risk other than normal commercial risk, it is treated as performing asset, and when it fails to generate the expected income it becomes a “Non-Performing Asset”. In other words, a loan asset becomes a Non Performing Asset (NPA) when it ceases to generate income, i.e. interest, fees, commission or any other dues for the bank for more than 90 days. A NPA is an advance where payment of interest or repayment of installment on principal or both remains unpaid for a period of two quarters or more and if they have become ‘past due’. An amount under any of the credit facilities is to be treated as past due when it remain unpaid for 30 days beyond due date. A Non-performing asset (NPA) is defined as a credit facility in respect of which the interest and/or installment of Bond finance principal has remained ‘past due’ for a specified period of time. NPA is used by financial institutions that refer to loans that are in jeopardy of default. Once the borrower has failed to make interest or principle payments for 90 days the loan is considered to be a non-performing asset. Non-performing assets are problematic for financial institutions since they depend on interest payments for income. Troublesome pressure from the economy can lead to a sharp increase in non-performing loans and often results in massive write-downs.

With a view to moving towards international best practices and to ensure greater transparency, it has been decided to adopt the ‘90 days’ overdue’ norm for identification of NPA, from the year ending March 31, 2004. Accordingly, with effect from March 31, 2004, a non-performing asset (NPA)is a loan or an advance where;

- Interest and/or installment of principal remain overdue for a period of more than 91 days in respect of a term loan,
- The account remains ‘out of order’ for a period of more than 90 days, in respect of an Overdraft/Cash Credit (OD/CC),

- The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,
- Interest and/or installment of principal remains overdue for two harvest seasons but for a period not exceeding two half years in the case of an advance granted for agricultural purposes, and
- Any amount to be received remains overdue for a period of more than 90 days in respect of other accounts.
- Non submission of Stock Statements for 3 Continuous Quarters in case of Cash Credit Facility.
- No active transactions in the account (Cash Credit/Over Draft/EPC/PCFC) for more than 91days

Further classify non-performing assets further into the following three categories based on the period for which the asset has remained non-performing and the reliability of the dues:

1. Sub-standard assets: a sub standard asset is one which has been classified as NPA for a period not exceeding 12 months.
2. Doubtful Assets: a doubtful asset is one which has remained NPA for a period exceeding 12 months.
3. Loss assets: where loss has been identified by the bank, internal or external auditor or central bank inspectors. But the amount has not been written off, wholly or partly.

Sub-standard asset is the asset in which bank have to maintain 15% of its reserves. All those assets which are considered as non-performing for period of more than 12 months are called as Doubtful Assets. All those assets which cannot be recovered are called as Loss Assets. Some advanced tools like Experian India's "Hunter Fraud Score" have also been launched that work on data mining and calculate some authentic score that can help banks detect fraud and lower their losses

Objectives

- To know why NPAs are the great challenge to the Public Sector Banks
- To understand what is Non Performing Assets and what are the underlying reasons for the emergence of the NPAs.
- To understand the impacts of NPAs on the operations of the Public Sector Banks.
- To know what steps are being taken by the Indian banking sector to reduce the NPAs?
- To evaluate the comparative ratios of the Public Sector Banks with concerned to the NPAs

Methodology

The data collected is mainly secondary in nature. The sources of data for this paper include the literature published by Indian Banks and the Reserve Bank of India, various magazines, Journals, Books dealing with the current banking scenario and research papers. News papers etc.,

Reasons for Occurrence of NPAs

NPAs result from what are termed "Bad Loans" or defaults. Default, in the financial parlance, is the failure to meet financial obligations, say non-payment of a loan installment. These loans can occur due to the following reasons:

- Usual banking operations /Bad lending practices
- A banking crisis
- Overhang component (due to environmental reasons, natural calamities,business cycle,Disease Occurrence,etc...)
- Incremental component (due to internal bank management, like credit policy, terms of credit, etc...)
- Due to financial crises

The Problems caused by NPAs

NPAs do not just reflect badly in a bank's account books, they adversely impact the national economy. Following are some of the repercussions of NPAs:

- Depositors do not get rightful returns and many times may lose uninsured deposits. Banks may begin charging higher interest rates on some products to compensate Non-performing loan losses
- Shareholders are adversely affected
- Bad loans imply redirecting of funds from good projects to bad ones. Hence, the economy suffers due to loss of good projects and failure of bad investments.
- When bank do not get loan repayment or interest payments, liquidity problems may ensue.

The comparative study of past and present status of Non Performing Assets in banks.

RISE & RISE OF STRESSED LOANS

The RBI's projections show the gross NPA of banking sector could go up to 8.5 % by March 2017

(in %)	Net NPA	Gross NPA	Stressed assets*
March 2013	-	3.4	9.2
September 2013	2.3	4.2	10.2
March 2014	2.2	4.1	10
September 2014	2.5	4.5	10.7
March 2015	2.5	4.6	11.1
September 2015	2.8	5.1	11.3
March 2016	4.6	7.6	11.5

The stress in the banking sector, which mirrors in the corporate sector, has to be dealt with in order to revive credit growth
— RAGHURAM RAJAN, RBI Governor

- Gross NPA in the year 2013 was 3.4 percent which was increased to 7.6 percent in the year 2016. The stressed asset was 9.2 in the year 2013 and it increase to 11.5 percent in the year 2016. Banking sector gross NPA at 7.6%, highest in 12 years; The gross NPAs or bad loans of scheduled commercial banks as on December 31, 2017 due to loans to industry were at Rs 6,09,222 crore, accounting for 20.41 per cent of the gross advances. That was followed by Rs 1,10,520 crore (5.77 per cent) dues from services .

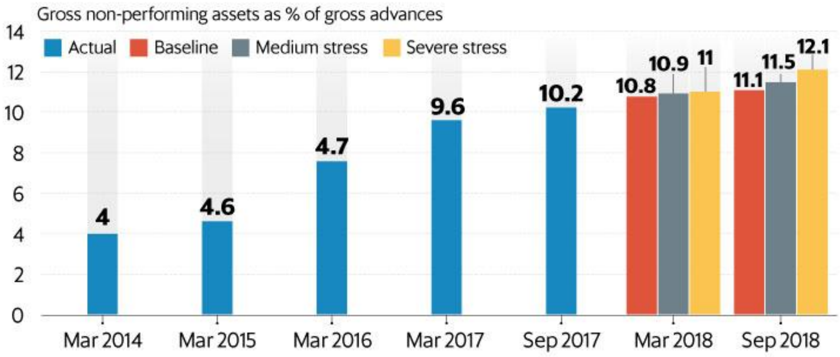
Asset Quality Review

The central bank has been pushing lenders to review the classification of loans given by them as part of an Asset Quality Review (AQR). The resultant sharp surge in provisions for bad debts has eroded profitability, especially at state-owned banks, in recent quarters. The gross bad loans of public sector banks increased to 9.6 per cent as of March 2016, from about 6 per cent a year earlier, RBI data showed. There was an almost 80 per cent jump in gross bad loans in 2015-16, according to the report. Gross bad loans of Indian banks widened to 7.6 per cent from 5.1 per cent in September and from 4.6 per cent in March 2015. In 2004, gross bad loans in the Indian banking sector touched 7.8 per cent, while the ratio was 11.1 per cent in 2002. "The stress in the banking sector, which mirrors the stress in the corporate sector, has to be dealt with in order to revive credit growth," RBI Governor Raghuram Rajan said in the report. The rise in gross NPA is mainly because of the AQR, RBI said in the report. The AQR conducted by the banking regulator found several restructured advances, which were standard in the banks' books, that needed to be reclassified as non-performing. Since a large proportion of standard restructured advances slipped into the NPA category, the overall stressed assets ratio increased marginally to 11.5 per cent from 11.3 per cent in September. RBI said subsequent to the AQR, gross NPAs rose 79.7 per cent year-on-year in March 2016.

Private sector banks

The net NPA of the banks also increased sharply to 4.6 per cent in March 2016, from 2.8 per cent in September 2015. Public sector banks' net NPA was 6.1 per cent, while the ratio for private sector banks was 4.6 per cent. On the business side, the report noted that credit and deposit growth remained in single digits for the previous financial year. While credit growth was 8.8 per cent, deposit growth was 8.1 per cent. There was a stark difference in the credit and deposit growth of public sector banks as compared with their private sector counterparts. According to RBI data, for public sector banks, loans grew at 4 per cent while it was 24.6 per cent for private banks. Deposits of state-run banks grew by 5.2 per cent, while for private banks it was 17.3 per cent. "The relative performance of bank groups reflect their respective strengths amidst on-going industry-wise balance sheet repair and also sluggish growth in private capex," according to the report.

How Indian banks' big NPA problem evolved over years



Figures for March 2018 and September 2018 are estimates, shown under three business scenarios

Source: RBI (Reserve Bank of India) Financial Stability Reports

The above chart shows that, from March 2014 the NPAs of commercial banks was 4% where it was increased year by year. In Sept 2018 it might be 12.1%. Stressed assets in March 2018 are expected to be at Rs 11.5 lakh crore,

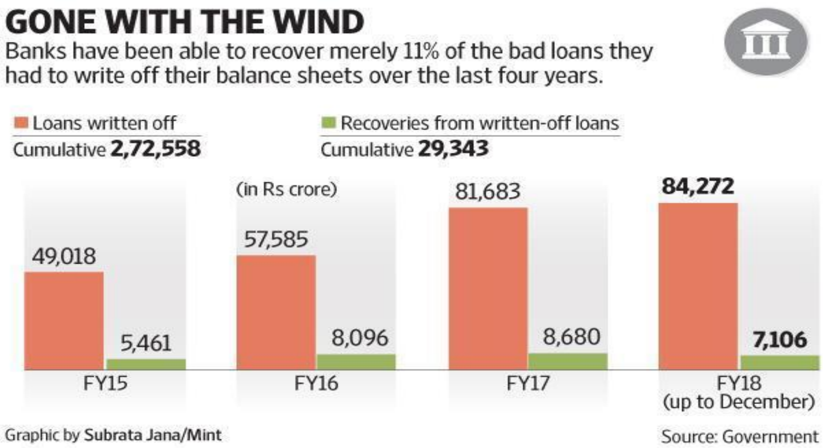
Balancing book

	Education loans outstanding as on Mar 31, 2017	NPA as on Mar 31, 2017	Percentage (in %)
Indian Bank	3,642.96	671.37	18.43
Central Bank of India	1909	317.65	16.64
Bank of Baroda	2054	331.31	16.13
United Bank of India	454	56.24	12.39
Syndicate Bank	2893	343	11.86
Oriental Bank of Commerce	1,194.45	137.41	11.50
Corporation Bank	1602	167.1	10.43
Punjab National Bank	5,278.56	478.03	9.06
Union Bank of India	3020	253.49	8.39
Indian Overseas Bank	4792	384.2	8.02

All figures in ₹ crore, except percentages

Source: Ministry of Finance, banks

The above balancing book shows that Indian bank is having highest NPA's due to unrecovered educational loan.



Measures taken by RBI to control NPA

SBI has apprised that it has two-fold strategy for controlling fresh slippages and resolution . Further, government has recently announced PSBs reforms agenda for responsive and responsible banking, which encapsulates a synergistic approach for ensuring prudential and clean lending, better customer service, enhanced credit availability, focus on micro, small and medium enterprises and better governance Also, Reserve Bank has issued a Prompt Corrective Action (PCA) framework to maintain sound financial health of banks. RBI has placed eleven PSBs -- Dena Bank, .. Central Bank of India, Bank of Maharashtra, UCO Bank, IDBI Bank, Oriental Bank of Commerce, Indian Overseas Bank, Corporation Bank, Bank of India, Allahabad Bank and United Bank of India --under the PCA framework. KPM SA

Findings and Suggestions

Findings

- Gross NPAs of commercial banks have increased from Rs3.4 in 2013 to 11 in 2018.
- The gross NPAs or bad loans of scheduled commercial banks as on December 31, 2017 due to loans to industry were at Rs 6,09,222 crore, accounting for 20.41 per cent of the gross advances. That was followed by Rs 1,10,520 crore (5.77 per cent) dues from services s ..
- The gross bad loans of public sector banks increased to 9.6 per cent as of March 2016, from about 6 per cent a year earlier,

- , RBI data showed there was an almost 80 per cent jump in gross bad loans in 2015-16,
- Gross bad loans of Indian banks widened to 7.6 per cent from 5.1 per cent in September and from 4.6 per cent in March 2015
- While credit growth was 8.8 per cent, deposit growth was 8.1 per cent. There was a stark difference in the credit and deposit growth of public sector banks as compared with their private sector counterparts.
- According to RBI data, it is found that for public sector banks, loans grew at 4 per cent while it was 24.6 per cent for private banks. Deposits of state-run banks grew by 5.2 per cent, while for private banks it was 17.3 per cent.
- The gross non-performing assets (NPAs) of all the banks in the country amounted to Rs 8,40,958 crore in December, led by industry loans followed by services and agriculture sectors, government said today.
- SBI has the highest amount, the minister said that the country's largest lender had written-off Rs 20,339 crore (including through compromise) in 2016-17. "This is 24.9 per cent of the amount written off by all PSBs in 2016-17, which is marginally lower than SBI's share in the total business of PSBs (26.3 per cent)," he added.

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Challenges in Adopting the Corporate Social Responsibility

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Abstract
The first part of this paper, the reader should already understand that CSR's goal is to operate firm's operations in a more responsible way by trying to manage shareholders' as well as stakeholders' (e.g. government) expectations, at the same time. Under CSR, companies need to "*adopt standards of accountability, transparency, and sustainability*", because it can differentiate them, further improve their image and profitability and finally attempt to solve some problems caused by their past decisions, having an impact on the whole community and society.
Speaking very broadly, CSR wants that business leaders take not only business responsibility but also the responsibility to protect and improve welfare of society beyond the one required by law or regulations. Hence, by doing correct 'thing', leaders contribute to social, environmental and economic goals by sharing interests of both shareholders

Introduction:

What is corporate social responsibility?

CSR aims to ensure that companies conduct their business in a way that is ethical. This means taking account of their social, economic and environmental impact, and consideration of human rights.

It can involve a range of activities such as:

- Working in partnership with local communities
- Socially responsible investment (SRI)
- Developing relationships with employees and customers
- Environmental protection and sustainability

Some businesses have as their main purpose the fulfilment of social or environmental goals, as opposed to a business that tries to achieve its financial goals while minimising any negative impact on society or the environment. These businesses are called Social Enterprises.

Capital of the Southern state of Karnataka, Bangalore today is Asia's fastest growing cosmopolitan city. It is home to some of the most high tech industries in India. The I.T industry views Bangalore as the 'byte-basket' of India. Bangalore is also home to some of India's premier scientific establishments. Blessed with salubrious architectural landmarks, shopping malls and business opportunities, Bangalore is the ideal gateway to India and beyond. Bangalore is home to many well-recognized colleges and research institutions in India and offers a plethora of job opportunities. Numerous public sector heavy industries, software companies, aerospace, telecommunications, and defence organizations are located in the city. It is the hub of jobs and is also known as the Silicon Valley of India because of its position as the nation's leading IT exporter.

Drivers pushing business towards CSR include:

The shrinking role of government: In the past, governments have relied on legislation and regulation to deliver social and environmental objectives in the business sector. Shrinking government resources, coupled with a distrust of regulations, has led to the exploration of voluntary and non-regulatory initiatives instead.

Demands for greater disclosure: There is a growing demand for corporate disclosure from stakeholders, including customers, suppliers, employees, communities, investors, and activist organizations.

Increased customer interest: There is evidence that the ethical conduct of companies exerts a growing influence on the purchasing decisions of customers. In a recent survey by Environics International, more than one in five consumers reported having either rewarded or punished companies based on their perceived social performance.

Growing investor pressure: Investors are changing the way they assess companies' performance, and are making decisions based on criteria that include ethical concerns. A separate survey by Environics International revealed that more than a quarter of share-owning Americans took into account ethical considerations when buying and selling stocks. (More on socially responsible investment can be found in the 'Banking and investment' section of the site.)

Competitive labour markets: Employees are increasingly looking beyond paychecks and benefits, and seeking out employers whose philosophies and operating practices match their own principles. In order to hire and retain skilled employees, companies are being forced to improve working conditions.

Supplier relations: As stakeholders are becoming increasingly interested in business affairs, many companies are taking steps to ensure that their partners conduct themselves in a socially responsible manner. Some are introducing codes of conduct for their suppliers, to ensure that other companies' policies or practices do not tarnish their reputation.

Methodology of Corporate Social Responsibility

- By using secondary data

Objectives:

1. Its focuses on making a positive contribution to society through high impact, sustainable programs.
2. To Effective and timely communication of social and environmental management performance to key stakeholders
3. To ensure the highest ethical standards in the conduct of our business.
4. To providing returns to society by providing jobs or showing responsibility in international, national and local communities
5. To minimizing any negative effects on the natural environment.

The scope of social responsibility of business:

1. **Shareholders or investors**
   - Provide reasonable return on their investment
   - Protect their investment.
   - Regularly provide an up-to-date, accurate and full information on the working of business.
2. **Employees or workers**
   - Provide pleasant working conditions and better work environment.
   - Arrange training and educational programs for skills enhancement and improve job performance.
   - Pay fair wages or salaries.
3. **Consumers or customers**
   - Provide a good after sales services and customer support.
   - Provide quality goods and/or services at reasonable prices.
   - Provide consumers an opportunity to get heard and resolve their grievances as early as possible.
4. **Community**
   - Take essential steps to maintain proper ecological balance of the surrounding environment.

- Prevent environmental degradation caused due to haphazard and unchecked pollution of air, water and land.
- Keep goodness and safety of infrastructure with regular maintenance, repairs and up gradation, wherever necessary.

Hypocritical Public Relations:

- Facts: CSR is a rapidly growing field of study in universities and business schools, and most large corporations have adopted CSR programs.
- The controversial aspect: Is CSR a good thing or is it just corporate window dressing?
- In favor of CSR: CSR motivates corporations to address social problems, it energizes and rewards workers, it strengthens ties to the community, and it improves the image of the corporation.
- Against CSR: Surveys show that citizens are more concerned about corporations treating their workers well and obeying laws than about engaging in philanthropic activities, and CSR may allow corporations to distract consumers and legislators from the need to tightly regulate corporations.

Findings

1. *Inefficiency of the Government:* In the past, governments have relied only on legislation and regulation to deliver social and environmental objectives in the business sector which has lead to certain failed initiatives.
2. *Demands for Greater Disclosure:* There is a growing demand for corporate disclosure from stakeholders, including customers, suppliers, employees, communities, investors, and activist organizations. *Increased pressure from the Investor* Investors are changing the way they analyze companies' performance, and are making decisions based on ethical concerns too.
3. *Change in employee behavior:* Employees are increasingly looking beyond paychecks and benefits and seeking out employers whose operating practices match their own principles. In order to hire and retain skilled employees, companies are being forced to improve working conditions.

Conclusion

Corporate social responsibility (CSR) encourages businesses accountability to a wide range of stakeholders, shareholders, and investors. The key are of concerns are the environment protection, and the social wellbeing of people in society, both now and in the future. CSR has a variety of policies such as giving to organization, providing products and services to consumers, reducing harmful waste, and treating their employees with moral ethics. Corporate social responsibility is the best thing that was implemented into businesses both large and small, in this was the environment and society can be treated the way it supposed to, with respect. CSR is something that everyone can benefit from, when businesses adopt its policy.

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Changing Economy-By lending towards Priority Sector- A Study with special refers to Agricultural Sector

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Abstract
Finance is the Life blood of each and every Economic Activity. Without finance our dreams remain as dreams. We cannot convert our dreams and projects into reality without finance. The economic activities are subdivided into primary, secondary and tertiary sectors. Primary sector includes Agriculture, Forestry, Logging and Fishing Secondary sector includes Mining and Quarrying registered and unregistered manufacturing units , Electricity, Gas, water supply and construction Tertiary services includes Trade, Hotels and Restaurants, Transport, storage, communication, Financing, Insurance, Real Estate and Business services, Public administration, Defence and other services. Agriculture comes under primary sector.

INTRODUCTION:

The development of a country depends on this sector. In previous years more than 70% of the total population was depending on agriculture. Now it is 50% to 60%. So it has to be developed well for the economic development of the country. Before nationalization of commercial banks, banking services were exclusively meant for creamy layer category of the Indian society.

OBJECTIVES OF THE STUDY :

- The research work is an attempt to find out how do farmers and other needy people access finance.
- To know how does priority sector lending is useful in enrichment and empowerment of farmers.
- How does it help to improve their social status and income of the formers.

HYPOTHESES :

- *Priority sector lending has succeeded in implementing poverty alleviation programmes of the Government.*
- *By Priority sector lending employment opportunities will increase, which helps in economic development.*

METHODOLOGY AND SAMPLING DESIGN:

The present research study- Priority sector lending by commercial banks in Shivamogga District, which covers much on vital sector like agriculture. This analysis, based on both primary and secondary data. In order to test the hypothesis set, the secondary data was collected from Shivamogga district annual credit plan of lead bank, the reports and publications of RBI & NABARD. The materials have also been collected from the Directorate of Economics and Statistics, Bangalore. District Statistical office Shivamogga and also from the websites.

ANALYSIS &INTERPRETATION

Table:01 : Share of Agriculture in National income : in Corers `

Year	GDP at factor cost	Agriculture	2 as % of 1
1950-51	1,40,470	83,150	55.4
1970-71	2,96,280	1,42,580	44.5
1990-91	6,92,870	2,42,010	30.9
2010-11	14,24,500	2,23,650	15.7

Agriculture includes Agriculture, forestry and fishing (Advance estimates) | **Source :** Economic survey 2010-11. India 2011.

The share of agriculture in national income has decreased from 55.4% in the year 1950-51 to 15.7% in the year 2010-11. Agriculture is devoting much towards manufacturing, services sector and towards national income. UK's Agriculture contributes 2%, USA it is 3%, Canada 3%, in Australia it is 5% to national income. The more developed country; the smaller the share of agriculture in national income. India having not yet reached the stage of an advanced economy has an agricultural sector which is still the dominant sector in the country.

TABLE : 2 - Agriculture and Employment (In Million)

Particulars	1951		2001	
	Population	%	Population	%
Total Population	361	-	1027	-
Rural Population	299	83	742	72
Cultivators	70	50	128	32
Agricultural labours	27	20	107	27
Other workers	43	30	167	41
Total working Population	140	100	402	100

Source :

Agriculture statistics at a glance (2002) Agriculture Provides employment to 97 million persons in 1951 (Cultivators and Agricultural Labourers) increased to 235 million in 2001. In UK and USA only 2 to 3% of the working population is engaged in agriculture. In France 7% and in Australia this is about 6%, 35% in Egypt, 59% in Bangladesh, 50% in Indonesia and 68% in China in 1997 according to the FAO production year book (1997)

Conclusion

The present study was undertaken with the objectives to know how priority sector Lending is helpful to the farmers to uplift their standard of living, and in solving national problems like unemployment, bonded labours problems, poverty, rural indebtedness and farmers' suicide problems etc. The study has successfully conducted to know the importance of priority sector lending in general and agricultural lending in particular. This study concentrated on Shvaimogga District. Priority sector lending suffers from a few limitations. The valuable suggestions made on the basis of major findings. If implemented in good faith would go long way to strengthening the agricultural sector. Which in turn plays an important role in the economic development of the country. It is definitely possible to abolish the social evils like Poverty, Rural Indebtedness, Unemployment, Bonded Labourers' And Farmers' Suicide Problems. Increase National income.

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The Digital Economy of India: Post Demonetization Perspective

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Abstract
The digital economy is rapidly developing throughout the world. It is one of the most important drivers of competitiveness, innovation, and growth. Digital technologies and big data allow involvement of financial service institutions to more effectively serve the financially excluded which includes an innovative consumer centric approach. By announcing a ban on the old Rs. 1,000 and Rs. 500 notes and by putting a cap on withdrawals from banks and ATMs, Prime Minister Narendra Modi initiated India into cashless society. This is popularly called demonetization. The demonetization move that initially paralyzed the economy is gradually making entry into the India's digital payments ecosystem. India aims to create a cleaner, more transparent economy through digitalization that will create an improved climate for foreign investment, augment economic growth, and ultimately forceIndia to the next chapter of its emerging markets story. The long-term impact will be a complete shift to the digital platforms.

Introduction:

Though the term 'Digital Economy' was first mentioned in Japan by a Japanese economist in the 1990s., the term was picked up and was coined in Don Tapscott's 1995 book The Digital Economy: Promise and Peril in the Age of Networked Intelligence.This was among the first books to consider how the Internet would change the way we did business. According to Thomas Mesenbourg three main components of the 'Digital Economy' concept can be identified:e-business infrastructure such as hardware, software, telecoms, networks, human capita. Thee-business that is how business is conducted, any process that an organization conducts over computer-mediated networks.Thee-commerce that include transfer of goods, for example when a book is sold online.

The Digital Economy is worth more than three trillion dollars. This is about 30% of the Standard &Poor 500 index. It is six times the U.S.' annual trade deficit. It is also more than the GDP of the United Kingdom. The significance of digital economy is the fact that this entire value has been generated in the past 20 years since the launch of the Internet.

It is widely accepted that the growth of the digital economy has widespread impact on the whole economy. Various attempts at categorizing the size of the impact on traditional sectors have been made. The Boston Consulting Group discussed "four waves of change sweeping over consumer goods and retail. In 2012, Deloitte ranked six industry sectors as having a "short fuse" and to experience a "big bang" as a result of the digital economy.Telstra, a leading Australian telecommunications provider, describes how competition will become more global and more intense as a result of the digital economy

To digitally grow the country and improve the IT institution of the country, digital India is one of the biggest steps ever taken. Worth more than rupee one lakh crore is invested to unveil this program by launching various schemes of the digital India campaign such as digital locker, national scholarship portal, e-health, e-education e-sign, etc. By digital infrastructure here we mean, creating a space where all the registered citizens will have a digital identity, which will help in getting easy and fast government services. All the government services like managing a bank account, financial management, safe and secure cyberspace, education, distance learning etc.

Digital India initiative was launched by Prime Minister NarendraModi on 1st July 2015 and the project is aimed to be completed by 2019. This initiative also includes connecting all the rural areas with high-speed internet networks. The initiative also focuses on reducing the paperwork. Digital India program will benefit both, service providers as well as the consumers. The monitoring of this project will be done by the Prime Minister. This project is been headed and planned by the ministry of communications and information technology.

Digitization is creating tremendous opportunities for economies across the globe. India realized this opportunity, and embraced it. Digital India is a visionary initiative of the Indian government to ensure that government services are made available to citizens electronically by improving online infrastructure. Digital India is one of those ideas that has the potential and depth to transform India. Universal Banking Initiative in India in focusing on simplifying the customer experience, India used a three-pronged approach: (i) JAM Jan DhanYojana through which the government payments transferred into one account digitally (ii) Aadhaarwhich is a national biometric identification system to simplify account opening (iii) mobile technology with the use of a mobile number to allow clients to link accounts for easy recollection.

In India in 2015, the number of digital transactions per capita was only 10, compared to 163 in Brazil, 420 in South Korea and 429 in Sweden. India has the opportunity to reduce its cost of cash from 1.7 per cent of GDP to 1.3 per cent of GDP delivering savings of Rs. 70,000 crores in the next five years. If India could sustain a reduced cost of cash of 1.3 per cent of GDP until 2025, the total savings could be Rs. 4.7 lakh crores with the appropriate policy initiatives in place and followed by effective execution, This could be done by making an investment of Rs. 59,300 crores of which Rs. 58,000 crores would need to be incurred by the government by way of fiscal incentives provided to consumers and merchants, and lowering of import duties on point-of-sale

The Digital India initiative has huge potential to empower the country and aid economic growth by harnessing technology. This initiative will empower India by utilizing the technology to the foremost. The BHIM app has been launched. It will unleash the power of mobile phones for digital payments and financial inclusion. Digital financial services continue to demonstrate the significant potential to advance financial inclusion. A digital economy is an economy which is tracked in real time and each transaction is mapped. It will certainly help expand the tax net. This digital revolution is fundamentally reshaping finance, but a lot still needs to be done to ensure scaling up of services while delivering both convenience and security, fighting fraud, and guaranteeing sufficient consumer protection. India is a cash-based economy; cash transfer is the predominant mode of transfer. Cash might be more expensive for the government, because of tax evasion, corruption and the need to keep re-circulating old, spoilt, currency, and enabling transfers, but digital is very expensive for citizens. Digital financial services offer incredible potential new opportunities, but also new challenges and threats

Digital Economy Enablers: The Development of secure and stable Digital Infrastructure: This project will be a golden opportunity for our country. The main aim of government is to provide fast and high-speed internet connections and whose utility will last long, unique and it would be safe and will also provide authenticity to its citizens. It also focuses on to provide a stable digital infrastructure and easy access to any online services.

Delivering government services digitally: Digital India Programme also focuses on to provide all the services of the government to the citizens digitally. Digitally provided services will promote and motivate the people to do more and more online services and transactions that too easy, electronic and cashless.Cultivating Universal Digital Literacy: Digital empowerment of Indian citizens will surely make possible of digital literacy through universally acceptable digital resources. It will also offer an advantage to the people to submit all the documents online and not physically by going to schools, colleges, and other government organizations.

Aims and Objectives of Digital India

- To provide more and more Information Technology jobs to the people.
- To make all the information available online.
- To provide high-speed internet connections to the rural areas.
- To ensure the broadband highways.
- To make access to mobile phones universally.
- Reforming all the work of government digital and hence providing e-Governance.
- By delivering electronic services, its aim is to bring e-Kranti.

Digital India Services: An Overview: Digital India campaign is a great initiative taken by the Government of India and hence it focuses on to providing various services for the betterment of our citizens and also the country. It provides services such as submitting all the documents online, e-education for distant learning for students, national scholarship portals, e-health for health checkups and other information related to health. DigiLocker facility provides citizen of India to keep their important documents safe and secure digitally and provide an access of each individual. The e-sign facility will help the citizens to sign digitally on any document by doing the authentication of their Aadhar Cards. All these services will help the people of our country in numerous ways. One of the main service or aim of the government is to switch over all the cashless transactions that are to pay using the internet and mobile banking.

Conclusion: The initiative of the Government of India in order to transform India into a digitally empowered society and a knowledge economy is an amazing initiative. The initiative to transform all the government services is also good, comprehensive digital literacy campaigns are necessary. If the government of India is successful in implementing all the policies of Digital India campaign properly then it will provide a high pace growth to our economy as it focuses on to provide high-speed internet facility, broadband highways, information technology jobs, all the information available online, switch over to cashless transactions and use of mobile phones universally.

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Impact of Liberalization on Small Scale Industries of India

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Abstract
Introduction: In general liberalization refers to a relaxation of previous government restrictions, usually in areas of social and economic policy. In other words, liberalization basically refers to removal of administrative control and regulation. The world has become a small town due to Globalization which involves process of liberalization, Privatization and Internationalization. The New Industrial Policy of 1991 announced by the government of India mainly concentrated on economic and industrial liberalization, whose patron was the then Finance Minister Dr. Manmohan Singh.It's Chief Features are Regulations, Disinvestment, Privatization. Small scale industries occupied a place of strategic importance in Indian economy, in view of its considerable contribution to employment, production and exports, and creation of an entrepreneurial base: However since 1991 small scale industries in India find themselves in and intensely competitive environment due to globalization, domestic economic liberalization and dilution of sector specific protective measures. This paper probes highlights on the implications of globalization and domestic economic liberalization on small scale industries.
Objectives of the study: The main objective of the study is to evaluate the performance of MSMEs in India during the pre and post liberalization period.
Methodology: The current study is mainly depending on secondary data.
Conclusion: Micro, small and medium enterprises (MSMEs) occupy a vital role in an Indian economy even during today's liberalize and globalize world. Thus we can hope that with the help of government policies, we can see flourishment of MSMESs in this globalize and liberalize world.
Keywords: Small scale industries (MSMEs), liberalization, production, new economic employment, exports, production.

What is Liberalization?

In general liberalization refers to a relaxation of previous government restrictions, usually in areas of social and economic policy. In other words, liberalization basically refers to removal of administrative control and regulation. The world has become a small town due to Globalization which involves process of liberalization, Privatization and Internationalization. The real thrust to the globalization process was provided by the new economic policy (NEP) Introduce by the government of India in July 1991 at behest of the IMF and the World Bank. Three broad reasons why liberalizations is being persuade are greater economic democracy, through increased private initiatives in economic activities, achieving higher levels of economic growth and employment and reduction of budgetary deficits. In a liberalized Economy, there is no scope for planning as argued by Prabhat Patnaik, There is no scope for planning in a liberalized economy, especially where capital is free to flow in or out. In early 1991, a major economic crisis surfaced in India, which was the worst that this country had experienced since independence.

Hence drastic steps were taken by then P. V. Narsimh Rao Government and India entered into a new era of globalization through its liberalization and privatization.

The New Industrial Policy of 1991 announced by the government of India mainly concentrated on economic and industrial liberalization, whose patron was the then Finance Minister Dr. Manmohan Singh.

It's Chief Features are as follows:

- Regulations
- Disinvestment
- Privatization

The Central Government has abolished FERA (Foreign Exchange Regulation Act) and enacted FEMA (Foreign Exchange Management Act)

The liberalization has tremendously expanded the scope of the private industry in India. Prior to liberalization, 17 of the most important industries were exclusively reserved for recovers for the public sector. Later many of the industries were liberalized. Now in only 6 industries, selective entry of the private sector is allowed.

Industrial licensing is confined to 14 industries. Automatic approval of foreign investment up to 51% and foreign technology agreements are permitted for 48 priority industries. The liberalization policy of the government has strengthened the performance of Indian industries by becoming more competitive. Specific changes due to liberalization observed are reduction in import tariffs, deregulation of markets, reduction of taxes and greater foreign investment.

Liberalization has been credited by its proponents for the high economic growth recorded by the county in the 1990s and 2000s. However opponents have blamed it for increased inequality and economic degradation. It is agreed that liberalization has its own limitations. But, the state and the governing elites need to remain conscious taking its ups and downs. It must be acknowledged that the market is not a panacea of all evils. If public sector can fail, so can the markets: Rightly remarked by former US President Bill Clinton, "Globalization has become a necessity and there is no escape from it".

Liberalization and its impact on small scale industries

Small scale industries occupied a place of strategic importance in Indian economy, in view of its considerable contribution to employment, production and exports, and creation of an entrepreneurial base. However since 1991 small scale industries in India find themselves in and intensely competitive environment due to globalization, domestic economic liberalization and dilution of sector specific protective measures.

This paper probes highlights on the implications of globalization and domestic economic liberalization on small scale industries. The micro, small and medium enterprises (MSMEs) Sector is a major contributor to the Indian economy.

Despite its contribution and significance in the Indian economy, the MSME sector has been facing various hurdles since long. Since 1991, this sector is facing keen competition from domestic as well as from the MNCs because of the improved technology in the market adopted by large scale industries. So far as India is concerned the small scale industrial sector accounts for about 12.8 million units, 31 million employment and production of war 8000 items with export share of about 40% and 45% of India's manufacturing output and 8% Gross Domestic Product(GDP).

The new economic policy pursued since 1991 has brought this sector face to face with completion through delicensing, reduction in customs and excise duties. Several small scale units have withered away but those who have adopted modern production practices like auto ancillary sectors have benefitted substantially.

Objectives of the study:

The main objective of the study is to evaluate the performance of MSMEs in India during the pre and post liberalization period.

Methodology:

The current study is mainly depending on secondary data.

Indian government has announced a separate policy for the small medium, tiny and also village enterprises on 6th Aug 1991.

It was the first time that government had issued a separate policy statement for small and medium tiny and village enterprises and stated some development programmers for the development of MSMEs. In the past, small scale sector made only two or three paragraphs mere in the general industrial policy statement.

During the pre-economic liberalization period, a wide variety of incentives, concessions and intuitional facilities were extended for the development of SSIs but this socialistic promotional policy measures (Tripathi, 2006) in many cases resulted in protection of weak units rather than the independent growth of units under competitive business environment. Such situation continued up to the middle of 1991. Under the regime of economic liberalization the focus was shifted from 'production' to 'competitive promotion' (Raja and Rajashekhar 2002).

However, the policy statement proposed sum path-breaking measures to mitigate the handicaps that wear faced by small enterprises. The government of India introduces a large number of innovative promotional measures to uplift the growth of small scale sector. The current paper presents the data mainly taken from a 'Ministry of micro small and medium enterprises, Government of India', Published by Reserve Bank of India in Hand Book of statistics on Indian economy. Here an attempt has been made to analyze the impact of new reforms on the growth of small scale industries. The reference period for the analysis of the data has been taken from 1975-76 to 2005-06 the study period has been divided in two parts: 1- Pre-period (1975-76 to 1989-90) and 2- Post period (1990-91 to 2004-05) of new economic reforms

Number of SSI Units

The following number of units in small scale sector in pre and post new reforms period in India is slow in the following table.

Table No. 1 (Units = Million No's)

Year	Units	Prev. Year % Increased	Indication	Year	Units	Prev. Year % Increased	Indication
1975-76	0.55	N.A	N.A.	1990-91	6.79	273.08	Positive
1976-77	0.59	7.27	Positive	1991-92	7.06	3.98	Negative
1977-78	0.67	13.56	Positive	1992-93	7.35	4.11	Positive
1978-79	0.73	8.76	Negative	1993-94	7.65	4.08	Negative
1979-80	0.81	10.96	Positive	1994-95	7.96	4.05	Negative
1980-81	0.87	7.41	Negative	1995-96	8.28	4.02	Negative
1981-82	0.96	10.34	Positive	1996-97	8.62	4.11	Positive
1982-83	1.06	10.42	Positive	1997-98	8.97	4.06	Negative
1983-84	1.16	9.43	Negative	1998-99	9.34	4.12	Positive
1984-85	1.24	6.90	Positive	1999-00	9.72	4.07	Negative
1985-86	1.35	8.87	Positive	2000-01	10.11	4.01	Negative
1986-87	1.46	8.15	Negative	2001-02	10.52	4.06	Positive
1987-88	1.58	8.22	Positive	2002-03	10.95	4.09	Positive
1988-89	1.71	8.23	Positive	2003-04	11.40	4.11	Positive
1989-90	1.82	6.43	Negative	2004-05	11.86	4.04	Negative

Source : Ministry of Micro, Small and Medium Enterprises, GOI | AAGR + Annual Average Growth Rate of Exponential Growth Rate.

Production

Table no. 2 provides the information about the growth of small scale sector on production front during the period of 1975-76 to 2004-05

Table No. 2 (Production = Cross)

Year	Units	Prev. Year % Increased	Indication	Year	Units	Prev. Year % Increased	Indication
1975-76	11000	19.51	--	1990-91	78802	-40.44	--
1976-77	12400	12.73	Negative	1991-92	80615	2.30	Negative
1977-78	14300	15.32	Positive	1992-93	84413	4.71	Positive
1978-79	15800	10.49	Negative	1993-94	98796	17.04	Positive
1979-80	21600	36.71	Positive	1994-95	122154	23.64	Positive
1980-81	28100	30.09	Negative	1995-96	147712	20.92	Positive
1981-82	32600	16.01	Negative	1996-97	167805	13.60	Negative
1982-83	35000	7.36	Negative	1997-98	187217	11.57	Negative
1983-84	41600	18.86	Positive	1998-99	210454	12.41	Negative
1984-85	50500	21.39	Positive	1999-00	233760	11.07	Negative
1985-86	61200	21.19	Negative	2000-01	261297	11.78	Positive
1986-87	72300	18.14	Negative	2001-02	282270	8.03	Positive
1987-88	87300	20.75	Positive	2002-03	314850	11.54	Positive
1988-89	106400	21.88	Positive	2003-04	364547	15.78	Positive
1989-90	132300	24.34	Negative	2004-05	429796	17.90	Negative

Source : Ministry of Micro, Small and Medium Enterprises, GOI

Employment

In India, the major argument for promoting small scale sector is that the enterprises provide avenues for gainful employment. The performance of small scale sector in creating employment opportunities is really a matter of great interest. The following table provides the information of small scale sector on the growth of employment:

Table No. 3 (Employment = Million No's)

Year	Units	Prev. Year % Increased	Indication	Year	Units	Prev. Year % Increased	Indication
1975-76	4.59	--	--	1990-91	15.83	32.36	--
1976-77	4.98	8.50	--	1991-92	16.60	4.86	Negative
1977-78	5.40	8.43	Negative	1992-93	17.48	5.30	Positive
1978-79	6.38	18.15	Positive	1993-94	18.26	4.46	Negative
1979-80	6.70	5.02	Negative	1994-95	19.14	4.82	Positive
1980-81	7.10	5.97	Positive	1995-96	19.79	3.40	Negative
1981-82	7.50	5.63	Negative	1996-97	20.59	4.04	Positive
1982-83	7.90	5.33	Negative	1997-98	21.32	3.55	Negative
1983-84	8.42	6.58	Positive	1998-99	22.06	3.47	Negative
1984-85	9.00	6.89	Positive	1999-00	22.91	3.85	Positive
1985-86	9.60	6.67	Negative	2000-01	24.09	5.15	Positive
1986-87	10.14	5.63	Negative	2001-02	25.23	4.73	Negative
1987-88	10.70	5.52	Negative	2002-03	26.37	4.52	Negative
1988-89	11.30	5.61	Positive	2003-04	27.53	4.40	Negative
1989-90	11.96	5.84	Negative	2004-05	28.76	4.47	Positive

Source: Ministry of Micro, Small and Medium Enterprises, GOI

Exports

In the context of liberalization and globalization of Indian economy, the performance of small scale sector in the field of exports needs a closer look. The exports from small scale sector found to be higher from the total export. The exports of small scale sector are shown in table no 3.

Table No. 3 (Exports= Million No's)

Year	Units	Prev. Year % Increased	Indication	Year	Units	Prev. Year % Increased	Indication
1975-76	500	N.A.	--	1990-91	9664	27.16	--
1976-77	800	60.00	--	1991-92	13883	43.66	Negative
1977-78	800	0	Negative	1992-93	17184	28.10	Positive
1978-79	1100	37.50	Positive	1993-94	25307	42.30	Negative
1979-80	1200	9.09	Negative	1994-95	29068	14.86	Positive
1980-81	1600	33.33	Positive	1995-96	36470	25.46	Negative
1981-82	2100	31.25	Negative	1996-97	39248	7.62	Positive
1982-83	2000	-4.76	Negative	1997-98	44442	13.23	Negative
1983-84	2200	10.00	Positive	1998-99	48979	10.21	Negative
1984-85	2500	13.64	Positive	1999-00	54200	10.66	Positive
1985-86	2800	12.00	Negative	2000-01	69797	28.78	Positive
1986-87	3600	28.57	Negative	2001-02	71244	2.07	Negative
1987-88	4400	22.22	Negative	2002-03	86013	20.73	Negative
1988-89	5500	25.00	Positive	2003-04	97644	13.52	Negative
1989-90	7600	38.18	Negative	2004-05	124417	27.42	Positive

Source: Ministry of Micro, Small and Medium Enterprises, GOI

From the above table it is clear that the comparative analysis of growth pattern of key parameters between pre-post- new reforms periods reveals that the new reforms had a negative impact on the growth of small scale sector measured in terms of number of units, production, employment and exports.A fall in the rate of growth of number of units and employment generation in post liberalization period is a matter of series concern for the policy makers and planners.

We can say that the recent trends of growth of SSI sector showed the trust of Indian economy on globalization and liberalization which has failed to render a positive impact on the growth of Indian small scale sector. No indicator shows the positive impact, in each case the average growth rate is less in post – new reforms period then pre-new reforms period (reference- Impact of Indies New Reforms on Small Scale Industries in India. Bobade Munjushree Vilasrao Shinde Jeevan Vithal)

The liberalization policy has posed certain challenges as well as opportunities to the small scale sector. the challenges are in the form of increased competition arising out of reduced protection due to removal of restrictions on imports and lowering of tariffs. Opportunities have come in the form of access, better technology availability of a variety of row materials and components, impetus to quality efficiency and opportunity to restructure and to diversify.

Conclusion:

Micro, small and medium enterprises (MSMEs) occupy a vital role in an Indian economy even during today's liberalize and globalize world.

MSMEs provide large employment opportunities at lower cost than large industries and also have considerable contribution to export and production. MSMEs help in rural industrialization there by reducing regional imbalances and assuring equal distribution of national income.

After agriculture this sector comes at second position to provide employment opportunities in India. This sector has immense potential. It requires support of government and financial institutions. Government has formulated various policies and schemes but it should ensure proper implementation of such schemes.

The promotional activities for SSI in India need to concentrate on improved credit flows, human resource development, appropriate technology and funds for modernization.

Thus we can hope that with the help of government policies, we can see flourishment of MSMESs in this globalize and liberalize world.

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Developments of Indian Commodity Derivatives Market

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Abstract
Indian economy is witnessing a growth in commodity derivatives market since 2003 after the removal of ban. Today's context for international financial market presents Indian economy with many challenges. Though India has a long history of commodity futures market, trading extended over a period of more than hundred years. Further, Futures trading began in India at almost the same period as in U.S.A. Still Indian commodity futures market is not developed yet. Certainly some issues/problems exists which are the hindrance for the growth and development of this particular market. On this backdrop, the present study has been undertaken and an attempt is made to highlight the development and certain issues prevailing in commodity futures market and to examine the challenges ahead.
Keywords: Commodity futures market, FMC, SEBI, developments and challenges.

Introduction

Apart from being a major consumer of bullion and energy products, India is one of the top producers of the most of agri commodities in the world. It is very much relevant in Global perspective – Global Competitiveness Index (GCI) Report assesses the landscape of competitiveness of different countries of the world. As described in the report, out of the 12 pillars of Competitiveness, Financial Market (stock and commodity market) is one of the important pillars to measure the performance of an economy and which shows the statistical data about global competitiveness index (GCI) of different countries of the world. Statistical report says that Competitiveness of India is at 71st rank out of 144 economies in 2014-15 and stands at 55th place out of 140 countries in terms of overall Index (GCI report 2014-15 and 2015-16). In the context of Indian commodity market, only commodity futures market platform is available to trade. However, the latest development has given path to increase the market participants by launching commodity options contract (only in case of Gold and Castorseed commodity). The commodity futures market in India has recently completed one and a half decade of its existence.

Primary functions of commodity futures market is "Price Discovery and Price Risk Management". A well-developed commodity futures market would help in controlling the price fluctuations and achieve food security for a rapidly growing population. Commodities futures are agreements or the contract to buy or sell raw commodities at a specific date in the future at a predetermined price. There are many categories of commodities for which derivatives contracts are traded online. They are basically, agricultural and non-agricultural commodities. Commodities futures accurately assess the price of commodities as they trade in an open market. It also forecasts the value of the commodity about the future days. The values are set by traders and their analysts. They spend their time in doing research on a particular commodity by incorporating each day's news.

Commodity Derivative Market in India- historical background and developments

In India, Commodity Derivative Market has a long history which is more than a century. First futures market for cotton was setup in 1875 at Mumbai. Later futures trading for oil seeds (Mumbai 1900) & Jute (Calcutta 1912), Wheat in 1913, Bullion in 1920. Though India has a long history of trade in Commodity derivative Market, still it has not developed. Commodity options trading and futures trading had been banned from 1952 to 2002. However, to some extent, trading activities were carried on an OTC basis. In 2003, Govt. of India had removed all the restriction on commodity exchange trading activities. At present, there are five National level commodity exchanges and 21 commodity exchanges at regional level, trading in as many as 80 commodities. National level commodity exchanges are – MCX – Multi Commodity Exchange and NCDEX-National Commodity Derivative Exchange at Mumbai, NMCE-National Multi Commodity Exchange at Ahmadabad, ICEX Mumbai and NBOT-National Board of Trade, Indore.

As Regulatory body to regulate and control the commodity market trading activities, FMC – Forward Market Commission was set up under the FC(R) Forward Contract (Regulation) Act 1952. Moreover, it is important to note that FMC has merged with SEBI on 28th September 2015.

Further, during November 2016, gold options contract was launched. Agri commodity 'Guar seed' options contract was launched during January 2018. In this way, Indian commodity derivatives market has been successful in its developments.

Objectives of the study and Methodology followed

- To study the significance and benefits of commodity futures market.
- To identify the challenges ahead in Indian commodity futures market.

The study is based only on secondary source of data. Data were collected from FMC, NCDEX and MCX websites. Books, articles from journals, newspapers and internet sources were also the sources of data. Significance and challenges of the selected topic have been studied and analysed with the help of Case studies found in the review of literatures.

Scope of the study

The present study has covered only secondary data. It has covered only agri commodity market related literatures. As the major thrust area in commodity market is agricultural commodities and its status.

Review of Literature

Literatures were reviewed to analyse the status of commodity futures market in India. Though India has a long history of commodity futures market, trading extended over a period of more than hundred years. Further, Futures trading began in India at almost the same period as in U.S.A., still Indian commodity futures market is not developed yet. Certainly some issues/problems exists which are the hindrance for the growth and development of this particular market. For this purpose, literatures which were reviewed to analyse the challenges of commodity futures market in India are as follows:

Sahadevan (2010) attempted to highlight the status of Indian agri commodity futures market. The author has taken secondary data for a sample of six agri commodities like pepper, cotton, castor seed, castor oil, mustard seed and gur which are traded at four commodity exchanges i.e. Pepper Exchange in Cochin, Cotton Exchange in Mumbai, Bombay Commodity Exchange and Kanpur Commodity Exchange respectively. These segments face many problems. They are lack of modern and efficient Infrastructure facility, lack of automation and online trading method, existence of black market and so on. These problems are common across exchanges. As per the results of statistical analysis of data on price discovery process the commodity futures market is not efficient to provide hedge against price risk.

Kedar (2011) attempted to study the impact of futures trading on agri commodity market in India. Moreover to understand whether futures contracts are suitable for a developing economy and agro-based economy like India. Findings show that the effect of the futures contract is casual in nature and tends to vary over a long period of time. Further, the author expressed that having futures market in order to manage price risk and price discovery functions would definitely help to develop the underlying commodity futures market in India. In the past, India has a success story of futures trading. However, at present situation, important factors to be considered for its growth are: proper regulatory framework, involvement of different stakeholders (bankers, farmers and investors etc.) in futures market.

Tarun (2012) expressed the market efficiency among the fifteen agricultural commodities futures contract traded at NMCE (National Multi-Commodity Exchange of India) ltd. Statistical tools like Johansen's Co integration approach and OLS approach to study the long run relationship and to estimate the coefficients in co integration equation followed by Wald test. The result shows that the commodity futures contracts are not efficient in terms of hedging against price volatility and also urge for reforms through awareness programme, wider participation of traders and farmers and better infrastructure.

Harwinder et.al., (2013) opined and reviewed the results of empirical study taken up on agricultural commodity futures for the period 2001-2013. The study was divided into three areas – Growth of commodity futures market, relationship between spot and agri-commodity futures market and Price risk management through agricultural commodity futures market. The overall results indicate the problems that are affecting the growth and performance of agricultural commodity futures market in India. These problems are – Lack of awareness among the farmers - Lack of efficient modern infrastructural facilities – No integrity between spot and futures market which can be reduced by arranging for awareness programme or workshop by Govt., or Commodity Exchange.

Shamim et.al., (2014) observed the challenges and issues of commodity market in India which includes spot and futures market integration, regulatory framework, problems of small farmers' linkage to the markets and so on. However, his analysis with some statistical report has given some recommendations. They are:- improvement in Governance - Revamping the market process like introducing single point registration through KYC. Farmers to have trading cum demat account linked with respective bank account in order to have portfolio of commodities. And further, empower farmers through Agriculture Research Institute or NGO's and by facilitating PPP Model.

Nilanjana (2014) outlined the paper into four parts: Commodity Market –an overview, Sector wise commodity market development, Govt. initiatives towards the development and finally challenges and opportunities prevailing in commodity market. First, Commodity futures market is an effective instrument for price risk mgt. and price discovery which is benefited to the stakeholders like farmers, traders, processors and so on. It is a good initiative taken with the goal of improving domestic market efficiency. Analysis of sector wise commodity market development is shown below:

As per FMC, GoI Report 2012-13, overall highest traded commodity is bullion (46% share in trade), lowest traded commodity is agricultural products (13% share). Govt. initiatives to promote commodity market are- 872 Awareness programme were conducted out of which 535 programme were organised for the benefit of the farmers and 337 programmes for other stakeholders, 100 capacity programme conducted . FMC Officers had participated in various international conferences and were deputed for training purpose. Challenges ahead are – Mobilizing resources for supporting promotion campaigns, designing programmes for insuring farmers from price shocks, flow of information, more investments in this sector.

Motilal (2015) aimed at describing the role of Intermediaries in the Commodity Futures Market. In order to perform their roles, they need to be capable through necessary REGULATORY CHANGES. Further, he explains the three major roles of intermediaries in commodity futures market are – Reaching the mass: here, need to expand the market so that all stake holders including small and medium farmers can participate and get benefited. Lack of awareness is not only restricted farmers or traders, even corporate who are exposed to commodity price risks are uncomfortable about hedging their price risk on futures markets and it is given least importance. Compliance, self-regulation and Aggregation and Financing are some of the roles need to be played by Intermediaries in the Commodity Futures Market.

Sivakumar (2016) explained that the Options can be very good tool or instrument not only to hedge farmers' risk effectively, but also to replace expensive subsidies with an efficient market-based mechanism. He argued that government intervention through MSP (Minimum Support Price) only for a few commodities in a few states will not be a solution for price volatility in the market. Further, he argued that futures market will not benefit the farmers in terms of managing the price risk. Suppose the market price for that particular commodity goes up, than farmers have the obligation to perform the contract and deliver at the contracted price (which is less than the current market price). Therefore, the farmers always prefer MSP to futures contract. Therefore the author has suggested to have OPTIONS to hedge the farmers' price risk as it provides flexibility.

Madan (2017) expressed that the most challenging task for producer/farmers is price risk management. Traditional forward contract is not the final solution. One more important hedging tool to all players in the market is "Futures Trading". At the outset, 40%-70% of the total cost consists of raw material for the companies especially those companies which depend on the agro based products. The idea of futures contract for agro based companies is to lock into a price of input and thereby protecting themselves against price fluctuations in the market. Further, farmers are the biggest beneficiary from futures trading which will help the farmer to manage the price risk. Futures trading have provided a useful price hedging tool for all players who deal in commodities. Further it is stated that, in the state of uncertainty market condition, if the price risk is not protected, then it is not satisfactory risk management.

Significance of Commodity Futures Market

Some of the significance of futures market observed from the above literature study are:

- It protects the players in the market by hedging strategy and thereby helps to manage the price risk and also in terms of price discovery process
- It helps to increase the market efficiency by integrating spot and futures market
- To focus on achieving the organizational/ farmers objectives and goals of efficient production
- For the welfare / well-being of all stakeholders especially the farmers and in turn for the well-being of the economy.
- To effectively serve the stakeholders who are actively involved in commodity futures market trading. Further, can make the futures market in India an important profitable opportunity.

Challenges Ahead - Analysis of Findings from These Cases

"Where there is a challenge, there is an opportunity" - The Modern world which is said to be a world of achievements is also world of challenges. The literature reviewed has provided the details on what challenges that agri commodity futures market in general is facing.

- Lack of availability of necessary transport, storage, efficient modern infrastructural facility
- Need for necessary changes in the complete operational and Regulatory framework, with wide spectrum of participation
- Lack of awareness among the farmers and lack of integrity between spot and futures market which can be reduced by arranging for awareness programme or workshop by Govt., or Commodity Exchange.
- -Need for compliance and self regulation for intermediaries who are actively involved in market.
- Need for Aggregation and financing especially for small farmers.
- Need for strengthening the commodity futures market in order to achieve the broader goals.

Conclusion

From the analysis of the literatures, it is very important to understand the significance and the need for the development of commodity futures market in India. With the successful story of futures trading in India before Independence and ban of futures market in India from 1952 to 2002 and further introduction in the year 2003, still Indian Agri commodity futures market has not yet developed. Still Important factors to be considered are: proper regulatory framework, involvement of different stakeholders (bankers, farmers and investors, and farmers etc.) in futures market. However, latest update of merge of FMC with SEBI on 28th September 2015 will definitely provide the way to face these challenges in a better way.

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